

COMPANY REGISTRATION NUMBER 3425954

THE TRAVEL FOUNDATION
COMPANY LIMITED BY GUARANTEE
FINANCIAL STATEMENTS
31 DECEMBER 2010

Charity Number 1065924



ELLIOTT BUNKER LIMITED
Chartered Accountants & Statutory Auditor
3-8 Redcliffe Parade West
Redcliffe
Bristol
BS1 6SP

**THE TRAVEL FOUNDATION
COMPANY LIMITED BY GUARANTEE**

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2010

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THE TRAVEL FOUNDATION COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2010

CHAIRMAN'S STATEMENT

Highlights

- Income up by over 13% to highest-ever level
- Over 50 sources of income (companies/grant institutes)
- Governance costs of only 0.38% of income
- Charitable spending passes £1.25M mark
- Winner of a major national prize at The Charity Awards 2010

In 2009's Report, I commented that the outlook for 2010 looked very difficult for the travel industry, and noted that marked increases in Air Passenger Duty (APD) might affect holiday demand, particularly to the Caribbean. This has indeed proved to be the case. Caribbean sales were down 20% following November's APD increase, according to The Co-operative Travel. The industry also suffered significantly in 2010 from the volcanic ash cloud disruption to aviation.

A year ago I wrote that, despite these difficulties, "we anticipate significant income growth", and I am delighted to report that our funds increased by £167,531 (13.4%), taking us to £1.416M in income – our highest-ever level of funds raised.

We now have 20 companies raising funds for us via their customers and 25 companies making corporate contributions. A further 37 organisations also gave us 'in kind' support in 2010, totalling £32,566. Our grant income rose by £24,438 (61%), the result of four grants. We will seek to improve on this again in 2011.

Despite our strong growth and our investment in the future by strengthening our small and dedicated team, we continue to keep a tight rein on overheads. We are proud that our governance costs are down from 0.58% of income in 2009 to 0.38% in 2010.

Total administrative costs are 10.75% of income (2009: 11.9%). Our administrative cost level of 10.75% is exceptionally low in comparison with other charities. It is partly due to the unique way we are funded by the travel industry, and partly due to the efficient and careful use of resources by Sue Hurdle, our Chief Executive, and her team. This allows us to devote a much higher proportion of donor funds to our charitable projects than most charities with conventional funding models. Fundraising costs fell from 5.4% of income to 4.4% in 2010 (£61,926).

The growth in our income allowed us to increase our charitable expenditure by £202,630 (+19%) to £1.27M.

Project funding highlights include

- DEFRA Grant obtained at end of 2010 for Greening South Africa Hotels in 2011
- Partnership project in Kenya with UN World Tourism Organisation
- Funding of two new external grants – in the Dominican Republic and in Kerala

**THE TRAVEL FOUNDATION
COMPANY LIMITED BY GUARANTEE
TRUSTEES ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2010**

CHAIRMAN'S STATEMENT – (Continued)

Successful grants raised in 2010 include EU/Ceylon Chamber of Commerce SWITCH Asia Programme, OXFAM Caribbean, The Leading Travel Companies Conservation Foundation Nile Cruising and Morocco National Tourist Office Every Drop Counts

Turning to the outlook for 2011, clearly the travel industry and the UK economy generally face another very challenging year. Negative influences include continued industry consolidation, the effect of the UK's deficit reduction programme on consumer spending and confidence, and the effects of political turmoil in North Africa and the Middle East, as well as further increases in UK APD.

Our plan for 2010 had included drawing on reserves in order to increase expenditure above the growth in our donor income. Prudence in the light of potential income instability, however, led to our closing the year with a surplus rather than a deficit. We now plan to draw down reserves in 2011 (as far as our careful cash flow reserve policy allows) in order to achieve our planned growth in spending.

THE TRAVEL FOUNDATION COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2010

The trustees, who are also directors for the purposes of company law, have pleasure in presenting their report and the financial statements of the charity for the year ended 31 December 2010

REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity name	The Travel Foundation
Charity registration number	1065924
Company registration number	3425954

Registered office	CREATE Centre Smeaton Road Bristol, BS1 6XN
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THE TRUSTEES

The trustees who served the charity during the period were as follows

I Ailles	
S Draper	
J Mitchell	
M Tanzer	
S Allen	
F Jeffery	
M Greenacre	
G James	
J de Vial	
N Josephides	(Appointed 1 January 2010)
C Cull	(Appointed 1 January 2010)
R Anderson	(Appointed 1 January 2010)
A Cooper	(Appointed 1 January 2010)
P Shanks	(Appointed 1 January 2010)

Secretary	D Weston
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Auditor	Elliott Bunker Limited Chartered Accountants & Statutory Auditor 3-8 Redcliffe Parade West Redcliffe Bristol BS1 6SP
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Bankers	The Co-operative Bank PLC P O Box 101 1 Balloon Street Manchester, M60 4EP
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THE TRAVEL FOUNDATION COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2010

STRUCTURE, GOVERNANCE AND MANAGEMENT

Senior Management

The charity is managed by a Board of Trustees that delegates executive management to the Chief Executive, Sue Hurdle

Organisational Structure

The full board meets on a quarterly basis. There are three sub-committees, the finance and audit committee, the nominations and remuneration committee and the activities committee. There is clear and agreed delegation of the day to day running of the organisation.

