



The British Tourist Boards' Staff Pension and Life Assurance Scheme

Scheme Registration Number: 10085336

**Trustees' Annual Report and Financial Statements for
the Year Ended 31 March 2023**

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Foreword by the Chairman of Trustees

I am pleased to present this annual report and financial statements for the year ended 31 March 2023 covering my first full year as the professional chairman of the Trustee Board.

The Trustee Board of the British Tourist Boards' Staff Pension and Life Assurance Scheme ("BTBPLAS" or "the Scheme") held four in-person board meetings, a special meeting on responsible investment beliefs and a separate investment managers' day during the financial year as well as interim quarterly conference calls to discuss key issues when the need arose. A significant amount of preparation work in advance of each board meeting was undertaken by the various committees and working groups, including Administration, Audit, Communications, Guaranteed Minimum Pensions (GMP) Equalisation, Investment, Pensions Buy-In, Risk Management and Valuation.

The Trustees agreed to set up a new Risk Management Committee to review the governance of the Scheme. I would like to thank Mary Chapman for agreeing to chair this new committee which is initially focussing its work on considering the evolving governance requirements set by The Pensions Regulator (TPR) in its new General Code. Following the initial review, the Committee will perform an important role in monitoring and enhancing our Scheme governance.

As at 31 March 2023, the value of total net assets under management in the four sections of the Scheme was £288.9 million (2021/22: £376.8 million). This represents a net decrease of £87.9 million from the same position a year earlier after allowing for cash outflows and net returns on investments. This decrease in the value of the assets under management is related to the Liability Driven Investments (LDI) portfolio with the increase in gilt yields over the past year; conversely, the value of the liabilities has decreased in tandem at the same time. As the table below shows, each of the four sections continue to have a funding level in excess of 100% following this movement in the value of the LDI holdings.

Table 1 below shows the value of the assets and liabilities of each of the four sections of the Scheme using the technical provisions methodology as at 31 March 2023. Work on the statutory triennial valuation of the VisitBritain, VisitScotland and Welsh Government (formerly, Visit Wales) Sections as at 31 March 2023 is currently underway and the Trustees expect to report these sets of results by 30 November 2023. The next scheduled triennial valuation of the Visit London Section will occur on 31 March 2024.

As the VisitBritain, Visit Scotland and Welsh Government Sections of the Scheme are not 100% hedged against movement in interest rates and inflation, rising interest rates (in isolation) lead to a fall in the value of liabilities and therefore an increase in the funding level. Each of the estimated funding levels (on a Technical Provisions basis) have increased substantially since the end of 2021, with the increases being most pronounced since 30 June 2022. This has been a positive development for these sections and paves the way for potential de-risking actions when appropriate.

Section	VisitBritain	VisitScotland	Welsh Government	Visit London
Valuation Type	Interim Update at 31 March 2023	Interim Update at 31 March 2023	Interim Update at 31 March 2023	Interim Update at 31 March 2023
Technical Provisions (L)	£138.2m	£70.1m	£40.0m	£21.0m
Value of Assets (A)	£144.7m	£79.3m	£41.9m	£21.6m
Surplus / Deficit (A-L)	£6.5m	£9.2m	£1.9m	£0.6m
Funding Level (A/L)	104.7%	113.1%	104.7%	102.9%

Similar to many other UK pension schemes, the Scheme was impacted by the UK Government's Fiscal Announcement in September 2022 which caused a spike in gilt yields prompting the Bank of England to instigate a short-term programme of buying gilts in order to stabilise the government bond market.

For UK pension schemes such as our Scheme that use leveraged exposure to Liability Driven Investment (LDI), the government bond market volatility last September caused a significant volume of cash collateral calls, in most cases leading to a requirement to sell other assets. Fortunately, the Scheme's cash holdings provided a substantial collateral buffer for the capital calls which took place with no prior warning in many of the underlying matching LDI funds. Moreover, as the collateral buffer was substantial, the interest rate and inflation hedging were broadly maintained during the market volatility.

A full breakdown of the range of assets held by each of the four sections of the Scheme as at 31 March 2023 is given on page 14.

The Trustee Board has continued this past year the project started in 2021 with the scheme administrator, Buck to review, check and validate the various items of membership data we hold on a sample of members. When completed later in 2023, the outcome of this exercise will ensure that the Trustee Board is able to upload on time members' information to the Pensions Dashboard which has now been postponed to 2026 by the Department for Work and Pensions.

The rectification and equalisation of Guaranteed Minimum Pensions (GMP) for those members with periods of service between 17 May 1990 and 5 April 1997 is ongoing and a communication to those members affected will be sent when the results are finalised.

The online BTB Pension Portal, managed by Buck, is now supported by some 42% of members and the Trustees' target in the year ahead is to increase that percentage still further so that we may switch over to a greater use of e-communications when writing to members with key announcements and notices.

Keeping members' personal data secure and preventing members from being the victims of fraud remain an utmost priority for the Board. It is unfortunate that the Scheme was one of many UK pension schemes impacted by the cyber incident that our former administrator up until 31 May 2020, Capita Pensions Solutions Limited, sustained in late March 2023. The Trustees took immediate action in finding out from Capita more fully what happened, how it happened, what steps Capita had taken to mitigate against future incidents and ascertain the extent to which our Scheme members' data had been impacted. Notifications were also promptly made to the Information Commissioner's Office, The Pensions Regulator and also the Scheme Employers. The Trustees wrote as soon as was practically possible in late May 2023 to inform the entire membership about this cyber incident and advise them to take steps to safeguard their personal data; a second letter was then subsequently issued to the affected pensioner members whose data had been accessed with details of the Experian Identity Plus, a web, social media and database monitoring service, offered on a no-cost basis by Capita as a precaution to ensure that their data is not being misused or available illegally.

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 busy and eventful year in the world of pensions. Mary Lynch and Tony Murphy were re-appointed as member-nominated trustees for second terms of office up until 31 August 2025 and 31 August 2026 respectively. No personnel changes occurred during the year in terms of the new appointment or resignation of either trustees and/or professional advisors which meant that there was continuity in our discussions.

