

# VISITSCOTLAND GROUP ANNUAL REPORT AND ACCOUNTS

for the year ended 31 March 2024



# In 2023/24 VisitScotland's activities delivered



## Domestic consumer marketing total \*1

**£1126.5**  
million GEA

**£56.7**  
million NEI

**£38.2**  
million GVA

**745**  
FTE

## 2023 UCI Cycling World Championships

**£391.4**  
million GEA

**£344**  
million NEI

**£205**  
million GVA

**5,285**  
FTE

## EventScotland programmes

**£79.1**  
million GEA

**£32.4**  
million NEI

**£17.5**  
million GVA

**473**  
FTE

## Bid Fund 2023/4 \* 2

**£22.5**  
million GEA

**£13.5**  
million NEI

**£6.6**  
million GVA

**174**  
FTE

## Route Development 2023/4 \*3

**£51.2**  
million GEA

**£22.4**  
million NEI

**£15.1**  
million GVA

**295**  
FTE

GEA (gross economic activity)  
NEI (net economic impact)  
GVA (gross value added)  
FTE (full time equivalent jobs)

\*1 Short haul, long haul, UK and Ireland, and Scotland

\*2 Assisted business conferences and association events (c12,000 delegates)

\*3 Assisted air routes – including Toronto to Edinburgh and Glasgow

# Consumer marketing



**67** MILLION  
total video views (across consumer  
marketing channels/activities)

**161** MILLION  
organic social media reach

Over **411** MILLION  
impressions served

**23** MILLION  
page views on  
visitscotland.com

Online Travel Agent (OTA) gross bookings value of

**\$35\*** MILLION and **116,900** ROOM NIGHTS

**£11** FOR EVERY **£1** generated for the economy  
through VisitScotland  
marketing investment

\*This converts to £27.9m using the average  
HMRC conversion rate for 2023/24



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# PERFORMANCE REPORT - OVERVIEW

The purpose of this overview is to give a short summary that provides sufficient information to understand VisitScotland, our core purpose, the key risks to the achievement of our objectives and how we have performed during the year.



# Chair's foreword



Stephen Leckie, Chair, VisitScotland

*There is much to be positive about as we continue to support the sector, connect with the travel trade and drive sustainable growth.*

It has been a great pleasure to take up my role at VisitScotland this year. I have been so impressed by the level of professionalism and expertise shown by staff I've met. It is clear the organisation is driven by passionate and committed people who care about delivering for the visitor economy.

VisitScotland is also fortunate to have an excellent leadership team. I'd like to pay tribute to the outgoing CEO, Malcolm Roughead who, after more than 20 years with the organisation, leaves an incredible legacy for the future.

Also leaving the organisation this year, Paul Bush, Director of Events, has played an instrumental role in recent successes, ensuring Scotland is seen as the perfect stage for some of the world's biggest and best events.

Lastly, I must acknowledge the previous chair, Lord Thurso whose eight-year term ended in this last year. John's leadership in changing and adapting the organisation has meant that VisitScotland is ready to take on the challenges and opportunities that will come our way.

There is much to be positive about as we continue to support the sector, connect with the travel trade and drive sustainable growth. This year we also saw positive results from the visitor survey indicating that 82% of visitors are likely to recommend Scotland, and 80% of visitors are quite or very likely to return in the next five years.

Of course we continue to see a challenging climate for tourism and events businesses, with the cost of doing business having an impact on the bottom line for many, and the cost of living having an effect on domestic demand. Recent figures may show that international tourism in Scotland is recovering well but visits from UK holidaymakers have been impacted by the cost of living.

Whilst the economic outlook is improving, conditions will remain difficult for the next year or two. As the national tourism organisation, we will work tirelessly with tourism and events businesses to help stimulate demand across domestic and international audiences.

I have already been impressed by the Board's commitment and drive to make sure we continue to listen and engage with industry so we can fulfil our core purpose – growing the value of the visitor economy to Scotland.

As we look to the year ahead we'll be working to bring more world-class events and stimulate demand for Scotland as a destination.

The tourism and events sector is worth £10.7 billion visitor spend to the Scottish economy. It creates jobs, sustains communities and attracts further investment in our country. I am proud to work with people who care passionately about tourism and events, and I look forward to delivering more for the sector through my role as Chair of VisitScotland in the years to come.



# Chief Executive's statement



Vicki Miller, CEO VisitScotland

*Our mission is to ensure Scotland is one of the most economically, environmentally and socially sustainable destinations in the world and this year responsible tourism remains a focus in everything we do.*

This year was a landmark year for Scotland, as international travel continued its strong recovery. Visit numbers, nights and spend by overseas visitors surpassed levels seen in both 2019 and 2022. These results demonstrate Scotland’s reputation as a must-visit, must-return destination. I am determined to continue growing that reputation as I build on the work of my predecessor, Malcolm Roughead, who has championed Scotland as a world-leading destination for responsible tourism.

In the last year, meetings, association and corporate incentive travel also recovered to pre-pandemic levels. Eight major business events took place, attracting 12,000 delegates and a Gross Value Added (GVA) of £6.6 million.

Our strategic focus, to grow Scotland’s share of global travel in a sustainable way, has been key, prioritising investment in short and long-haul markets that deliver high value visits and regional and seasonal spread. We can’t do this alone and have worked with a wide range of partners – global, national and regional – to help achieve our objectives. Our activity to stimulate demand for Scotland, through multi-channel consumer marketing, generated a net economic impact (NEI) of £56.7 million.

Our mission is to ensure Scotland is one of the most economically, environmentally and socially sustainable destinations in the world and this year responsible tourism remains a focus in everything we do. We have supported businesses to meet Scotland’s net zero ambitions through partnering with The Travel Corporation (TTC) and launching our Climate Impact Guide.



Scotland remains the perfect stage for events. A strong summer of events was rounded off by a sporting first, the combined inaugural 2023 UCI Cycling World Championships which were delivered by VisitScotland through a subsidiary. With over one million spectators attending the 11-day spectacle, it supported more than 5,000 jobs and generated £220 million visitor spend and a GVA of £205 million for Scotland.

There are still challenges, as visits from UK holidaymakers remain affected by the cost of living and businesses continue to face a challenging operating environment, impacting profitability. Consumer behaviour and the needs of businesses have changed significantly as a result, particularly since COVID-19 and in an increasingly digital world.

As a responsible organisation, we reviewed our activity and embarked on a strategic change programme to adapt to this new landscape, prioritising our expertise and resources on activities that will drive the visitor economy. We announced changes to the way we provide information to visitors and advice to businesses, moving to a digital-first, but not digital only, approach.

Our refreshed approach will ensure we reach more businesses through free to access digital advice and support, tailored to their requirements. This will help them develop the visitor experience, reach new markets and respond to visitors' changing needs. We are working in close collaboration with partners, including destination and sector groups, to tailor advice and support - signposting to other business support partners, where relevant. This development will see us retire our Quality Assurance schemes in March 2025.