The Executive Team

The team was further strengthened during the year, to help ensure we have enough resources to meet the demands upon the Foundation. There is now the equivalent of 13 full-time employees (2009: 11).

Corporate Governance

No new Trustees were appointed in 2010. The board is balanced with sufficient knowledge and experience to allow the Trustees of the Charity to make informed and relevant choices. Trustees are mainly drawn from the travel and tourism industry. 'Governance costs' have been reviewed and re-classified in the year with costs for 2009 re-stated. In 2010 Governance costs were just 0.38% of income, down from 0.58% in 2009.

Affiliation

We are disappointed that the initiative in the Netherlands, inspired by our example here in the UK, has not succeeded. Further international affiliations will be pursued where potential new partner countries approach us, although this is not a priority for 2011.

Forum Membership

Forum membership has increased by 65% during 2010, from 226 to 374 members. A review of the forum is taking place in 2011.

Annual Meeting

A very successful mid-year Annual Meeting was held at the Government Conference Centre in Westminster, sponsored by DEFRA, with the topic of 'Changing business, Changing lives', with eminent expert speakers and moderated by the BBC travel journalist Peter Nunn.

Governing Document

The Travel Foundation is a Charity registered with the Charities Commission, governed by the Charities Act 1993, and is incorporated as a company limited by guarantee. The constitutional documents are the Memorandum and Articles of Association.

Public Benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in setting the grant making policy for the year.

The principal objective of the Charity is working to improve the sustainability of travel and holidays taken by UK holidaymakers. The public benefit requirement of the Charity has been met through the clear enhancement of the environment and the wellbeing of the destination communities.

THE TRAVEL FOUNDATION COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2010

Risk Management

The Foundation maintains a Risk Register covering all significant sources of risk to the achievement of its objectives, and recording agreed mitigating action. The register is reviewed regularly by the Finance and Audit Committee, and was most recently approved by the board on 14 December 2010.

Intellectual Property

The Travel Foundation name, logo (as updated in 2010) and strapline have been registered as a trade mark in the UK and EU.

Reserves Policy

The strategy of the charity is to retain sufficient working capital to honour current commitments to overseas programmes and to maintain the day to day running of the organisation for three months. This policy will be reviewed regularly as the charity's fundraising initiatives become more established.

ACHIEVEMENTS AND PERFORMANCE

Programmes

At the core of the Travel Foundation's work are the overseas programmes, which aim to use tourism to help protect and enhance the environment and improve the wellbeing of destination communities. Our work overseas can be encapsulated in three 'themes', People & Livelihoods, Environment and Education.

People and livelihoods

Whether we're increasing income for poorer communities, protecting vital natural resources, or promoting local culture, our projects are all about people. Our aim is to ensure that tourism brings the greatest possible benefit to local communities in tourism destinations, whilst also enriching the experience for holidaymakers.

To date, over 33,000 visitors have taken one of our 'sustainable excursions' and we have trained over 1,900 local people in new skills - from farming methods that increase supply to tourism businesses, to craft-making techniques that boost sales to visitors, and community guiding practices.

Through these and other projects we are ensuring fairer rewards from tourism for local people and creating a more authentic experience for visitors.

The **Gambia is Good (GIG)** farm has trained over 900 farmers in new techniques, increasing yields and income. Over £160,000 worth of produce grown by farmers has been sold to 40 local tourism businesses.

Thanks to support from TUI, 'jungle jams' made by a co-operative of Mayan women in **Mexico** are now being sold to five local hotels. Almost 1,000kg of jam has been supplied – enough for 32,000 breakfasts.

School gardens in **St Lucia** and **Tobago** have enabled over 500 children and teachers to grow produce, introducing new skills for the future.