Chris Roberts
Chairman of Trustees
18 September 2023

Trustees' Report

The Trustee Board is pleased to present this thirty-ninth 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

VisitBritain

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:

- Dalriada Trustees Limited
(represented by Chris Roberts) (Chair) (Employer Nominated)
- 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)
- 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"), Absolute Insight Funds plc ("Insight") and IFM Global Infrastructure (IFM).

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.

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 19 and 20.

(c) Legal

The Trustees are advised on legal matters relating to the Scheme by Squire Patton Boggs (UK) LLP of 60 London Wall, London, EC2M 5TQ.

Trustees' Report (continued)

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.

(e) **Bank**

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

(f) **Administration**

The administration for the Scheme is provided by Buck, A Gallagher Company, 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. Financial Development

The Statement of Net Assets available for benefits on page 30 shows that the Scheme had net assets with a value of £288,907,000 at 31 March 2023 (2022: £376,822,000). This represents a decrease of £87,915,000 from the position at 31 March 2022. This decrease is comprised of a net decrease of £8,688,000 from dealings with members and net loss on investments of £79,227,000. 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.

Trustees' Report (continued)

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:

	31.3.2023	31.3.2022
Active members	254	268
Deferred members, including current ex-active members	1,084	1,120
Pensioners	912	882
	<u>2,250</u>	<u>2,270</u>
Active contributing members		
Number of active members at commencement	268	265
Adjustments	-	(9)
Entrants in period, including those returning from maternity and sabbatical leave	13	34
Members leaving with defined benefits	(16)	(13)
Members leaving with undetermined benefits, or becoming inactive	(5)	(6)
Members leaving with contribution refunds	(1)	(1)
Retirements	(4)	(1)
Deaths	-	(1)
Transfer out	(1)	-
Active and contributing members at account date	<u>254</u>	<u>268</u>

Trustees' Report (continued)

Scheme Management (continued)

9. Membership

Deferred members

Number of deferred members at commencement	1,120	1,148
Adjustments	(6)	1
New Entrants	16	13
Transferred out	(4)	(3)
Retirements	(39)	(34)
Commutated Benefits from previous period	-	(1)
Unclaimed deferred benefits	-	(1)
Deaths	(3)	(3)
Deferred members at account date	1,084	1,120

Pensioners

Number of pensioners at commencement	882	854
Adjustments	2	3
Spouse pension during year	14	7
New pensioners in year	42	35
Deaths	(28)	(17)
Pensioner members at account date	912	882

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 2022 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 2022 (and therefore apply to the year covered in this annual report) the increase was 10.1% (2022: 3.1%), on benefits accrued from 6 April 1997 the increase was 10.1% (2021: 4.9%). Pensions that began on or after 6 April 2022 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.

10 South 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)

The Money and Pensions Service

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 45 to 52. The Triennial Valuation of the Visit London Section as at 31 March 2021 was completed during the year and the Summary Funding Statement was 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 2023

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	505	2,413	2,918
Deficit funding contributions	-	308	308
Contributions towards administrative costs	-	471	471
Total	505	3,192	3,697
Other contributions payable			
Additional voluntary contributions not required under the Schedule of Contributions	55	-	55
Total	560	3,192	3,752

Signed on behalf of the Trustees: Chris Roberts

(Trustee)

..... Anthony Murphy

(Trustee)

Date: 18 September 2023

Trustees' Report (continued)

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 sets out the broad policy to be adopted by each of the appointed fund managers.

Investment managers

The names of those who have managed the Scheme's investments during the year are listed on page 6. The Trustees have delegated 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.

Any member may request a copy of the SIP or obtain a copy through the Scheme website <https://btbpensionscheme.org.uk>. This statement may change from time to time according to advice received from the investment managers or the Trustees' investment adviser.

Departures from investment principles

During the year to 31 March 2023, 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. As highlighted in the 2022 accounts, an allocation to infrastructure was made in January 2023. With a wider investment strategy review taking place in the second half of 2023, adjustments to the SIP will be made to reflect these changes accordingly.

Custody of investment assets

The Scheme invests exclusively in pooled funds. Therefore, responsibility for the custody arrangements of the Scheme's invested assets lies with the underlying fund managers, each of which appoint a custodian for this purpose.

Employer-related investments

The Scheme did not hold any employer-related investments at the end of the Scheme year (2022: nil).

Trustees' Report (continued)

Investment Matters (continued)

Asset allocation

These are set out below as at 31 March 2023:

Strategic benchmark allocations				
Asset class	VisitBritain	VisitScotland	Welsh Government	Visit London
Equities	12.5%	22.5%	-	-
<i>Legal and General Investment Management (LGIM) regional market-cap passive equity funds</i>	6.25%	11.25%	-	-
<i>LGIM Diversified Multi-Factor Equity Fund</i>	6.25%	11.25%	-	-
Multi-asset	20%	12.5%	5%	10%
<i>Baillie Gifford Diversified Growth Fund</i>	10%	6.25%	5%	10%
<i>Insight Broad Opportunities Fund</i>	10%	6.25%	-	-
IFM Global Infrastructure¹		10%		
Threadneedle Property Unit Trust	7.5%	7.5%	5%	-
Partners Group Multi-Asset Credit Fund	12.5%	12.5%	10%	-
BlackRock Diversified Credit Fund	5%	2.5%	5%	-
Liability Driven Investments	37.5%	27.5%	22.5%	65%
<i>BlackRock Leveraged Gilt / Index-Linked Gilt Funds</i>	37.5%	27.5%	22.5%	-
<i>LGIM Gilt and Index-Linked Gilt Funds</i>	-	-	-	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 assets of the Visit London Section as at 31 March 2023 was £21.7m consisting of: £13.8m invested in LGIM's Gilt and Index-Linked Gilt Funds; £6.9m invested in an insured annuity policy with Aviva; and £1.0m invested in the Baillie Gifford Diversified Growth Fund. The total value of the Scheme's invested assets is shown on the Statement of Net Assets on page 30.

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.