Recognising the need to adapt to the changing ways visitors plan and book trips, we announced the phased closure of our network of iCentres. This will allow us to extend our reach and influence, getting more information to visitors before they travel, so they stay longer, spend more and explore more of Scotland. We've been engaging with stakeholders to consider local arrangements ahead of closures and, as a priority, we've been supporting our staff through this transition.

Our staff play an integral role in delivering for visitors and for businesses and we know this marks a significant change in how we operate. But I firmly believe that this is right and necessary if we want to make the biggest impact we can to grow the value of the visitor economy.

The changes have extended to our own organisational arrangements as Malcolm retired as CEO and Paul Bush stepped down from his role as Director of Events. Both have made a tremendous contribution to the organisation, and to the tourism and events sector more widely, and I would like to thank them for all they have achieved.

As international visitors return and events continue to shine a spotlight on Scotland, I am honoured to be asked to lead VisitScotland as CEO for its next chapter. We will continue to adapt and focus our efforts on our core purpose to drive the visitor economy and grow its value to Scotland.

# Statutory background

VisitScotland was initially established as the Scottish Tourist Board under the Development of Tourism Act 1969. The Tourist Boards (Scotland) Act 2006 formally changed the name of the Scottish Tourist Board to VisitScotland. Under the 1969 Act, the principal function of VisitScotland was to encourage British people to visit and to take holidays in Scotland, and to advise government and public bodies on matters relating to tourism in Scotland. The Tourism (Overseas Promotion) (Scotland) Act 1984 provides the authority for VisitScotland to market Scotland overseas.

VisitScotland's main office is in Edinburgh, and there is also a network of VisitScotland iCentres and local offices throughout the country.



# Key strategic objectives, issues and risks

VisitScotland's core purpose, as set out in the Strategic Framework for 2021-2024, is to deliver a strategic and coordinated approach to supporting the rebuilding of the visitor economy in a responsible way. In doing so, we will play a key role in delivering against the industry strategies, Scotland Outlook 2030 and Scotland the Perfect Stage.

VisitScotland's activities directly support the interwoven ambitions and outcomes of the United Nations Sustainable Development Goals (UNSDG), Scottish Government's National Performance Framework (NPF) and Scottish Government's National Strategy for Economic Transformation (NSET).

To deliver our core purpose, VisitScotland delivers activity aligned to the following strategic pillars:

- Stimulating global demand
- Supporting Scotland's tourism and events businesses
- Working collaboratively with community, sector and destination organisations towards a responsible recovery
- Enhancing our organisation insight, capability, planning and compliance
- Supporting and enabling our people

These pillars provide the framework for our performance measurement arrangements and our risk management framework (pages 70-72). At the end of 2023/24, principal risks included:

## Challenging funding landscape

VisitScotland continues to make the case for tourism with Scottish Government. However, due to the current economic environment, the organisation has seen cuts to budget which puts significant pressure on our activities. An increase in inflation has contributed to increasing costs across the organisation.

VisitScotland management have taken significant action to reshape and reduce cost where appropriate to safeguard the future viability of the organisation. This has come with the benefit of a more efficient and focused organisation, but also at the cost of real terms core activity spend.

Furthermore, a significant portion of VisitScotland funding contributes to staff costs, including associated pay awards. Under flat budget circumstances these must be paid for by allocating away from core activity spend. VisitScotland received a 5% budget cut in 2024/25. Combined with the pressures of inflation on core costs and pay inflation, this resulted in a significant budget pressure which the organisation had to absorb in the annual planning process through making further efficiencies and a reduction in core activity.

## Delivery and Close-out of 2023 UCI Cycling World Championships

The 2023 UCI Cycling World Championships were delivered successfully in August 2023, with no significant supplier disruptions having materialised to have an impact on the delivery of the event. The close-out procedures for the Championships were commenced following delivery of the event with these being 90% complete as of March 2024. Whilst the risk associated with the remainder of the close-out procedures will be carried forward into the 2024/25 financial year.

## Cyber security

Given the increased general risk relating to cyber security we continue to strengthen our control environment. VisitScotland has a Cyber Resilience Group and an action plan in place to continually enhance the level of security and ensure the organisation has an appropriate level of resilience. This is aligned with the Scottish Government Cyber Action Plan and subsequent Cyber Framework, National Cyber Security Centre guidance and Cyber Essentials.

# Looking forward

Looking ahead to the 2024/25 financial year, VisitScotland considers our key risk areas will include:

## Strategic change programme

VisitScotland is undertaking a significant multi-year strategic change programme to ensure we are set up for the future to make the greatest impact with the funds we have. This means responding to changes in consumer behaviour and business needs and shaping our marketing, events and industry advice activities to deliver what will grow the visitor economy. The programme will ensure that the organisation is the right size and shape to deliver its core purpose, driving the visitor economy and growing its value. This ambitious strategic change programme will be delivered in a phased approach, over a two-year period, and will include making some significant strategic decisions that will impact staff, customers, and stakeholders, across the range of services that VisitScotland provides. It will also require the organisation to assess our governance structures and internal systems and whether they remain appropriate. This programme of activity will be carried out during a period of change to VisitScotland leadership, with the end of tenure for the Chief Executive Officer, Chair of the Board and Chair of the Audit and Risk Committee.

## Funding challenges

Management expect that Scottish Government funding will continue to be a challenge in the coming year, given the wider economic conditions and the ongoing impact of year-on year pay inflation. We continue to make the case for tourism with Scottish Government and articulate the impact of any further cuts, to the organisation's future funding, on the visitor economy.

## Cyber security

As well as the ongoing focus on maintaining a robust and effective control environment with regards to general cyber security, the organisation will ensure we continue to strengthen our controls as we seek opportunities in the way we work through automation. Specifically, as we pursue the use of Artificial Intelligence (AI), we must ensure that we have identified all of the threats and opportunities that this presents and establish effective processes and procedures to minimise the risk to the organisation, whilst realising the benefits of the technology.

All other risks categorised as “high” or “very high” at the year-end have been summarised on page 72.

# PERFORMANCE REPORT - PERFORMANCE ANALYSIS

Our core purpose is set out in the Strategic Framework and the activities undertaken by VisitScotland are aligned to our key pillars. This section of the report provides a detailed review of VisitScotland's activity and performance against these key pillars as well as delivery of the 2023 UCI Cycling World Championships.



01

# DELIVERY OF 2023 UCI CYCLING WORLD CHAMPIONSHIPS



# 2023 UCI Cycling World Championships



**£344** MILLION  
incremental spend

**£205** MILLION  
Gross Value Added for Scotland

**£129** MILLION  
Gross Value Added for Glasgow

**£214** MILLION  
Gross Value Added for UK

**£220** MILLION  
total visitor spend in Scotland

**£600** MILLION  
global media value

Total full-time equivalent employment (FTE) supported by the event included

**5,878** jobs in the UK  
(**5,285** jobs in Scotland and **3,312** jobs in Glasgow)

## Delivery of 2023 UCI Cycling World Championships

For 11 days in August 2023, Glasgow and Scotland took centre stage as the cycling world descended on the country for the first ever combined UCI Cycling World Championships.