THE TRAVEL FOUNDATION COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2010

We've launched three new local supply projects

- With support from TUI, Thomas Cook and The Co-operative Travel we aim to improve links between farmers and hotels in Fethiye, **Turkey**
- We're helping local artisans in the **Dominican Republic** to supply crafts to hotel gift shops
- In partnership with Oxfam and Virgin Holidays, we are working out how best to help farmers in **St Lucia** supply local hotels with fresh produce

We've trained 169 beach operators in **Sri Lanka** to become local guides and linked them to hotels

We've created a sixth self-drive village route that takes visitors to the heart of **Cyprus**, spreading the benefits of tourism to rural communities

Thanks to support from Virgin Holidays, we're providing business advice for the lace-making centre in **Sri Lanka** to boost sales and visitor numbers, providing new income generating opportunities for over 60 local women

Environment

Whether it's the local beach, the indigenous wildlife, a celebrated natural wonder or simply the surroundings in our chosen destination – the quality of the environment is essential to the holiday product

The smart tourism businesses are already finding ways to support conservation efforts and help to reduce the profound impacts that climate change is likely to have on destinations by reducing their carbon footprint

We're helping travel companies make steps towards a greener future by creating training tools and guidelines to help them make a difference. Plus, this year, we've dramatically expanded our programme to help hotels limit their water and energy use and reduce waste, initiating projects in five new destinations

Since the success of our pilot project in **Cyprus** launched just two years ago, we've begun water and energy saving and waste reduction initiatives in a further nine destinations

To date, we've trained over 5,600 hotel staff in water and energy management in **Cyprus, Morocco, Turkey, Greece, Egypt, Sri Lanka, South Africa, Antigua, Barbados and St Lucia**

We've helped to save at least 12,206,301kWh kw h (kilowatt hours). That's the equivalent of powering 3,700 UK households for a year. And we've helped to save over 577,619m³ of water - enough to fill the Albert Hall almost 6 times

We helped launch the ground-breaking 'Greening **Sri Lanka**' project, which aims to engage the country's 350 hotels in water and energy saving measures, as well as waste reduction over the next four years

Our partnership with the **Morocco** National Tourist Office for the Every Drop Counts water-saving project was extended to target hotels in Agadir. The project attracted 44 new hotels in 2010, bringing the total to 137

We've launched a new project in **Egypt** to identify water and energy saving opportunities on Nile cruise boats. So far, 7 floating hotels have been audited. Results will inform recommendations for similar boats around the world

In the **Caribbean**, 48 hotels have been recruited to 'Switch Off, Save Big' in 2010, bringing the total to 124

THE TRAVEL FOUNDATION COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2010

We worked with Thomas Cook to help holidaymakers and hotels reduce plastic waste in Paphos, Cyprus. An estimated 93,000 fewer plastic cups and 41,000 plastic supermarket bags went to landfill.

Our support for the Trees for Life project in Sri Lanka has enabled over 200,000 trees to be planted, restoring ancient rain forest and gardens following the 2004 Tsunami. Over 16,000 local people have attended conservation workshops.

We've partnered with Virgin Holidays and Caribsave to support the creation of a new marine protected area to conserve fish and coral in Jamaica and sustain this vital resource for coastal communities.

Thanks to project sponsor, The Co-operative Travel, we're helping to protect the endangered Melipona bee and ancient Mayan bee-keeping traditions in Mexico. Bee numbers have increased, enabling the first honey harvest.

In Kenya, we've funded Tribal Voice Communications to provide training and equipment for 200 people in ten Maasai villages for the production of a greener fuel source made from cow-dung. The project helps to reduce deforestation and protect women from dangerous encounters with wild animals.

Education

Inspiring action on sustainable tourism is core to our mission. Our range of events, practical guidelines, awareness raising initiatives and greener business tools help spread best practice and engage travel companies in action.

There are now over 40 tools on our website which help companies to take action and communicate what they're doing, from training packs and quizzes to communications materials for customers. Recent additions include steps to a greener business for tour operators, how to run a water and energy project and how to create a sustainable tourism policy.

Meanwhile, in destinations around the world, we're providing training to help local groups and businesses benefit from tourism, whilst also enabling them to limit their impact on the environment.

Last year, we launched six new tools to help travel companies take action, bringing the total to over 40. Our new tools include:

- Caribbean insider guides for holidaymakers
- A training manual for whale shark watching guides
- How to write a sustainable tourism policy
- How to run your own water and energy project
- Steps to a greener business for tour operators
- How to make your holiday greener – a guide for holidaymakers

We launched a new partnership with the Travel Trade Gazette, for a series of Green Think Tank events, designed to share ideas and best practice in sustainability.

Eleven golf courses are taking action to protect the environment following five training seminars in Mexico covering wildlife protection, how to eliminate the use of chemicals, water conservation and more.

We've created a new handbook for whale shark watching guides, providing advice on how to limit impacts on these gentle giants.