¹ The VisitScotland section invested in the IFM Global Infrastructure Fund in January 2023

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	-13.7%	-14.5%	2.3%	2.6%	2.4%	2.5%
IFM Global Infrastructure	N/A	N/A	N/A	N/A	N/A	N/A
LGIM Market-Cap Equity	-6.1%	-6.0%	11.4%	11.5%	4.0%	4.1%
LGIM Diversified Multi-Factor Equity Fund	0.6%	-0.4%	10.1%	9.5%	N/A	N/A
Partners Group MAC IV	5.8%	7.4%	6.3%	6.0%	N/A	N/A
Partners Group MAC VI	4.7%	7.4%	4.7%	6.1%	N/A	N/A
Baillie Gifford Diversified Growth Fund	-8.9%	5.9%	3.5%	4.4%	0.3%	4.4%
Insight Broad Opportunities Fund	-6.7%	5.9%	3.3%	4.7%	N/A	N/A
BlackRock LSF GBP Diversified Credit Fund	6.0%	4.3%	6.8%	2.9%	4.8%	2.8%
BlackRock LDI	-64.9%	-64.8%	-28.7%	-28.5%	-14.7%	-14.6%
BlackRock Liquidity	2.3%	2.2%	1.0%	0.8%	N/A	N/A

Notes

BlackRock Liquidity Fund inception date is 31 December 2019. 5-year performance not yet available.

LGIM Diversified Multi-Factor Equity Fund inception date is 29 May 2020. 3-year performance is since inception.

Partners Group MAC 2017 inception date is 20 April 2018. 5-year performance is since inception.

Partners Group MAC VI inception date is 30 September 2021. 3-year performance is since inception performance.

Insight Broad Opportunities Fund inception date is 27 July 2018. 5-year performance not yet available..

IFM Global Infrastructure Fund Inception date is 3 January 2023

Investment risk disclosures

Investment risks are disclosed in note 19 on pages 39 to 42.

Trustees' Report (continued)

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.

Trustees' Report (continued)

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
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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: 18 September 2023

Trustee

Anthony Murphy
.....

Date: 18 September 2023

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

*This action is currently out for Tender and the full exercise will be completed by March 2024.

Signed: Chris Roberts

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

Date: 18 September 2023

Report on Actuarial Liabilities

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

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 the technical provisions 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 most recent full actuarial valuation of the Section was carried out as at 31 March 2020.

The value of the technical provisions was £182.4m.

The value of the assets at the same date was £181.3m.

Thus, there was a funding deficit of £1.1m and a funding level (assets as a percentage of the technical provisions) of 99%. It was expected that returns achieved on the existing assets would be sufficient to recover the deficit over the period to 31 March 2024, so no deficit recovery contributions were payable. VisitBritain will pay contributions towards the cost of administering the Section.

Details of the methods and significant actuarial assumptions used to determine the technical provisions are set out at the end of this report (all assumptions are set out in the Statement of Funding Principles).

VisitScotland Section

The most recent full actuarial valuation of the Section was carried out as at 31 March 2020.

The value of the technical provisions was £85.1m.

The value of the assets at the same date was £76.1m

Thus, there was a funding deficit of £9.0m and a funding level (assets as a percentage of the technical provisions) of 89%. To fund the continuing accrual of benefits, VisitScotland would contribute 24.1% of pensionable salary. This would be in addition to member contributions of 5.0% and contributions towards the cost of administering the Section.

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

Details of the methods and significant actuarial assumptions used to determine the technical provisions are set out at the end of this report (all assumptions are set out in the Statement of Funding Principles).

Report on Actuarial Liabilities (continued)

Welsh Government Section

The most recent full actuarial valuation of the Section was carried out as at 31 March 2020.

The value of the technical provisions was £55.5m.

The value of the assets at the same date was £61.6m

Thus, there was a funding surplus of £6.1m and a funding level (assets as a percentage of the technical provisions) of 111%. As the Welsh Government Section was fully funded as at 31 March 2020 no deficit recovery contributions were required. The Welsh Government would only pay contributions towards the cost of administering the Section.

Details of the methods and significant actuarial assumptions used to determine the technical provisions are set out at the end of this report (all assumptions are set out in the Statement of Funding Principles).

Visit London Section

The most recent full actuarial valuation of the Section was carried out as at 31 March 2021.

The value of the technical provisions was £30.1m.

The value of the assets at the same date was £32.0m

Thus, there was a funding surplus of £1.9m and a funding level (assets as a percentage of the technical provisions) of 106%. There is no employer to make contributions to the Section.

Details of the methods and significant actuarial assumptions used to determine the technical provisions are set out at the end of this report (all assumptions are set out in the Statement of Funding Principles).

Method and Significant Actuarial Assumptions

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

The table below summarises the significant actuarial assumptions (as set out in the relevant Section's Statement of Funding Principles). Some assumptions differ by Section.

Assumption	VisitBritain	VisitScotland	Welsh Govn't	VisitLondon
Discount rate before retirement	Gilt yield curve plus 3% p.a.	Gilt yield curve plus 3.5% p.a.	Gilt yield curve plus 0.75% p.a.	Bank of England yield curve plus 0.15% p.a.
Discount rate after retirement	Gilt yield curve plus 1% p.a.	Gilt yield curve plus 1.5% p.a.	Gilt yield curve plus 0.75% p.a.	Bank of England yield curve plus 0.15% p.a.
Future price inflation RPI	RPI curve less 0.1% p.a.	RPI curve less 0.1% p.a.	RPI curve less 0.1% p.a.	Bank of England RPI curve
Future price inflation CPI	RPI assumption less 0.9% p.a.	RPI assumption less 0.9% p.a.	RPI assumption less 0.9% p.a.	RPI assumption, with a reduction of 0.75% p.a. before 2030 only
Salary growth	CPI assumption plus 0.5% p.a.	CPI assumption plus 0.5% p.a.	CPI assumption plus 0.5% p.a.	n/a
Revaluation in deferment	CPI assumption	CPI assumption	CPI assumption	CPI assumption
Pension increases in payment	RPI or CPI assumption with relevant cap applied	RPI or CPI assumption with relevant cap applied	RPI or CPI assumption with relevant cap applied	RPI or CPI assumption with relevant cap applied
Mortality base table	S2PA table, with adjustment of 90% (males) and 92% (females)	S2PA table, with adjustment of 98% (males) and 98% (females)	S2PA table, with adjustment of 96% (males) and 94% (females)	S3PA light tables, with adjustment of 93% (males) and 94% (females)
Mortality projection	CMI 2019 projection with 1.5% p.a. long term rate	CMI 2019 projection with 1.5% p.a. long term rate	CMI 2019 projection with 1.5% p.a. long term rate	CMI 2020 projection with 1.5% p.a. long term rate and an initial addition of 0.2% p.a.