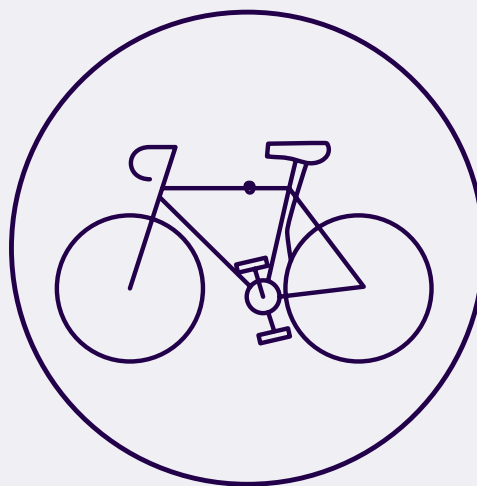
Led by the 2023 Cycling World Championships Ltd, a subsidiary of the VisitScotland Group, in collaboration with the UCI, Scottish Government, Glasgow City Council, UK Sport, British Cycling and Glasgow Life, the event brought together 13 UCI World Championships into one mega event.

The Championships took place in 10 venues and across 14 local authorities, generating social, economic and environmental benefits for Scotland, the UK, and raised the profile of cycling globally, as highlighted by the independent socio-economic [impact evaluation report](#) delivered by Ernst & Young.

Among the many achievements of the Championships, the report showed we helped deliver £344 million of incremental spend, resulting in £205 million Gross Value Added (GVA) economic impact for Scotland, £129 million GVA for Glasgow and £214 million GVA for the UK. There was also £220 million total visitor spend in Scotland during this time.

Our contribution to total full-time equivalent employment (FTE) supported by the event included 5,878 jobs in the UK (5,285 jobs in Scotland and 3,312 jobs in Glasgow). In addition, an amazing team of 3,500 volunteers, representing 73 nationalities, delivered over 63,000 hours of support to the 2023 UCI Cycling World Championships.

The report showed that we helped make 95% of Scottish spectators feel proud that Scotland was hosting the Championships, while 82% of spectators used a form of active travel during the Championships, reflecting our commitment to encouraging responsible tourism.



Over 7,000 athletes from 131 nations took part, with 220 UCI Rainbow jerseys awarded across 13 UCI World Championships, which included: BMX Freestyle Flatland; BMX Freestyle Park; BMX Racing; Gran Fondo; Indoor Cycling; Mountain Bike Cross-country; Mountain Bike Downhill; Mountain Bike Cross-country Marathon; Para-cycling Road; Para-cycling Track; Road; Track; and Trials.

Reflecting our commitment to equality, diversity and inclusion, the Championships had this at the heart of everything we did. Through the EDI Framework and Pledge, and with the support of our partners, we ensured that those most vulnerable in society, impacted by stigma and discrimination and excluded from sport and public life were included, aiming to create a truly inclusive, diverse and accessible Championships for everyone.

Achievements included delivery of an integrated Para-cycling Track schedule and the Elite Women's road race as the grand finale – both were firsts for a UCI World Championships. We were proud that 97% of people who attended the event felt it was inclusive and 93% of spectators with a disability found it to be accessible.



As a purpose-led event, we were committed to embedding sustainability in delivering an innovative, world-class event that would provide a model for the future. The Championships' Sustainability Framework and its 10 high-level commitments were put in place, outlining core values and guiding principles for organisation and the Championships delivery partners.

They were mapped against the pillars of "People, Place and Planet" in alignment with and to drive progress towards the United Nations Sustainable Development Goals (UN SDGs).

As the Championships, we also signed the United Nations Sport for Climate Action Framework and were one of the founding signatories of the UCI's Climate Action Charter, further cementing the Championships' ambitions to reduce cycling's environmental impacts.

The 2023 UCI Cycling World Championships Sustainability Report highlighted that among the Championships' many achievements, it contributed to 14 out of 17 UN Sustainable Development Goals, while 86% of stakeholders felt the Championships were delivered in an environmentally responsible way.



02

## STIMULATING GLOBAL DEMAND

Positioning Scotland as a responsible destination, driving short-term business and longer-term awareness and propensity to visit.

xx



# Stimulating global demand

## Consumer marketing activity

Our consumer marketing activity has the greatest impact at the earliest stage of the visitor journey, when we provide inspiration and information to influence future trip planning and decision-making. We have evolved our activity to reflect this changing consumer behaviour and increasingly influence sustainable travel choices, including regional and seasonal distribution.

Key sources of inspiration during these early stages of the journey include personal recommendations, magazine and news articles, social media, influencer content, search engines, travel and destination websites, and Online Travel Agencies (OTAs).

To build awareness and visibility for Scotland in these key channels, we employ a multi-layered marketing approach. We utilise our always-on owned and earned channels to showcase Scotland as a year-round destination. This approach delivers significant reach and engagement through our global press coverage and influencer collaborations, social media, email marketing and website. This not only keeps Scotland present in key travel inspiration channels but also ensures Scotland remains top of mind for future travellers. We share relevant trip ideas, reasons to visit and upcoming events, and leverage the advocacy of others to recommend Scotland.

This activity is further amplified through high-profile brand-building campaigns, seasonally weighted to maximise influence during key planning and booking periods in our priority markets of UK and USA. We also targeted France and Germany to support season extension and more sustainable inbound travel from short-haul visitors. Key partnerships to reach our priority audiences included media and content partners, such as Meta, YouTube, Expedia, Skyscanner, Disney+, National Geographic and NBC.

In the last year we delivered 15 regional partner campaigns and worked with a further 13 national partners on in-kind, upweighted and match-funded tourism marketing activity, in turn generating significant added value and creating an even more compelling return on investment.

These campaigns with regional, destination, sector, and commercial partners extended our collective reach, engagement, and added value, including promoting sustainable travel and key routes through partnerships with Avanti, LNER, Caledonian Sleeper and ScotRail domestically, as well as DFDS in Germany and the Netherlands.

## Consumer marketing 2023/24

Over

**411**

MILLION

impressions served

**161**

MILLION

organic social media reach

**67**

MILLION

total video views (across consumer marketing channels/activities)

**23**

MILLION

page views on [visitscotland.com](https://visitscotland.com)

Online Travel Agent (OTA) gross bookings value of

**\$35** and **116,900**

MILLION

ROOM NIGHTS

Our consumer marketing has consistently exceeded targets, with over 411 million impressions served, 161 million organic social media reach, 67 million total video views and 23 million page views on [visitscotland.com](https://visitscotland.com). Online Travel Agent (OTA) partnerships, selected to reach audiences with strong travel intent and convert interest and demand into bookings, have delivered \$35.5 million gross booking revenue and 116,900 room nights.

By focusing on these strategies, we ensure Scotland remains a top choice for consumers, continuing to grow Scotland's share of global travel in a sustainable way.

### Scotland's leading events status

Scotland has developed and built a pre-eminent position for quality, scale and capability over the years and continuing to maintain this was at the forefront of our work this year.

We supported and secured a portfolio of brand new and much-loved high-profile events which reinforced Scotland's world-leading events destination status.