THE TRAVEL FOUNDATION COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2010

Thanks to sponsorship from Thomas Cook, five young women from rural **Turkey** have begun their final year at university

Communications & PR

Our first national consumer awareness campaign, Make Holidays Greener Week, united travel companies in a call for holiday makers to make a difference to their favourite destinations. The Sun turned their travel pages green to launch the Week and the Travel Foundation received coverage on 26 regional radio stations.

Around 100 stakeholders joined us for our annual meeting in June to hear about our work. A highlight of the meeting was inspirational talk from M&S on their leading sustainability programme.

We saw **membership of our Industry Forum increase by 65%** during 2010, from 226 to 374 members.

PLANS FOR FUTURE PERIODS

Looking Forward

Although a surplus has been reported for 2010, it is not the trustees' intention to return continuing surpluses in excess of the requirements of our reserves policy, and plans are in hand to increase expenditure significantly in 2011, partly by drawing on our substantial reserves, to expand and replicate existing programmes and start new programmes through travel industry and international partnerships.

FINANCIAL REVIEW

Year-end Position

The Foundation closed the year with capital and reserves of £671,133 (up 14%).

Reserves Policy

The strategy of the Charity is to retain sufficient working capital to honour current commitments to overseas programmes and to maintain the day to day running of the organisation for three months. This policy will be reviewed regularly as the Charity's fundraising initiatives become more established.

RESPONSIBILITIES OF THE TRUSTEES

The trustees (who are also the directors of the Travel Foundation for the purposes of company law) are responsible for preparing the Trustees Annual Report, the Chairman's statement and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,

**THE TRAVEL FOUNDATION
COMPANY LIMITED BY GUARANTEE**

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2010

RESPONSIBILITIES OF THE TRUSTEES *continued*

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. The trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware

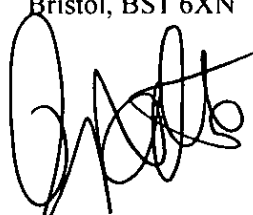
there is no relevant audit information of which the charitable company's auditor is unaware, and

the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITOR

Elliott Bunker Limited are deemed to be re-appointed under section 487(2) of the Companies Act 2006

Registered office
CREATE Centre
Smeaton Road
Bristol, BS1 6XN



13 July 2011

Signed by order of the trustees



D WESTON
Charity Secretary

THE TRAVEL FOUNDATION COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TRAVEL FOUNDATION

YEAR ENDED 31 DECEMBER 2010

We have audited the financial statements of The Travel Foundation for the year ended 31 December 2010 on pages 12 to 24, which have been prepared on the basis of the accounting policies set out on pages 14 to 15

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

The responsibilities of the trustees (who also act as directors of The Travel Foundation for the purposes of company law) for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Responsibilities of the Trustees on pages 8 to 9.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Trustees Annual Report is consistent with those financial statements. The information given in the Trustees' Report includes that specific information presented in the Chairman's statement that is cross referred from the Business Review section of the Trustees' Report.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if the charity's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Trustees Annual Report and the Chairman's statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

**THE TRAVEL FOUNDATION
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TRAVEL
FOUNDATION (continued)**

YEAR ENDED 31 DECEMBER 2010

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion:

- the financial statements give a true and fair view of the state of the charity's affairs as at 31 December 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the Companies Act 2006, and
- the information given in the Trustees Annual Report is consistent with the financial statements

Elliott Bunker Ltd

PAUL CRIDLAND BSc FCA
(Senior Statutory Auditor)
For and on behalf of
ELLIOTT BUNKER LIMITED
Chartered Accountants
& Statutory Auditor

3-8 Redcliffe Parade West
Redcliffe
Bristol
BS1 6SP

19 July 2011

**THE TRAVEL FOUNDATION
COMPANY LIMITED BY GUARANTEE**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND
EXPENDITURE ACCOUNT)**

YEAR ENDED 31 DECEMBER 2010

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2010 £	Total Funds 2009 £
INCOMING RESOURCES					
Incoming resources from generating funds					
Voluntary income	2	1,346,928	64,211	1,411,139	1,244,852
Training materials		—	—	—	2,502
Bank interest		4,367	—	4,367	621
TOTAL INCOMING RESOURCES		1,351,295	64,211	1,415,506	1,247,975
RESOURCES EXPENDED					
Costs of generating funds					
Costs of generating voluntary income	3	(61,926)	—	(61,926)	(67,502)
Charitable activities	4/5	(1,191,172)	(74,686)	(1,265,858)	(1,063,228)
Governance costs	6	(5,455)	—	(5,455)	(7,207)
TOTAL RESOURCES EXPENDED		(1,258,553)	(74,686)	(1,333,239)	(1,137,937)
NET INCOMING RESOURCES FOR THE YEAR/NET INCOME FOR THE YEAR					
	8	92,742	(10,475)	82,267	110,038
RECONCILIATION OF FUNDS					
Total funds brought forward		588,866	—	588,866	478,828
TOTAL FUNDS CARRIED FORWARD		681,608	(10,475)	671,133	588,866