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

2.1 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 and Life Assurance Scheme ("the Scheme") for the year ended 31 March 2023 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 2023, 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, 2017 and 2021;
- 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 Limited
Statutory Auditors
Glasgow

Date: 18 September 2023

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 2023 which is set out in the Trustees' Report on page 12.

In our opinion contributions for the Scheme year ended 31 March 2023, 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 Limited
Statutory Auditors
Glasgow

Date: 18 September 2023

Fund Account

For the year ended 31 March 2023

	Note	2023 £'000	2022 £'000
Contributions and benefits			
Employer contributions	6	3,192	3,153
Employee contributions	6	560	592
Total contributions		3,752	3,745
Other income	7	10	71
		3,762	3,816
Benefits paid or payable	8	(10,330)	(10,263)
Payment to and on account of leavers	9	(738)	(401)
Administrative expenses	10	(1,354)	(990)
Other payments	11	(28)	(29)
		(12,450)	(11,683)
Net withdrawals from dealings with members		(8,688)	(7,867)
Returns on investments			
Investment income	12	5,185	8,303
Change in market value of investments	13	(84,033)	10,282
Investment management expenses	14	(379)	(321)
Net returns on investments		(79,227)	18,264
Net (decrease)/increase in the fund during the year		(87,915)	10,397
Net assets of the Scheme at 1 April		376,822	366,425
Net assets of the Scheme at 31 March		288,907	376,822

The accompanying notes on pages 31 to 43 are an integral part of these financial statements.

Statement of Net Assets available for benefits

	Note	At 31 March 2023 £'000	At 31 March 2022 £'000
Investment assets:	13		
Pooled investment vehicles	16	249,048	326,745
AVC investments	17	617	560
Insurance policies – annuities		35,199	40,275
Cash		477	435
Other investment balances		525	261
Total investments		285,866	368,276
Current assets	20	3,779	9,042
Current liabilities	21	(738)	(496)
Net assets of the Scheme at 31 March		288,907	376,822

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

The notes on pages 31 to 43 form an integral part of these financial statements.

The financial statements were approved and authorised for issue by the Trustees on 18 September 2023.

Signed on behalf of the Trustees:
Chris Roberts

(Trustee)

.....
Anthony 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 and bulk annuity policies 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.

Notes to the Financial Statements (continued)

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 Section 75 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.

Notes to the Financial Statements (continued)

6. Contributions

	2023 £'000	2022 £'000
Employer contributions		
Normal	2,413	2,393
Deficit funding contributions	308	300
Contributions towards administrative costs	471	460
	3,192	3,153
Employee contributions		
Normal	505	500
Additional voluntary contributions, including added years	55	92
	560	592
	3,752	3,745

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 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 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 Schedule of Contributions for VisitScotland was certified on 27 April 2021 which states the Employer will pay £150,000 per annum towards the cost of administering the Scheme which will increase at 2.5% per annum, with the first increase applying on 1 April 2022.

A Schedule of Contributions for VisitScotland was certified on 27 April 2021 which states the employer will pay £300,000 per annum from 1 April 2021 to 31 March 2033 in respect of the shortfall in funding which will increase at 2.5% per annum, with the first increase applying on 1 April 2022.

7. Other income

	2023 £'000	2022 £'000
Death benefit claim	-	70
Sundry income	10	1
	10	71

Notes to the Financial Statements (continued)

8. Benefits paid or payable

	2023 £'000	2022 £'000
Pensions	9,344	9,000
Commutations of pensions and lump sum retirement benefits	901	1,181
Lump sums on death in retirement	30	78
Refund of contributions on death	55	4
	10,330	10,263

9. Payments to and on account of leavers

	2023 £'000	2022 £'000
Refunds to members leaving service	20	19
Individual transfers out to other arrangements	718	382
	738	401

10. Administrative expenses

	2023 £'000	2022 £'000
Administration and processing	426	352
Audit and accountancy fees	18	17
Legal and other professional fees	358	260
Actuarial expenses	328	191
Other expenses	-	9
Levies	11	6
Irrecoverable VAT	213	155
	1,354	990

11. Other payments

	2023 £'000	2022 £'000
Life assurance premiums	28	29

Notes to the Financial Statements (continued)

12. Investment income

	2023 £'000	2022 £'000
Management fee rebate	23	37
Interest on cash deposits	24	-
Annuity income	2,867	2,586
Income from pooled investment vehicles	2,271	5,680
	5,185	8,303

13. Reconciliation of investments

	Value at 1 April 2022 £'000	Purchases at cost £'000	Sales proceeds £'000	Change in market value £'000	Value at 31 March 2023 £'000
Pooled investment vehicles	326,745	233,336	(232,066)	(78,967)	249,048
Insurance policies - annuities	40,275	-	-	(5,076)	35,199
AVC investments	560	56	(9)	10	617
	367,580	233,392	(232,075)	(84,033)	284,864
Cash	435				477
Other investment balances	261				525
	368,276				285,866

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 2023:

	Total 2023 £'000	Scheme's net assets %	Total 2022 £'000	Scheme's net assets %
Partners Group MAC 2017 Fund	19,663	6.81%	23,448	6.22%
Baillie Gifford Diversified Growth Fund	20,717	7.17%	34,015	9.03%
Threadneedle Property Unit Trust Class A Units	15,401	5.33%	27,373	7.26%
Legal & General Gilts (Visit London)	-	-	21,369	5.67%
LGIM Diversified Multi-Factor Equity Fund	17,344	6.00%	30,430	8.08%
BlackRock Liability Hedging	67,770	23.46%	96,277	25.55%
BlackRock Cash & Commitments	18,718	6.48%	-	-
Insight Broad Opportunities Fund	17,359	6.01%	27,700	7.35%
Insurance policies – annuities	35,199	12.18%	40,275	10.69%

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.