As well as delivering the 2023 UCI Cycling World Championships, highlights included Radio1's Big Weekend in Dundee, Tall Ships Races Lerwick 2023, Edinburgh's Hogmanay Torchlight Procession, which blazed an illuminated trail for the first time since 2019, and the World Athletics Indoor Championships Glasgow 24.

We partnered with The List on the production of the 2024 Guide to Scotland's Festivals, providing a platform to showcase both the destination and the range of events on offer for audiences to enjoy.

Through long-standing collaborative partnerships with the industry, we were able to continue shining a spotlight on Scotland to global audiences at events such as the PGA Show in Orlando, the UCI World Congress, SportAccord World Sport and Business Summit in Birmingham, and the 10th global Host City Conference and Exhibition in Glasgow.

### Business events

Scotland continued to be promoted on the international stage as a destination for conferences and incentives from the key markets in North America and Europe. A finely targeted suite of marketing activity and sales platforms was delivered across the year, aimed at the 95% of clients and decision-makers based beyond Scotland.

This included high-profile, national presence at major business events/tradeshows including IMEX Frankfurt, The Meetings Show, London and IMEX America. Each show saw strategic stakeholder partners, including major conference centres and resort hotels, taking advantage of the national brand to generate tens of millions of pounds of new business for 2024-2028.

Eight major business events took place in 2023/24 supported by awards made up to eight years ago from the National Conference Bid Fund. These attracted 12,000 delegates and a Gross Value Added of £6.6m, supporting 174 full-time equivalent jobs (FTE). They included the European Conference on Education Research, the World Congress on Basic and Clinical Pharmacology, the Annual Conference of the Association for Medical Education in Europe, and the Society for Experimental Biology – once again demonstrating the broad range of key sectors that choose Scotland as their conference destination, based on the country's credentials in these areas.

We continued to evolve and develop our world-leading policy-driven model and transformation protocol. Conferences secured under this model in the past year include the Ocean Sciences Meeting 2026.



## Case study – growing inbound tourism to Scotland from the US

With competition for international visitors fierce, it was no small feat that Scotland was the only UK nation or region to drive an uplift in US visitors in 2023, demonstrating the strength of our approach and the strong demand.

During the pandemic, we carefully curated a call to 'dream now, travel later' on all of our channels, ensuring that Scotland remained front of mind for international visitors when restrictions lifted.

Our Scotland is Calling campaign has continued this approach, successfully promoting visits throughout the past year from key international and domestic markets. It was aimed at moving prospective visitors from awareness to consideration to conversion.

At the heart of our activity in the US was a partnership with two iconic storytelling brands: National Geographic and Disney. Together we embraced the increasing interest in screen tourism, the so-called 'set-jetting' trend, and shone a spotlight on Scottish locations that have inspired Disney's stories or provided the backdrops to their iconic movies. Brand building activity via Meta, Snapchat and Connected TV delivered 16 million video views in the US.

Via the newly launched Disney+ ad platform, we reached into American homes over 1.6 million times.

A series of six articles with Culture Trip brought hidden gems, first-hand experiences and responsible tourism products to life, reaching over five million impressions to US-based readers.

Conversion-focused activity with Expedia delivered an increase year-on-year in gross booking value of 16% in the US, with a return on ad spend of almost \$114 to every \$1.

Critically, our activity influenced seasonal bookings, with 50% of all attributed North American travel booked across off-peak months, with September the most booked month to travel.

03

## **SUPPORTING SCOTLAND'S TOURISM AND EVENTS BUSINESSES**

Supporting industry, helping to stabilise and re-build the sector in a responsible and inclusive way.



# Supporting Scotland's tourism and events businesses

## Intermediary marketing - a targeted route to internationalisation

Some 64% of international visitors planning their package to Britain use travel intermediaries. Among long-haul travellers, that's 73%. So, working with travel intermediaries can be a very lucrative and targeted way for Scottish tourism businesses to get their offering out into market. Picking the right one can also help businesses to be targeted in reaching a specific segment and in managing that visitor flow.

VisitScotland's product pipeline approach supports businesses to:

- develop their offering to be bookable via the best-fit intermediary, on or offline
- develop their pitch
- identify the right intermediaries

### It also:

- provides platforms for supplier and buyer to engage
- supports the intermediary to programme and market Scotland holidays which meet the demands of the evolving consumer

This year the challenging cost of doing business saw us create more low-cost and no-cost opportunities to help make this happen. From adapting our flagship VisitScotland Connect event to creating low-cost business development events in London and Edinburgh and free of charge webinar pitches to buyers, including global luxury agents.

Our intermediary marketing programme delivered:

Tailored pitch support for over

**100** businesses

More than

**50** businesses taking part in new business development workshops

## Route development - Scottish tourism's global connectivity

Despite the geo-political challenges of the last four years, global travel volumes - international traffic volumes in particular - have all but returned to previous growth trends. Scotland's connectivity too has largely returned to pre-pandemic levels, with 2023 passenger numbers across Scotland's airports up over 2022, and opportunities for inbound tourism further enhanced with Scotland accessible via key gateways across our most important inbound markets.

Returning services this year included Hainan Airlines' Beijing to Edinburgh connection. Qatar Airways increased their Edinburgh service to 10 and later 14 a week, and Emirates flagged the return of their Edinburgh service. Scotland's long-haul connections were further enhanced with the summer 2023 launches of Delta's Atlanta and WestJet's Calgary services direct into Edinburgh.

Direct and one-stop connections have helped drive the return of the lucrative North American market, and VisitScotland works closely with airlines in a programme of consumer and travel trade marketing to raise awareness of these services among travellers and travel intermediaries. This is a Team Scotland effort with Transport Scotland and Scottish Development International, to support Scotland's airports in targeted developments, to further enhance business connectivity, exports and inbound tourism, raising Scotland's profile, as well as its accessibility, on a global stage.

Over

**7,000** meetings between suppliers and buyers

**10** travel trade education workshops

## Sector development

Partnership working continued to underpin sector development activities, through product development, routes to market, marketing and direct business advice.

Travel trade activity was complemented with a pilot programme to support businesses in the experience sector to become discoverable and bookable online, introducing them to forms of digital distribution. Time-poor businesses were recruited, with a cohort of participants completing a learning programme with direct support from our in-house experts. The programme is being evaluated with the potential to scale up in the future.

In addition to our core areas of business advice and support, we have responded to the changing legislative context by providing guidance to accommodation businesses on the short-term lets legislation. Over a period of three months, almost 27,000 emails were sent to businesses we engage with to advise on actions required to comply with the legislation.

We partnered with sector organisations and Business Gateway to deliver workshops and webinars on topics ranging from carbon reduction and inclusive tourism to digital fundamentals, future trends, and search engine optimisation. Almost 1,000 businesses have been reached and supported through these activities.

With the Association of Scottish Visitor Attractions (ASVA), we delivered benchmarking sessions around the many elements of the visitor experience, encouraging participants to take an objective look at their operations.

## Scottish Thistle Awards

The 2023 Scottish Thistle Awards continued to build on the success and impact of this longstanding celebratory programme. Led by VisitScotland, in partnership with industry, an expanded slate of regional award events was delivered. New partner, South of Scotland Destination Alliance, joined Highlands and Islands Thistle Awards (HITA), the Aberdeen City and Shire Thistle Awards (ACSTA) and VisitScotland, for the first time, to deliver five regional events across the country.