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared

All of the above amounts relate to continuing activities

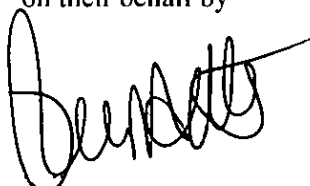
**THE TRAVEL FOUNDATION
COMPANY LIMITED BY GUARANTEE**

BALANCE SHEET

31 DECEMBER 2010

	Note	2010 £	2009 £
FIXED ASSETS			
Tangible assets	11	7,024	6,313
CURRENT ASSETS			
Debtors	12	233,891	268,949
Cash at bank and in hand		524,693	409,001
		<u>758,584</u>	<u>677,950</u>
CREDITORS: Amounts falling due within one year	13	<u>(94,475)</u>	<u>(95,396)</u>
NET CURRENT ASSETS		664,109	582,554
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>671,133</u>	<u>588,867</u>
NET ASSETS		<u>671,133</u>	<u>588,867</u>
FUNDS			
Restricted income funds	15	(10,475)	–
Unrestricted income funds	16	681,608	588,867
TOTAL FUNDS		<u>671,133</u>	<u>588,867</u>

These financial statements were approved by the members of the committee on the 13 July 2011 and are signed on their behalf by



J AILLES
Director

Company Registration Number 3425954

THE TRAVEL FOUNDATION COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2010

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards, the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (SORP 2005) and the Companies Act 2006

Cash flow statement

The trustees have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the charity is small

Incoming resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income

Gifts in kind are accounted for at a reasonable estimate of their value to the charity

Voluntary income is received by way of donations and grants and is included in full in the statement of financial activities when receivable. Where grants are awarded to cover a number of years they are recognised in the year of receipt and any balance will be carried forward at the year end to fund future years activities

Investment income is included when receivable

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in the furtherance of the general objectives of the charity and which have not been designated for other purposes

Designated funds are funds that are used for specified purposes as discussed with funders and decided by the trustees in furtherance of specific objectives of the charity

Restricted funds are funds that are used specified purposes as laid down by the donor. Expenditure that meets these criteria is identified to the fund, together with a fair allocation of management and support costs. Where projects are substantially funded from restricted income, any surplus funding will be carried forward as restricted funds

THE TRAVEL FOUNDATION COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2010

1. ACCOUNTING POLICIES *(continued)*

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to the category. The charity is not registered for VAT and accordingly expenditure is inclusive of VAT.

Charitable expenditure comprises those costs attributable to the main activities of the Foundation, representing project grants, commissioned programmes, marketing & communications, related support and management costs. Unconditional grants are included in this category when they have been approved by the trustees and the activities committee and the beneficiaries have been informed, irrespective of the period covered by the grants. The value of such grants unpaid at the period-end is accrued in the balance sheet. Conditional grants subject to the satisfaction of certain conditions are recorded as expenses when the conditions are met. Commissioned programmes are included in this category when they have been spent.

Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Staff costs and overhead expenses are allocated to activities on the basis of staff time spent on those activities.

Fixed assets

All fixed assets are initially recorded at cost.

Major expenditure on tangible fixed assets is capitalised. The cost of other items is written off as incurred.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant and Machinery - 20% reducing balance basis

Pension costs

The charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charity. The annual contributions payable are charged to the statement of financial activities.

THE TRAVEL FOUNDATION COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2010

2. VOLUNTARY INCOME

Donations comprise of contributions made by customers travelling and/or booking between January and December 2010, as well as donations passed from other organisations

There was £32,566 (2009 - £23,952) in-kind support received during the year in the form of meeting rooms, venues, advertising, travel and accommodation from ABTA, BGB, the Cyprus Tourist Office, DEFRA, Hilton Hotels, K & L Gates, the Overseas Development Institute, Sunvil, Thomas Cook Group, Thomson Airlines, TUI UK, Virgin Atlantic and others