Notes to the Financial Statements (continued)

14. Investment management expenses

	2023 £'000	2022 £'000
Administration, management and custody	379	321

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:

	2023 £'000	2022 £'000
Equity	34,819	56,965
Bonds	151,082	180,692
Property	15,401	27,373
Absolute Return	38,077	61,715
Infrastructure	9,669	-
	249,048	326,745

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:

	2023 £'000	2022 £'000
Utmost Life & Pensions Limited (formerly, The Equitable Life)	5	5
Prudential Assurance Company	411	420
ReAssure (formerly, Legal & General)	201	135
	617	560

Active members of the VisitScotland Section may also purchase added years with contributions to the main fund.

Notes to the Financial Statements (continued)

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 2023	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Pooled investment vehicles (PIVs)	-	194,331	54,717	249,048
AVC investments	-	206	411	617
Insurance policies - annuities	-	-	35,199	35,199
Cash	477	-	-	477
Other investment balances	525	-	-	525
	1,002	194,537	90,327	285,866

As at 31 March 2022	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Pooled investment vehicles	-	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

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 Welsh Government Sections.
- Private lending mandate managed by Partners Group for the VisitBritain, VisitScotland and Welsh Government Sections.

The credit risk from the Legal & General Investment Management 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 2023	Investment Grade	Non-investment Grade	Unrated	Total
	£'000	£'000	£'000	£'000
PIVs	122,159	48	29,647	151,854

Notes to the Financial Statements (continued)

19. Investment risk disclosures (continued)

Credit risk (continued)

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

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 Welsh Government 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's liabilities are denominated in Pound 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 also invests in infrastructure, managed by IFM in a pooled fund arrangement. IFM aim to hedge 100% of currency risk, with typical ranges fluctuating around 95-100%. For the purpose of these accounts, we have assumed a 5% exposure to unhedged overseas currency. The Scheme's total net unhedged exposure at the year-end was as follows:

	2023 £'000	2022 £'000
PIVs	9,780	16,051

Notes to the Financial Statements (continued)

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:

	2023 £'000	2022 £'000
PIVs	<u>151,854</u>	<u>181,127</u>

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 and infrastructure 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:

	2023 £'000	2022 £'000
Equity held in PIVs	34,819	56,965
Absolute return held in PIVs	38,077	61,715
Property held in PIVs	15,401	27,373
Infrastructure held in PIVs	9,669	-
	<u>97,966</u>	<u>146,053</u>

Notes to the Financial Statements (continued)

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. Although this is not an exhaustive list, 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

	2023	2022
	£'000	£'000
Contributions due from the employer in respect of:		
Employer	251	-
Employees	41	-
Other debtors	3	2
Prepaid pensions	661	-
Life assurance premium refunds	28	-
Annuity due	121	-
Cash balances	2,674	9,040
	<u>3,779</u>	<u>9,042</u>

Contributions in respect of the month of March 2023 were paid on 6 April 2023 for VisitScotland (£273,000) and 21 April 2023 for VisitBritain (£19,000) respectively.

Notes to the Financial Statements (continued)

21. Current liabilities

	2023 £'000	2022 £'000
Unpaid benefits	166	14
Accrued expenses	478	361
Prepaid annuity	89	117
Taxation due on refunds to members	5	4
	738	496

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 new Chairman from Dalriada Trustees Limited started on 1 April 2022. The participating Employers meet the costs associated with the Dalriada Trustees Limited acting as an employer nominated Trustee of the Scheme. The amount paid in 2022/23 was £72,896 plus VAT (2021/22: £Nil).

The Chairman from Law Debenture Pension Trust Corporation plc ended the contract as at 31 March 2022 with the final fee of £23,288 plus VAT being paid during 2022/23 (2021/22: £96,214).

The Scheme met the costs associated with the Pegasus Pensions plc for secretarial work carried out in 2022/23 for £78,697 (2021/22: £84,844). This amount was paid directly from the Scheme and is included in Note 10.

At 31 March 2023 the Scheme had a debtor balance of £Nil (2021/22: £2,726) owed from the Principal Employer within other debtors in Note 20.

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 "Section")

Summary Funding Statement 31 March 2022

What's this statement for?

The Trustees are required to provide you with this statement giving you an update about the Section'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

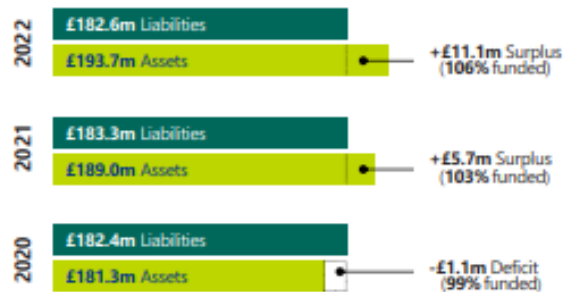
By post: British Tourist Boards' Staff Pension and Life Assurance Scheme, Buck Admin Team, Buck (Ipswich), P O Box 323, Mitcheldean, GL14 9BL.

By phone: 01473 293 474

The last actuarial valuation at 31 March 2020

An actuarial valuation is an exercise to compare how much money the Section has (its 'assets') with how much it needs to be able to pay everyone the benefits they are entitled to (its 'liabilities'). If the Section'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 on 31 March 2021 and 31 March 2022. The results of these valuations are shown on the right.



Summary of the Recovery Plan

There was a shortfall at the 2020 valuation which is expected to be met through additional returns achieved on the Section's assets over and above the cautious estimate made for the 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 previous statement

The funding of the Section has improved since the previous statement and the 2020 valuation. This is mainly due to returns on the Scheme's investments being higher than assumed.

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 Scheme is still running, benefits will still be paid in full. If the VisitBritain Section did start to wind up, benefits may be secured with an insurance company.

In the 2020 valuation it was estimated that the amount needed to secure all the Section's benefits was £259m, which was £77m more than the Section's assets. This is just an indication and we are required to provide this information under legislation, it 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 the 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 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 Section 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 Section to have enough money to pay all members their benefits, both now and into the future.