Continuing to put responsible tourism and events at their heart, the awards recognise and celebrate excellence within Scotland's tourism and events industries, supporting our ambition to be a world leader in 21st century tourism and underlining our commitment to quality and success.

From 740 entries, regional finalists were selected across 14 categories, the winners of each progressing to the national finals in Glasgow, where a further four 'national only' category awards were also made. Success was shared with 1,600 industry peers in attendance at events, as well as through expanded media, and promotional opportunities.

Effective partnerships were essential for success: Johnstons of Elgin continued for a third year as headline sponsor, media partner News Scotland generated a reach of 570,000 via the print campaign, and TV advertising partner STV delivered a reach of almost one million people, helping further build the Scottish Thistle Awards brand.





## Case study – VisitScotland Connect 2023 - internationalisation 'live'

April 2023 saw the return of VisitScotland’s flagship travel trade event. Taking place at the P&J Live in Aberdeen for the first time, this was also the first such live event since 2019. With the aim of supporting the internationalisation of Scottish tourism businesses, the new event format was developed in line with:



- buyer and supplier demand for a return to a live event
- trial of a new tabletop workshop format
- addressing costs in the current economic climate

With a focus on supporting the ambition of Scotland Outlook 2030, the event sought to position Scotland as a responsible tourism destination, utilising a leading green venue, securing intermediary buyers with a focus on developing more responsible tourism, and supporting Scottish businesses to plan and build forward responsibly.

VisitScotland Connect 2023 successfully delivered:

- 175 supplier businesses from across Scotland
- 252 travel intermediary buyers from 23 countries
- over 6,000 qualified workshop meetings
- 109 buyers on 13 themed familiarisation trips

Subsequent evaluation indicated high levels of satisfaction with the new format, examples of suppliers working now to further adapt their offering, buyers intending to adopt the products experienced, and overall, resulting sales forecast of £6.0 million NEI, supporting 78 full-time jobs and GVA of £4.0 million.



## National Events Conference

Scotland's National Events Conference, delivered by VisitScotland, is the flagship industry conference for the events sector in Scotland. It is organised for all those working to create, deliver, and support Scotland's cultural, sporting and business events.

Held for the first time in four years, the conference, entitled 'Resetting the Perfect Stage for Events', took place at the Assembly Rooms, Edinburgh in March 2024.

The sold-out conference attracted more than 250 delegates, 45 speakers and a range of exhibitors. The programme covered a range of themes, including Scotland's future events ambition and global status, international perspectives, responsible events, community engagement, workforce development, Artificial Intelligence (AI), and measurement and evaluation, including the importance of social impact.

The conference was co-hosted by British broadcaster and author, Gemma Cairney. She was joined by two representatives from Jupiter Artland's ORBIT Youth Council, an outreach programme that provides opportunities for young people aged 16-18 to use their creativity to have an impact, whilst reinforcing the importance of providing a platform for future generations.

The discussions and presentations from a diverse range of speakers, covering all aspects of the events industry, ensured it provided a great springboard for the sector as it embarks on the journey towards 2035, under Scotland's refreshed National Events Strategy.

## Supporting the events sector

Scotland has benefitted from a national strategic approach to events for the past 20 years. Building on this, an extensive public consultation was undertaken throughout 2023 to inform the development of a refreshed [National Events Strategy 2024-2035](#).

Shaped and led by VisitScotland, in partnership with the Scottish Government, Scotland's Events Industry Advisory Group (EIAG), local authorities, COSLA, trade union representatives, and those who responded to the consultation process, the refreshed strategy builds on earlier editions (2015 – 2025) and provides the focus necessary to retain Scotland's global status across the next decade, ensuring the true value of events is recognised as a key contributor to the wellbeing economy.

In terms of our funding programmes, we supported 72 events, spanning 28 local authorities. This included events supported through our National, International, Golf and Community Cycling Fund programmes. Impact highlights include 484 full-time equivalent (FTE) jobs supported, and a Net Economic Impact (NEI) of over £33 million.

Work to develop an online platform to streamline all funding enquiries, applications and manage funding awards was also completed in this period to support the event sector.

The work of the Events Industry Advisory Group (EIAG) continued to be exemplary in its collaborative approach, advocating the importance of the sector at government level across a range of areas including funding support, legislation and the regulatory landscape, as well as the National Events Strategy.

## Case study – World Athletics Indoor Championships Glasgow 24



Glasgow and Scotland provided the perfect stage for the World Athletics Indoor Championships Glasgow 24, with the world’s best athletes descending on the city in March 2024, for three days of exhilarating track and field action.

Having bid for and been awarded the event in December 2021, it was the first time the Championships had been held in Scotland and followed the successful delivery of the European Athletics Indoor Championships Glasgow 2019.

A total of 586 athletes from 128 countries competed across 13 indoor events. Watching the action were more than 22,000 ticketed spectators from 37 countries, with millions of fans from around the world tuning in. Away from the field of play, a total of 8,600 articles were published by the world’s media.

The MOWA Indoor Athletics Exhibition Glasgow 24, celebrating over 170 years of indoor athletics, welcomed more than 16,000 people to its activations in the St Enoch Centre and the Glasgow Arena.

The Championships’ efforts to include social impact and environmental sustainability were also recognised, becoming the first event to be awarded platinum level recognition against World Athletics ‘Athletics for a Better World (ABW) Standard’.

04

## **WORKING COLLABORATIVELY WITH COMMUNITY, SECTOR AND DESTINATION ORGANISATIONS TOWARDS A RESPONSIBLE RECOVERY**

Establishing new mechanisms and capability to ensure a truly collaborative and community-led approach.



# Working collaboratively with community, sector and destination organisations towards a responsible recovery

## Driving responsible tourism

Ensuring tourism and events in Scotland are inclusive is a key pillar of our responsible tourism strategy. The delivery of enhanced business support in this area, reflecting and responding to changing business needs, was a key priority during 2023/24.

Through our industry programme, we directly engaged with over 400 businesses, sharing the value and benefits of inclusive tourism, and providing support to maximise the opportunities of the market. We provided in-person support by presenting at conferences, including the Purple Tuesday Celebration Day inaugural event in Scotland in November 2023, and supported the delivery of a new customer service training course. We partnered with the Edinburgh Tourism Action Group and VisitAberdeenshire to deliver a series of webinar sessions engaging with over 100 businesses.

We commissioned AccessAble to produce 100 detailed access guides for venues across the following regions - Aberdeen and Aberdeenshire; Edinburgh and Lothians; Fife, Dundee and Angus; South of Scotland. In February 2024, following a procurement process, we appointed AccessAble on a three-year contract, to provide an access guide service for tourism businesses. This helps tourism businesses connect with disabled visitors by providing accurate information about the venue's accessibility features and provides our visitors with easy access to quality checked access guides.

To read about VisitScotland's internal sustainability work, please go to page 57.