	Unrestricted Funds £	Restricted Funds £	Total Funds 2010 £	Total Funds 2009 £
Donations				
Co-operative Travel	253,244	–	253,244	202,616
Thomas Cook Group	250,000	–	250,000	250,000
TUI UK	238,877	–	238,877	238,940
Cosmos Holidays	56,576	–	56,576	37,405
Midlands Co-operative Travel	45,782	–	45,782	15,295
Donations in kind	32,566	–	32,566	23,952
Others	14,442	–	14,442	9,445
Carnival UK	3,000	–	3,000	–
Sunvil Holidays	2,203	–	2,203	2,770
Grants receivable				
TUI UK	248,297	–	248,297	195,933
Virgin Holidays	117,895	–	117,895	218,915
The Co-operative Travel	51,522	–	51,522	–
Other Grant Income	10,078	–	10,078	4,485
Midcounties Co-operative	8,351	–	8,351	–
Avis	5,000	–	5,000	–
Collette Tours	5,000	–	5,000	–
Sunvil Holidays	4,095	–	4,095	4,324
Explore	–	–	–	1,000
Ceylon Chamber of Commerce (EU)	–	30,384	30,384	–
Leading Travel Companies Conservation Foundation	–	20,352	20,352	–
Morocco National Tourist Office	–	8,475	8,475	6,975
Oxfam GB	–	5,000	5,000	–
Allan & Nesta Ferguson Charitable Trust	–	–	–	10,000
Co-operative Group	–	–	–	12,200
Commonwealth Foundation	–	–	–	3,697
Nando Peretti	–	–	–	3,400
Lighthouse Foundation	–	–	–	3,500
	<u>1,346,928</u>	<u>64,211</u>	<u>1,411,139</u>	<u>1,244,852</u>

**THE TRAVEL FOUNDATION
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2010

3. COSTS OF GENERATING VOLUNTARY INCOME

Included in the cost of generating donations are salaries and commission payable to staff involved in fundraising activities

	Unrestricted Funds	Total Funds 2010	Total Funds 2009
	£	£	£
Wages and salaries	48,601	48,601	49,111
Commissions	13,325	13,325	18,391
	<u>61,926</u>	<u>61,926</u>	<u>67,502</u>

4. COSTS OF CHARITABLE ACTIVITIES BY FUND TYPE

The comparative figures in this note have been reclassified to bring them into line with the reporting for this period. It is believed these reclassifications give the user a clearer understanding of the charity.

Overall the total resources expended during 2009 have not been affected by this change in presentation.

	Unrestricted Funds	Restricted Funds	Total Funds 2010	Total Funds 2009
	£	£	£	£
Commissioned Programmes	402,950	5,000	407,950	440,450
Sustainable Livelihoods	13,646	–	13,646	44,068
Water, Waste & Energy	48,131	69,686	117,817	24,601
Education	223,029	–	223,029	208,435
Partnerships	319,959	–	319,959	182,442
Other Project Funds	10,982	–	10,982	20,839
Management & Meetings	4,092	–	4,092	12,552
Other Running Costs	21,714	–	21,714	31,332
Support costs	146,669	–	146,669	98,509
	<u>1,191,172</u>	<u>74,686</u>	<u>1,265,858</u>	<u>1,063,228</u>

**THE TRAVEL FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2010

5. COSTS OF CHARITABLE ACTIVITIES BY ACTIVITY TYPE

The comparative figures in this note have been reclassified to bring them into line with the reporting for this period. It is believed these reclassifications give the user a clearer understanding of the charity.

Overall the total resources expended during 2009 have not been affected by this change in presentation.

	Activities undertaken directly £	Grant funding activities £	Support costs £	Total Funds 2010 £	Total Funds 2009 £
Commissioned Programmes	407,950	—	—	407,950	440,450
Sustainable Livelihoods	5,473	8,173	—	13,646	44,068
Water, Waste & Energy	88,206	29,611	—	117,817	24,601
Education	223,029	—	—	223,029	208,435
Partnerships	319,959	—	—	319,959	182,442
Other Project Funds	10,982	—	—	10,982	20,839
Management & Meetings	4,092	—	134,528	138,620	104,102
Other Running Costs	21,714	—	12,141	33,855	38,291
	<u>1,081,405</u>	<u>37,784</u>	<u>146,669</u>	<u>1,265,858</u>	<u>1,063,228</u>

6. GOVERNANCE COSTS

The comparative figures in this note have been reclassified to bring them into line with the reporting for this period. It is believed these reclassifications give the user a clearer understanding of the charity.

Overall the total resources expended during 2009 have not been affected by this change in presentation.