How do you work out how much the Section needs?

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

Each Employer also pays the cost of running the Scheme every year. This is why the Section relies on the Employer's 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 Section runs normally with the continuing support of the Employer.

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

Stay in touch

If any of your personal details are changing, such as your name or address, please can you inform Buck, the Scheme Administrator as soon as possible. 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.

Thinking of leaving the Scheme?

If you are thinking of leaving the Scheme for any reason, you should talk to an independent financial adviser, who is regulated by the Financial Conduct Authority (FCA) and specifically authorised to provide advice on pension transfers, before doing so. You can find one local to you at www.unbiased.co.uk

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 Company 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 Section's assets invested?

The Trustees' policy is to invest in a broad range of assets. As at 31 March 2022, the Section's assets were invested in the following way:

L&G Equities	13.6%
Partners Multi-Asset Credit	8.9%
Insight Broad Opportunities	10.3%
Baillie Gifford Diversified Growth Fund	10.1%
Threadneedle Property	9.1%
Blackrock (LDI and credit)	48.0%

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

A message from the Trustees on recent market conditions.

You may have read news headlines recently describing how pension schemes have struggled due to changing investment market conditions, notably rising gilt yields. We wanted to reassure you that the Scheme's funding level has withstood the recent market volatility well.

The Trustees have been working with all parties (namely, the advisors, the employer sponsor(s) and investment managers) to adjust the investment strategy to control risk in the near term. Looking forward we shall be reviewing the long-term investment strategy to ensure it continues to deliver on its objectives.

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

Summary Funding Statement 31 March 2022

What's this statement for?

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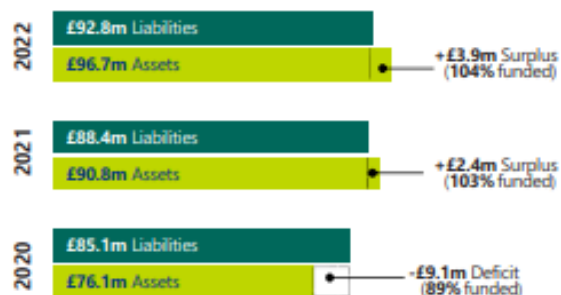
By post: British Tourist Boards' Staff Pension and Life Assurance Scheme, Buck Admin Team, Buck (Ipswich), P O Box 323, Mitcheldean, GL14 9BL

By phone: 01473 293 474

The last actuarial valuation at 31 March 2020

An actuarial valuation is an exercise to compare how much money the Section has (its 'assets') with how much it needs to be able to pay everyone the benefits they are entitled to (its 'liabilities'). If the Section'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 on 31 March 2021 and 31 March 2022. The results of these valuations are shown on the right.



Summary of the Recovery Plan

There was a shortfall at the 2020 valuation, as such VisitScotland ("the Employer") has agreed to pay 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 the Scheme expenses.

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

Change in funding position since previous statement

The funding of the Section has improved since the previous statement and the 2020 valuation. This is mainly due to returns on the investments being higher than assumed.

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 still be paid in full. If the VisitScotland Section did start to wind up, benefits may be secured with an insurance company.

In the 2020 valuation it was estimated that the amount needed to secure all the Section's benefits was £169m, which was £93m more than the Section's assets. This is just an indication and we are required to include this information under legislation, it 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 the 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

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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 Section 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 Section to have enough money to pay all members their benefits, both now and into the future.

How do you work out how much the Section needs?

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

Each Employer also pays the cost of running the Scheme every year. This is why the Section relies on the Employer's 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 Section runs normally with the continuing support of the Employer's.

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

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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 Company 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 Section's assets invested?

The Trustees' policy is to invest in a broad range of assets. As at 31 March 2022, the Section's assets were invested in the following way:

L&G Equities	34.6%
Partners Multi-Asset Credit	9.9%
Insight Broad Opportunities	9.7%
Baillie Gifford Diversified Growth Fund	9.3%
Threadneedle Property	8.0%
Blackrock (LDI and credit)	28.5%

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

A message from the Trustees on recent market conditions.

You may have read news headlines recently describing how pension schemes have struggled due to changing investment market conditions, notably rising gilt yields. We wanted to reassure you that the Scheme's funding level has withstood the recent market volatility well.

The Trustees have been working with all parties (namely, the advisors, the employer sponsor(s) and investment managers) to adjust the investment strategy to control risk in the near term. Looking forward we shall be reviewing the long-term investment strategy to ensure it continues to deliver on its objectives.

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

Summary Funding Statement 31 March 2022

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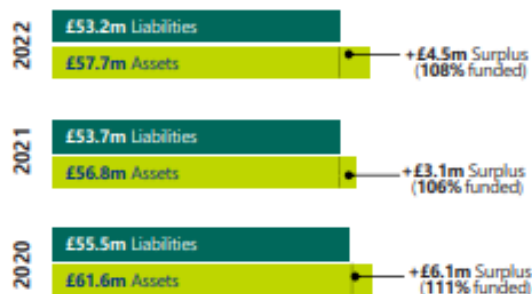
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By phone: 01473 293 474

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Full valuations usually take place every three years and the last one was on 31 March 2020, with a yearly update on 31 March 2021 and 31 March 2022. 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 share of the cost of running the Scheme).

Change in funding position since previous statement

The funding of the Section has improved since the previous statement, mainly due to returns on the Section's investments being higher than assumed.

The main reason for the deterioration in the previous year was 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.

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 Scheme is still running, benefits will be paid in full. If the Welsh Government Section did start to wind up, benefits may be secured with an insurance company.

In the 2020 valuation it was estimated that the amount needed to secure all the Section's benefits was £73m, which was £11m more than the Section's assets. This is just an indication and is required under legislation, it 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 the benefits, the Employer would have to make up the difference. There is a guarantee from the Welsh Government if such a shortfall exists.

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 Section 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 Section to have enough money to pay all members their benefits, both now and into the future.

How do you work out how much the Section needs?

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

Each Employer also pays the cost of running the Scheme every year. This is why the Section relies on the Welsh Government's 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 Section runs normally with the continuing support of the Employer's.