## Decarbonising the supply chain

In March 2024, we launched a partnership with global tour operator, the Travel Corporation (TTC), and international sustainable tourism organisation, The Travel Foundation, to support the decarbonisation of the Scottish supply chain.

The partnership places emphasis on community benefit, as well as the path to net zero, and aims to create a programme of meaningful travel experiences in Scotland, including slower travel, local immersive experiences, community engagement and reduced environmental impact.

This is the first time that VisitScotland and any global tour operator have committed to working together to share learnings, insights and support each other in accelerating change and being part of the climate change solution. The partnership aims to inspire and support climate action within Scotland's tourism industry and represents a huge opportunity to influence and drive change with businesses, visitors and destinations.

A programme of business support is underway and more than 70 businesses joined a 'Responsible Tourism for a Sustainable Future' webinar, which launched the partnership. It provides the industry with insights into meaningful travel and the resources available to support with tourism's climate journey.

The partnership will involve a marketing campaign with TTC, targeting the North American market and highlighting these meaningful travel experiences.



## Case study - partnership marketing: LNER

### Getting visitors on the right tracks

Last year cities and attractions continued to experience mid-week lulls in footfall and bookings.

Building on the success of our 2022/23 partnership, we again teamed up with LNER on a campaign to promote travel to Edinburgh from London, driving destination and brand awareness, while highlighting the ease of train travel and the incredible Scottish experiences it unlocks.

LNER had mid-week capacity to fill on their east coast route, and their new Azuma trains were offering ever-greener travel options. We had the opportunity to not only engage new visitors and promote week-round travel, but also to support a behavioural shift in prospective travellers from flight to rail, highlighting the ease, sustainability and speed of travel between these exciting capital cities.

#### Our campaign included:

- paid social delivering six million impressions, 368,000 video views and ad recall at 568% of target
- strategically targeting London Underground commuters and achieving an estimated 36 million impacts
- digital display advertising reaching over two million impressions and brand uplift study showed 45% of people exposed to the ad were now interested in travelling to Scotland during the middle of the week
- radio advertising delivering ten million estimated impacts
- all of this was amplified via further earned and owned-channel content, reinforcing the benefits of rail travel to, and around, Scotland



## Case study - capturing the Spirit of the Highlands and Islands



Over the past decade, there has been rapid growth in tourism across the Highlands and Islands, contributing to local jobs and communities, but also increasing pressures on infrastructure and iconic sites.

We know from our research that the iconic natural and cultural heritage of the area is a key motivation to visit, and that intent to travel to these areas remains high. But to ensure tourism remains a force for good, close partner working is required.

A first-of-its-kind collaboration, the scale of the Spirit of the Highlands and Islands project was extraordinary, matched only by the ambition.

The project was a partnership between Highland Council, Highlife Highland, Highlands and Islands Enterprise and VisitScotland, and the project team engaged with over 100 tourism, cultural and community groups.

Working with local groups and people, we created a wealth of storytelling content, including an audio score, 23 web itineraries, 42 micro-biopics and location films, six video ads, 169 local audio trails, 560+ community stories, and captured over 1,000 new images.

This project showcased the unique natural and cultural heritage of the area's quieter spots, encouraging seasonal and geographical spread. Our off-season campaign targeted domestic and EU audiences through activity on YouTube, global media advertising platform Teads and paid social, broadcast video on demand, publishing partnerships with Die Zeit and The Guardian, 14 press trips and extensive media engagement.

Activity ran between August and December 2023 and drove organic reach in excess of 39 million, estimated earned coverage reach of 129 million, 72 million paid impressions, 895,000 reach via influencer marketing.

Beyond exceeding campaign targets, this partnership has forged new ways of working across the region.

## International tourism partnerships

Our vision for responsible growth in tourism means looking both inside Scotland and beyond. International partnerships are important. They allow us to:

- showcase our work and that of the tourism industry in Scotland
- identify and exchange best practice in areas of strategic priority
- influence through collaboration with other world-leading destinations

Scotland is highly regarded globally for its approach to tourism and the wide range of activity being delivered, not just at VisitScotland, but across the industry. With so many destinations facing similar challenges, we have a real opportunity, not just to inspire others, but to be inspired in return, by some of the great work taking place across the world.

We've worked with international partners in a wide range of countries that hold strategically similar ambitions for responsible tourism. This includes Iceland, New Zealand, the Netherlands, Norway, Sweden and Canada. We are proactive members of UN Tourism and also sit on the Board of NECSTouR, a network of 49 regional destinations in Europe committed to competitive and sustainable development. In 2023, we signed a memorandum of understanding with Visit Flanders and delivered a successful event at Scotland House Brussels, showcasing the action we've taken on the road to net zero. As with all our international activity, it positioned Scotland as a partner of choice in responsible destination development.

At home, our partnerships build on tourism as a force for good and while spotlighting that on the global stage, we can simultaneously identify and learn from how others are taking forward opportunities in delivering better places to live, work and visit.



## VisitScotland's Gaelic Language Plan

We recognise the distinct role that the Gaelic language plays in Scotland's heritage, identity, and culture. It provides an extra layer to the authentic experience that so many of our visitors desire.

Our most recent Gaelic Language Plan is the fourth iteration, and was approved by Bòrd na Gàidhlig in November 2023. The plan reaffirms our commitment to ensuring a strong and sustainable future for Gaelic and outlines what we will do to ensure the continued visibility and promotion of Gaelic.

A key strand of our Gaelic Language Plan is leading the Gaelic Tourism Strategy for Scotland. Working alongside key partners, we drive the delivery of the strategy, and aim to increase industry engagement, by highlighting the opportunities of Gaelic tourism. The refreshed Gaelic Tourism Strategy for Scotland was launched during Seachdain Na Gaidhlig (World Gaelic Week) in February 2024. Work is ongoing to implement the strategy action plan, which details the essential activities that need to be delivered, to fulfil our strategic priorities and agreed outcomes.

We continue to engage with Gaelic organisations, such as Hands Up for Trad, through sponsoring the 'Event of the Year' category at Trad Awards 2023 and amplifying World Gaelic Week across all our channels.

[www.visitscotland.org/about-us/what-we-do/our-plans/gaelic-language-plan](http://www.visitscotland.org/about-us/what-we-do/our-plans/gaelic-language-plan)



## Rural Tourism Infrastructure Fund

The Rural Tourism Infrastructure Fund (RTIF) was established by the Scottish Government, and is managed by VisitScotland, to improve the visitor experience in rural areas, which face pressure on their infrastructure, and communities, due to high visitor numbers.

In a strategic approach to visitor infrastructure development, and ensuring greater alignment with Scotland Outlook 2030 and the National Strategy for Economic Transformation, RTIF has supported the development of 25 strategic tourism infrastructure development plans across rural Scotland. These have identified around £120 million of funding required to meet current tourism infrastructure needs.

To date, £20.1 million of grant funding has been awarded to 75 projects across rural Scotland, leveraging a further £15.5 million of investment - 59 projects were completed by March 2024. By working with local authorities and communities, RTIF projects supported sustainable development goals in 2023/24, addressing motorhome issues, wild camping, and promoting greater inclusiveness through the delivery of more accessible and Changing places toilets.