	Unrestricted Funds £	Total Funds 2010 £	Total Funds 2009 £
Audit fees	4,440	4,440	4,463
Trustees travel	1,015	1,015	2,744
	<u>5,455</u>	<u>5,455</u>	<u>7,207</u>

**THE TRAVEL FOUNDATION
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2010

7. ANALYSIS OF GRANTS

	2010 £	2009 £
Grants to institutions		
Maasai Villages, Kenya	–	12,895
Responsible Guiding, Kenya	–	1,000
Estrela Exchange, Brasil	–	7,448
Community Based Tourism, Thailand	–	3,022
Nile Cruising, Egypt	12,305	–
Handicrafts, Dominican Republic	8,173	–
Water, Waste & Energy, South Africa	10,409	–
Travel Weekly Project Vote	–	5,000
Project Follow up	–	10,430
Water Equity, Kerala	6,897	–
Total grants	37,784	39,795

The above grants are to fund the following projects

Maasai Villages, Kenya

Grant paid to Tribal Voice Communications to fund sustainable livelihoods and excursion projects

Community Based Tourism, Thailand

Grant paid to CBS-I Thailand to fund sustainable livelihoods and excursion projects

Responsible Guiding, Kenya

Grant paid to Tribal Voice Communications to fund sustainable livelihoods and environmental best practice project

Estrela Exchange, Brazil

Grant paid to Estrela to fund sustainable livelihoods and excursions project

Nile Cruising, Egypt

Grant paid to Environics Environmental Services, Egypt for the management and implementation of the Egypt sustainable river cruising project

Handicraft, Dominican Republic

Grant paid to Resortful Arts to strengthen handicraft businesses in the Dominican Republic, through resort and tour operator partnerships

Water, Waste & Energy, South Africa

Grant paid to Wilderness Foundation South Africa to manage the Travel Foundation Greening South Africa project

Travel Weekly Project Vote

Grant paid to Tribal Voice Communications to promote best practice regarding renewable energy

Project Follow Up

Grant was paid to Tourism Concern to fund an agricultural project review

THE TRAVEL FOUNDATION COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2010

7. ANALYSIS OF GRANTS *continued*

Water Equity, Kerala

Grant was paid to Tourism Concern to promote water equity between communities in Kerala

In addition to the amounts committed and paid noted above, the trustees have also authorised certain grants which are subject to the recipient fulfilling certain conditions. The total amount authorised but not accrued as expenditure at 31 December 2010 was £54,793 (2009 - £nil)

8. NET INCOMING RESOURCES FOR THE YEAR

This is stated after charging

	2010	2009
	£	£
Staff pension contributions	15,339	7,617
Depreciation	1,756	3,216
Auditors' remuneration		
- audit of the financial statements	4,441	4,463
Exchange (gains)/losses	12	-

9. FUND TRANSFERS

During the period under review no transfers were required. In the previous period transfers amounting to £937 from the general to the restricted funds were required.

10. STAFF COSTS AND EMOLUMENTS

Total staff costs were as follows:

	2010	2009
	£	£
Programme Delivery	271,263	172,810
Communications Delivery	35,700	21,818
Programme Support	124,954	103,658
Income Generation	61,926	67,502
Other pension costs	15,339	7,617
	<u>509,182</u>	<u>373,405</u>

Social Security costs included in total staff costs	<u>46,903</u>	<u>34,282</u>
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Particulars of employees:

The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows

	2010	2009
	No	No
Number of staff	<u>13</u>	<u>11</u>

No employee received remuneration of more than £60,000 during the year (2009 - Nil)

Staff numbers increased to 13 (2009 - 11) as a commercial decision was taken to employ temporary staff to manage projects rather than consultants

**THE TRAVEL FOUNDATION
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2010

11. TANGIBLE FIXED ASSETS

	Equipment £
COST	
At 1 January 2010	19,593
Additions	<u>2,466</u>
At 31 December 2010	<u>22,059</u>
DEPRECIATION	
At 1 January 2010	13,279
Charge for the year	<u>1,756</u>
At 31 December 2010	<u>15,035</u>
NET BOOK VALUE	
At 31 December 2010	<u>7,024</u>
At 31 December 2009	<u>6,314</u>

12. DEBTORS

	2010 £	2009 £
Trade debtors and accrued income	230,441	267,449
Other debtors	<u>3,450</u>	<u>1,500</u>
	<u>233,891</u>	<u>268,949</u>

13. CREDITORS: Amounts falling due within one year

	2010 £	2009 £
Trade creditors	40,610	34,576
Taxation and social security	13,082	9,066
Other creditors	59	36
Accruals	<u>40,724</u>	<u>51,718</u>
	<u>94,475</u>	<u>95,396</u>

**THE TRAVEL FOUNDATION
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2010

14. PENSIONS

The company operates a defined contribution scheme in respect of seven employees (2009 - four employees) The scheme and its assets are held by independent managers The pension charge represents contributions due from the company and amounted to £15,339 for the period (2009 -£7,617)

15. RESTRICTED INCOME FUNDS

	Incoming resources	Outgoing resources	Balance at 31 Dec 2010
	£	£	£
Water, Waste & Energy, South Africa	–	(10,475)	(10,475)
Sustainable Nile Cruising, Egypt	20,352	(20,352)	–
Greening Hotels, Sri Lanka	30,384	(30,384)	–
Every Drop Counts, Morocco	8,475	(8,475)	–
Caribbean Regional Programme	5,000	(5,000)	–
	<u>64,211</u>	<u>(74,686)</u>	<u>(10,475)</u>