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

Stay in touch

If any of your personal details are changing, such as your name or address, please can you inform Buck, the Scheme Administrator as soon as possible. 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.

Thinking of leaving the Scheme?

If you are thinking of leaving the Scheme for any reason, you should talk to an independent financial adviser, who is regulated by the Financial Conduct Authority (FCA) and specifically authorised to provide advice on pension transfers, before doing so. You can find one local to you at www.unbiased.co.uk

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 Company 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 Section's assets invested?

The Trustees' policy is to invest in a broad range of assets. As at 31 March 2022, the Section's assets were invested in the following way:

Partners Multi-Asset Credit	15.3%
Baillie Gifford Diversified Growth Fund	17.9%
Threadneedle Property	12.9%
Blackrock (LDI and credit)	53.9%

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

A message from the Trustees on recent market conditions.

You may have read news headlines recently describing how pension schemes have struggled due to changing investment market conditions, notably rising gilt yields. We wanted to reassure you that the Scheme's funding level has withstood the recent market volatility well.

The Trustees have been working with all parties (namely, the advisors, the employer sponsor(s) and investment managers) to adjust the investment strategy to control risk in the near term. Looking forward we shall be reviewing the long-term investment strategy to ensure it continues to deliver on its objectives.

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

Summary Funding Statement 31 March 2022

What's this statement for?

The Trustees are required to provide you with this statement giving you an update about the Section'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

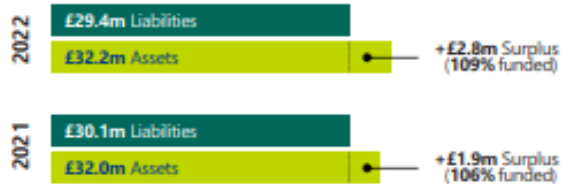
By post: British Tourist Boards' Staff Pension and Life Assurance Scheme, Buck Admin Team, Buck (Ipswich), P O Box 323, Mitcheldean, GL14 9BL

By phone: 01473 293 474

The last actuarial valuation at 31 March 2021

An actuarial valuation is an exercise to compare how much money the Section has (its 'assets') with how much it needs to be able to pay everyone the benefits they are entitled to (its 'liabilities'). If the Section'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 2021, with a yearly update on 31 March 2022. The results of these valuations are shown on the right.



How the Section 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. In addition, the Trustees have invested the assets to pay the benefits of the Section as they fall due, as no further contributions will be paid into the Section.

Change in funding position since previous statement

The funding of the Section has improved since the previous statement and the 2021 valuation. This is mainly due to returns on the investments being higher than assumed.

Payment to the Employer

We have to tell you if any payments have been made to the Employer. As the Employer is insolvent, no money can be paid back to it.

Winding-up

Whilst the Scheme is still running, benefits will be paid in full. If the VisitLondon Section did start to wind up, benefits may be secured with an insurance company.

In the 2021 valuation it was estimated that the amount needed to secure all the Section's benefits was £34.1m, which was £1.9m more than the Section's assets. This is just an indication and we are required to provide this information under legislation; it does not imply wind-up is being considered.

If, in the event of wind-up, there were not enough assets to secure all the benefits, your benefits may be reduced.

As there is no Employer the Section is not eligible to be covered by 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 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 Section 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 Section to have enough money to pay all members their benefits, both now and into the future.

How do you work out how much the Section needs?

As part of the three-yearly actuarial valuation, the Trustees agree a funding plan, which aims to make sure there is enough money in the Section to pay for pensions now and into the future.

What would happen if the Scheme started to wind up?

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

If the Section were to wind up, you may not get the full amount of benefits you have built up if there are insufficient 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 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 a scheme. This means the cost of securing pensions in this way is considerably more expensive than if the Section runs normally.

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

Thinking of leaving the Scheme?

If you are thinking of leaving the Scheme for any reason, you should talk to an independent financial adviser, who is regulated by the Financial Conduct Authority (FCA) and specifically authorised to provide advice on pension transfers, before doing so. You can find one local to you at www.unbiased.co.uk

Stay in touch

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Alternatively you may make 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 Company 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 Section's assets invested?

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 2022 was:

Index Linked Gilts	92.5%
Diversified Growth Fund	7.5%

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

A message from the Trustees on recent market conditions.

You may have read news headlines recently describing how pension schemes have struggled due to changing investment market conditions, notably rising gilt yields. We wanted to reassure you that the Scheme's funding level has withstood the recent market volatility well.

The Trustees have been working with all relevant parties to adjust the investment strategy to control risk in the near term. Looking forward we shall be reviewing the long-term investment strategy to ensure it continues to deliver on its objectives.

British Tourist Boards' Staff Pension and Life Assurance Scheme

Statement of Compliance with the British Tourist Boards' Staff Pension and Life Assurance Scheme's Stewardship Policy for the year ending 31 March 2023.

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 2022 to 31 March 2023.

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 November 2021 however there were no amendments made to the Trustees' policies on stewardship of assets (the changes reflected updates to asset allocation and amendments to ESG and climate-change wording).

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 advisers. 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 adviser.

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 2023.

Voting activity

The Trustees seek to ensure that the Scheme's managers are exercising 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 2023.

As at 31 March 2023	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)	7.4%	6.2%	6.2%	0.9%	3.9%	0.7%	0.4%	0.4%
No. of meetings eligible to vote at during the year	97	11	1,587	733	676	618	505	503
No. of resolutions eligible to vote on during the year	1,061	152	19,925	10,870	8,543	10,391	6267	3590
% of resolutions voted	97.9%	100.0%	99.9%	99.9%	99.4%	99.9%	100.0%	100.0%
% of resolutions voted with management	95.8%	100.0%	79.3%	94.5%	65.4%	81.0%	88.8%	70.8%
% of resolutions voted against management	3.3%	0.0%	19.2%	5.5%	34.6%	18.5%	11.3%	29.2%
% of resolutions abstained	1.0%	0.0%	1.5%	0.0%	0.1%	0.5%	0.0%	0.0%
% of meetings with at least one vote against management	22.7%	0.0%	71.3%	37.9%	97.2%	79.1%	71.5%	74.4%

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' has not 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

Rio Tinto Limited, Australia, 5 May 2022

The company management put forward a resolution to Approve Climate Action Plan on 5 May 2022. LGIM voted against the resolution (against management). We set out LGIM's comments on the resolution below:

"We recognise the considerable progress the company has made in strengthening its operational emissions reduction targets by 2030, together with the commitment for substantial capital allocation linked to the company's decarbonisation efforts. However, while we acknowledge the challenges around the accountability of scope 3 emissions and respective target setting process for this sector, we remain concerned with the absence of quantifiable targets for such a material component of the company's overall emissions profile, as well as the lack of commitment to an annual vote which would allow shareholders to monitor progress in a timely manner.."