The fund has also helped progress our work under the Destination Net Zero umbrella through the provision of multi-use paths, EV charge points and cycling facilities. Completed projects have delivered eco-heating systems, solar panels, high levels of insulation and more sustainable lighting solutions as well as improving the landscape and biodiversity in rural areas.

## Destination development

We have supported Scottish Government's focus on Regional Economic Partnerships – notably with the Edinburgh and South East Scotland Regional Prosperity Framework and North East Regional Economic Strategy. We are engaged with over 100 destination stakeholders across Scotland, seeking to connect national, regional and destination

opportunities. Working with our partners, we have seen important new strategic approaches launched this year, including in Ayrshire and Arran, Glasgow, and Fife. Just one example reflecting our ambition for tourism is the South of Scotland Responsible Tourism Strategy, developed across key agencies including VisitScotland. This strategy aims to grow tourism spend in the South of Scotland by £1 billion to £1.76 billion and support a further 6,000 jobs by 2034, taking the total employment in tourism to 20,000 people.

Growth Deals and major investments continue to offer huge scope to grow the visitor economy, with an estimated £600 million of total funding in over 30 projects across Scotland. This year witnessed the spectacular opening of Perth Museum, positive progress in the Outer Hebrides – St Kilda, Callanish and Iolaire, and Stornoway Deep Water Port. Inverness Castle is due to open as a flagship attraction in 2025, and others, such as the £22 million Moray Growth Deal-funded Elgin Cultural Quarter project provide a strong pipeline.

Our work on national policy and projects, has helped bring together partners and expertise to progress the National Visitor Management Plan. This included leading new research on motorhome and camping markets, supporting the consideration of potential new National Parks, and supporting Scotland's Towns Partnership.

Using our strong relationships with businesses, we have helped amplify the impact of our work on international trade, creating a pipeline for VisitScotland Connect 2024, hosting a travel distribution day and building awareness about distribution opportunities and the support VisitScotland can offer on new routes to market. We have also ensured visibility was given to the right products and new trade-ready experiences at our product presentation days, luxury webinar series, and business development missions.

## Industry Leadership Group

The Tourism and Hospitality Industry Leadership Group (ILG) was established to champion the national tourism strategy, Scotland Outlook 2030, and drive Scotland's ambition to be a world leader in 21st century tourism. The group is comprised of both industry representatives and public agencies.

We are one of nine organisation members and provide communications support for the ILG. In autumn 2023, we also took on responsibility for the ILG coordination and secretariat function. Meetings of the group, and its activity this year, have centred on establishing five cross-cutting missions, the themes being: technology; people; net zero; community and transport. These missions form the ILG's focus for engaging with wider industry and influencing the key stakeholders who can help deliver Outlook 2030.

We have supported this work through oversight of the mission development, facilitation of discussions and engagement with external stakeholders as part of ILG meetings. We also ensure the ILG is smoothly run, which requires close working with the co-chairs and Scottish Government officials.

## Visitor levy

In May 2023, Scottish Government introduced legislation that would give local authorities the power to raise a levy on overnight accommodation.

The proposed levy would allow local authorities to apply an additional charge to visitors as a percentage of the accommodation price. The proposals require that any revenue collected by those authorities that chose to apply a levy should be reinvested in services and facilities largely used by tourists and business visitors. The prospect of a levy, developed collaboratively between local authorities and businesses, presents a unique opportunity for multi-million-pound annual investment in the sector. This could deliver tangible outcomes that will help to create better places to live, work and visit.

We were invited by Scottish Ministers to chair an expert group comprising representatives from the tourism industry and councils. The group is developing statutory guidance and best practice to assist councils and businesses using the levy.

The group has met nine times to consider various sections of the Visitor Levy (Scotland) Bill. The group established a work plan and structure to follow, which allows participants to contribute their respective expertise to deliver the guidance and best practice. Sections of the legislation covered to date include consultation, record-keeping, scheme publication, local flexibilities, registers, equalities and islands.

This ongoing work will deliver guidance that will help the new discretionary power work for both businesses and communities, providing significant investment for the sector. We have also supported partners as they consider the visitor levy, and helped to communicate the proposals, and the work of the expert group, to businesses and sector stakeholders through our corporate website [VisitScotland.org](https://www.visitScotland.org) and industry communication channels.

05

# ENHANCING OUR ORGANISATION INSIGHT, CAPABILITY, PLANNING AND COMPLIANCE

Maintaining the momentum of our transformation programmes, enhancements to organisational processes and value from our insight programme.

# Enhancing our organisation insight, capability, planning and compliance

## Strategic change programme

Our strategic change programme got underway this year to ensure we are set up to deliver the greatest impact as the national organisation for tourism and events. This includes reviewing our activities, with an initial focus on our approach to the provision of both quality advice to businesses, and information to visitors

In February, we communicated the decision to retire our quality assurance schemes. Instead of charging businesses for assurance, we will develop a free-to-access business advice programme.

This will provide the insight and information we know businesses want from us – on areas like consumer insight, trends, sustainability and digital advice and legislation. Work began this year to develop this programme, which will be digital-first but not digital-only, with one-to-one advice available where it will add the most value.

Ultimately, we believe this will give us greater reach, allow us to tailor advice to local and sector needs and enhance our work with national business support partners.

We also identified the opportunity to focus on pre-arrival information to extend our reach and influence with visitors. This reflects significant changes in consumer behaviour, with visitors using online resources and travel specialists to plan and book their trips and activities before they arrive at their destination. As a result, we took the decision to close our iCentre network and announced this in March 2024. Our staff remain our priority and we have worked closely with staff to discuss their options, including redeployment, reskilling and voluntary redundancy.

We also engaged with key stakeholders to discuss local circumstances as we planned the closure programme, which will be phased from the end of September 2024.

Our digital-first strategy will see us target the channels we know visitors use to maximise our reach and influence within our key markets. It will also support us in attracting visitors throughout the year and across Scotland. Work is ongoing to consider how we develop our owned channels to deliver our purpose to drive the visitor economy.

These two workstreams – focusing on quality advice and visitor information – are overseen by a Strategic Change Programme Board, chaired by the Chief Executive Officer.

The programme itself is a multi-year project which will examine all areas of the organisation.

With the launch of the revised national events strategy, we will consider how we best support this vital part of the visitor economy.

We will also begin work to review our technical infrastructure and business processes, ensuring any changes help to support and enable our people, in line with our strategic framework.

At the heart of all of this work are our people and embedding workforce planning into the programme will ensure we are the right shape and size to deliver our core purpose.

## A move to digital-first

Our development process is data-driven, utilising user research, analytics and insights to inform and guide our delivery. Continuous performance monitoring, and identifying opportunities for improvement, are essential to enhancing the visitor journey, ensuring our platforms meet the evolving needs of our users.

As user behaviour increasingly shifts towards digital information consumption, we are aligning our vision and future roadmaps for both our consumer website, [visitscotland.com](https://visitscotland.com), and our corporate website, [VisitScotland.org](https://VisitScotland.org), to reflect this change.