Water, Waste & Energy, South Africa

This fund was established using a grant from DEFRA, for managing and implementing a water and energy saving project in South African Hotels

This fund currently has a deficit as amounts have been spent in advance of the funding to be received

Sustainable Nile Cruising, Egypt

This fund was established using a grant from DEFRA, for managing and implementing a water and energy saving project in South African Hotels

Greening Hotels, Sri Lanka

This fund was established with the Ceylon Chamber of Commerce, as part of the EU's SWITCH Asia programme, to market the enhanced environmental performance of Sri Lankan hotels

Every Drop Counts, Morocco

In conjunction with the Moroccan National Tourist Office this fund was used to support a consultant in managing and implementing a water saving project in hotels and ryads in Marrakech

Caribbean Regional Programme

This fund was established using a grant from Oxfam GB to develop and generate sustainable relationships between the private sector and the small scale agriculture sector in St Lucia along the supply chain and to link the generation of new learning from this initiative to other similar initiatives in the Caribbean regions

**THE TRAVEL FOUNDATION
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2010

16. UNRESTRICTED INCOME FUNDS

	Balance at 1 Jan 2010 £	Incoming resources £	Outgoing resources £	Balance at 31 Dec 2010 £
General Designated Fund	338,457	347,951	(301,251)	385,157
General Funds	250,409	1,003,344	(957,302)	296,451
	<u>588,866</u>	<u>1,351,295</u>	<u>(1,258,553)</u>	<u>681,608</u>

Designated General Fund

This fund is supported by a number of travel companies raising above a certain threshold in terms of donations and grants, a percentage of these funds are reserved to develop and deliver sustainable tourism initiatives, in line with the Foundation's charitable activities

General Fund

This fund represents the charity's free reserves and is used to develop and deliver sustainable tourism initiatives without restrictions on the basis of trustee decisions

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets £	Net current assets £	Total £
Restricted Income Funds:			
Water Waste & Energy	–	(10,475)	(10,475)
Unrestricted Income Funds:			
Designated Funds	–	385,157	385,157
General Funds	7,024	289,427	296,451
	<u>7,024</u>	<u>674,584</u>	<u>681,608</u>
Total Funds	<u>7,024</u>	<u>664,109</u>	<u>671,133</u>

THE TRAVEL FOUNDATION COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2010

18. RELATED PARTY TRANSACTIONS

D Weston the company secretary is also a director of Special Offers Limited. During the year, this company charged £nil (2009 - £10,437) for marketing and communication services.

Ian Ailles and Andy Cooper, trustees, are directors within Thomas Cook Group plc. During the year, this company and its subsidiaries collected £250,000 (2009 - £250,000) in customer donations for the Foundation. As at 31st December 2010 £63,350 (2009 - £125,000) was outstanding and is included in debtors in these accounts.

Christian Cull, a trustee, is a director within the TUI Travel Group plc. During the year, this company and its subsidiaries collected £233,314 (2009 - £238,941) in customer donations for the Foundation in addition to a grant of £248,297 (2009 - £195,933). As at 31 December 2010, £85,376 (2009 - £25,567) was outstanding and is included in debtors in these accounts.

Michael Greenacre, trustee, is a director of Co-operative Travel. During the year this company and its subsidiaries collected £216,691 (2009 - £202,616) in customer donations for the Foundation in addition to a grant of £51,522. As at 31st December 2010 £9,797 (2009 - £11,245) was outstanding and is included in debtors in these accounts.

Noel Josephides, trustee, is also a director of Sunvil International Sales Limited. During the year, this company and its subsidiaries collected £2,202 (2009 - £2,770) in customer donations for the Foundation, and donated £4,095 (2009 - £4,324) to the Foundation. As at 31 December 2010, £nil (2009 - £181) was outstanding and is included in debtors in these accounts.

Trustees received no remuneration during the current and previous year. Travel and subsistence costs amounting to £1,296 were reimbursed to trustees (2009 - £2,342).

19. ULTIMATE CONTROLLING PARTY

The trustees as a body are the ultimate controlling party.

20. COMPANY LIMITED BY GUARANTEE

Under the terms of the company's Memorandum and Articles every member of the company undertakes to contribute to the assets of the company if it is wound up during the time that he or she is a member, or within one year afterwards, for payment of debts and liabilities of the company contracted before he or she ceased to be a member, up to a maximum of £1 00. At 31 December 2010, the number of trustees was 14 (2009 - 13).