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.

NVIDIA Corporation, USA, 2 June 2022

LGIM voted against a resolution to Elect Director Harvey C. Jones on 2 June 2022. We set out LGIM's comments on the resolution below:

"LGIM expects a company to have at least 25% women on the board with the expectation of reaching a minimum of 30% of women on the board by 2023. We are targeting the largest companies as we believe that these should demonstrate leadership on this critical issue. A vote against is applied as LGIM expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background.."

This vote was considered of greater relevance to the Scheme as it evidenced the manager voting in relation to diversity, and in particular voting against management.

Baillie Gifford

Leg Immobilien, 19 May 2022

Baillie Gifford opposed the executive compensation policy as they did not believe the performance conditions are sufficiently stretching. The vote was passed, however Baillie Gifford re-engaged with the company to let them know about their dissent on remuneration and set out their expectations on pay.

CBRE Group, 18 May 2022

Baillie Gifford opposed a shareholder resolution to lower the threshold for shareholders to call a special meeting as they considered that the existing threshold is appropriate, noting:

“Ahead of voting, we held an engagement call with the company to discuss the proposed agenda. We were satisfied to learn about the company's efforts to engage with their holders, including the proponent, who according to the company, did not have any particular concerns over CBRE but backs a lower threshold out of principle. We intend to follow up with the company later in a year to speak about governance developments.”

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 and public, renewable energy and economic infrastructure sectors. 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 November 2022. All the Scheme's investment managers provided detailed presentations ahead of the meeting, however on this occasion the focus was on the Scheme's LDI manager, BlackRock, and Baillie Gifford, one of the Scheme's multi-asset managers.

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 investment 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.

The below table sets out the engagement meetings with managers over the year to 31 March 2023. 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
15 November 2022	<p>BlackRock LDI portfolio</p> <p>BlackRock Diversified Credit Fund</p>	Broad range of ESG and stewardship matters pertinent to the Scheme.	<p>The Trustees were comfortable with the Manager's approach to responsible investment and their engagement practices. Although the meeting focussed on the recent gilts crisis and its impact on the Liability Driven Investments, BlackRock also provided a report with details of how ESG considerations drive the LDI portfolios.</p> <p>The Trustees highlighted the fact that BlackRock's section on ESG in their report was not as extensive as some of the other managers. BlackRock provided details of how different teams, Trading team, LDI team and cash team contribute to the Fund achieving its ESG objectives.</p>
15 November 2022	Baillie Gifford Diversified Growth Fund	Broad range of ESG and stewardship matters pertinent to the Scheme.	<p>The Trustees were comfortable with the Manager's approach to responsible investment and their engagement practices.</p> <p>Baillie Gifford provided a meeting pack covering ESG factors that are considered around engagement with their holdings. 5 key areas were mentioned - prioritisation of long term value creation, constructive and purposeful boards, long term focussed remuneration targets, fair treatment of stakeholders and sustainable business practices.</p> <p>They gave examples of an operational renewables company and a logistics warehousing company - where they discussed issues with local communities and management. They also questioned management on climate targets and carbon neutrality.</p>

Manager engagement activity

The Trustees expect its investment managers to engage with company management on the Scheme's behalf on relevant issues. As part of the manager day meeting packs, 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. The Trustees are satisfied that each manager is carrying out their engagement responsibilities on behalf of the Scheme.

Use of a proxy adviser

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 sections' net assets comprised of the following at the year end.

	VB	VS	VL	WG	Total	Total
	2023	2023	2023	2023	2023	2022
	£'000	£'000	£'000	£'000	£'000	£'000
Legal & General UK Equity Index	1,134	1,262	-	-	2,396	3,286
Partners Group MAC 2017 Fund	10,984	4,923	-	3,756	19,663	23,448
Partners Group MAC VI Fund	4,992	4,992	-	-	9,984	6,632
Baillie Gifford Diversified Growth Fund	12,254	4,931	1,032	2,500	20,717	34,015
Threadneedle Property Unit Trust Class A Units	8,723	4,959	-	1,719	15,401	27,373
Legal & General Gilts (Visit London)	-	-	13,797	-	13,797	21,369
Legal & General North America Equity Index	5,139	5,856	-	-	10,995	17,737
Legal & General Europe (ex-UK) Equity Index	952	906	-	-	1,858	2,460
Legal & General Japan Equity Index	603	571	-	-	1,174	1,544
Legal & General Asia Pacific (ex-Japan) Equity Index	535	516	-	-	1,051	1,508
LGIM Diversified Multi-Factor Equity Fund	8,231	9,113	-	-	17,344	30,430
BlackRock Fixed Income	11,487	1,952	-	2,245	15,684	14,913
BlackRock Liability Hedging	43,063	17,064	-	7,643	67,770	96,276
BlackRock Index Linked	5,103	362	-	2,564	8,029	-
BlackRock Cash & Commitments	11,040	5,117	-	-	16,157	18,054
Insight Broad Opportunities Fund	12,314	5,045	-	-	17,359	27,700
IFM Global Infrastructure	-	9,669	-	-	9,669	-
AVCs	110	499	6	2	617	560
Insurance policies – annuities	6,596	855	6,871	20,877	35,199	40,275
Cash	186	48	-	243	477	435
Other investment balances	307	149	-	69	525	261
Invested assets	143,753	78,789	21,706	41,618	285,866	368,276
Current assets less current liabilities	1,470	1,096	51	424	3,041	8,546
Total net assets	145,223	79,885	21,757	42,042	288,907	376,822