Users now seek and consume information in a variety of ways, requiring us to adopt a platform-first approach to effectively reach them across multiple channels. This necessitates an evolution in how we create, curate, optimise, and distribute our content. It also involves rethinking the role of our websites, to determine which functions and features best enhance the user experience.

Our commitment to digital delivery ensures that we provide reliable and robust platforms, to support our organisational objectives. This involves user research, testing, timely updates, and platform enhancements across our digital estate.

To ensure our websites are discoverable, data-driven, with content tailored to different user archetypes, we leverage the capabilities of our current platforms and explore innovative cloud-based solutions to drive improvements, whilst working toward our sustainable goals.

A key component of our digital strategy is the development of a modern design system. This system will enable efficient delivery of consistent, easy-to-navigate interactions, visuals, and voice across our sites. By doing so, we aim to enhance

efficiency, accuracy, and compliance with the Digital Scotland Service Standard, including accessibility. This system also allows us to implement changes seamlessly across our portfolio of digital assets.

We are committed to delivering experiences that meet the evolving needs of our users, ensuring that [visitscotland.com](https://visitscotland.com) and [VisitScotland.org](https://VisitScotland.org) remain valuable and useful sources of information.

## Scotland Visitor Survey

This year saw the much-anticipated return of the Scotland Visitor Survey, following its postponement in 2020. This is our most comprehensive survey of overnight leisure visitors when they are here in Scotland. Over 11,000 face-to-face interviews were conducted at 135 sampling points - from Dumfries in the south, to Shetland in the north. In addition a detailed online survey, provided in six different languages, was completed by over 3,000 visitors after their trip.

The survey has provided a wealth of data and insight on several key topics for Scotland and for our regions and sectors. We communicated these in a phased programme, starting with the highlights of the findings for Scotland as a whole. These included the finding that 71% of visitors rated their experience in Scotland as a nine or a 10 (on a 10-point scale), 82% of visitors are likely to recommend Scotland (rating nine or 10 out of 10) and 80% of visitors are quite or very likely to return to Scotland in the next five years.

The survey allows us to explore the full visitor journey and areas of satisfaction. Our analysis and insights are being shared with stakeholders and businesses. They offer valuable context for business planning and strategies and to help inform improvements in the visitor experience.

06

## SUPPORTING AND ENABLING OUR PEOPLE

Building internal advocates: a diverse, informed, empowered, agile and engaged team.



# Supporting and enabling our people

## Staff wellbeing

The health and wellbeing of our workforce remains a priority, influencing our culture and the people services we deliver. Cultivating a transparent and honest culture is important, particularly during a time of change. We ensure we talk openly about a range of health and wellbeing topics and are confident in our management practices to support staff.

Having a healthy and engaged workforce results in greater levels of productivity, improved job satisfaction and lowers our absence levels.

This year we introduced a range of resources for mental, physical, and financial wellbeing. These include:

- the introduction of a mental health toolkit, providing a central repository for health information from organisations that provide support
- a series of recorded webinars focusing on mindfulness and resilience
- access to a new e-learning platform with content to support self-care
- promotion of financial security by offering more information about our employee pensions, encouraging staff to consider their future financial security
- the launch of a Domestic Abuse Policy, encouraging staff to speak out when they need support
- the introduction of a Menopause Policy, providing support and information to all staff about the impact the various stages of menopause can have on an individual, and what we can do as managers and colleagues to support



## Our people

Our people and workforce activities focused on the commitments outlined in the VisitScotland People Strategy 2021-2024. Our activities this year continue to ensure we are:

- considered an employer of choice in Scotland
- an exemplar in responsible and inclusive work practices
- an employer that embraces and celebrates diversity
- a progressive and flexible employer
- acknowledged externally for the professionalism of our employees, the quality of their work and their contribution to Scotland

In delivering our commitments, we have successfully agreed and implemented a two-year pay deal for staff, enhanced our suite of family-friendly policies by increasing paternity/partner leave, introducing paid carers leave and offering flexible working from day one of employment. By continuing to offer greater levels of flexible working practices via hybrid working and promoting employment opportunities across Scotland, we have carefully managed our workforce, ensuring we have the resources we need to deliver for the business.

## Estates and resilience activities

We continued our programme of efficiencies across the estate, and made a significant change in Edinburgh, by relocating our office from Ocean Point to Waverley Court, co-locating with the City of Edinburgh Council. This is in line with our commitment to identify efficiencies, where possible, and work with other public sector bodies to maximise on shared service opportunities.

Due to the organisation's hybrid way of working, we reduced the Edinburgh office by circa 20,000 sq ft, significantly reducing our operational costs. The move has huge environmental benefits as we continue to reduce our carbon emissions in a more energy efficient building and operation. The organisation took the opportunity to remove its legacy server room at Ocean Point, accelerating the strategic move to the cloud and co-locating remaining infrastructure, which also provides a reduction in carbon emissions and greater systems resilience.

With accessible city centre travel links and excellent office facilities, this has been a very successful move. We continue our commitment to estate and business resilience aims to create safe, secure, and sustainable environments for all stakeholders. By prioritising resilience, we protect assets, minimise disruptions, and ensure uninterrupted operations.

Our comprehensive approach includes proactive risk assessment, business continuity planning, emergency response preparedness, infrastructure maintenance, environmental sustainability, and stakeholder engagement.

We are currently implementing a new way of capturing our business resilience processes by embedding business impact assessments in all our activities. This will aim to identify the critical resilience activities across the organisation and will aid the ongoing review of our business resilience plan.







## Case study – staff training

As we continued to embrace our hybrid working environment, we planned a fresh approach to support and engage our staff through learning and development. This year saw the launch of a new learning resource, the VisitScotland Learning Academy.

The VisitScotland Learning Academy is designed to bring all learning and development together into a straightforward, easy-to-access hub, giving staff the opportunity to own their career development.

The Learning Academy includes a new online learning platform, Virtual College.

Working collaboratively with experts from across the organisation, we have built a VisitScotland-focused platform, tailored to our staff.

Virtual College hosts a range of business skills, and professional development, along with our mandatory learning subjects. All learning styles have been catered for, using media, e-learning, podcasts, documents, and videos. We also have the option to create our own branded learning content.

As well as Virtual College, our focus on learning and development has included the introduction of workforce coaches, new leadership programmes and a focus on job-specific skills development, particularly in areas of technical expertise.

The development of the Learning Academy continues and through collaborative teamwork, VisitScotland staff have ownership of their learning hub.

07

# KEY PERFORMANCE INDICATORS



## Key performance indicators



### Economic performance

VisitScotland’s success in delivering sustained benefits to the Scottish economy is supported by a number of performance measures. The basis of VisitScotland’s principal Key Economic Performance Indicators is derived from our Economic Measurement Framework, which has four economic measurement indicators, as follows:

**Gross Economic Activity (GEA)** - the monetary value of all economic activity related to or associated with an intervention.

**Net Economic Impact (NEI) (direct)** – new money in the economy that would not have happened without the VisitScotland intervention.

**Gross Value Added (GVA) (direct, indirect, induced)** - this is the economic value added in a business when transforming inputs (things bought-in) into outputs (sales).

**Full-time Equivalent (FTE) jobs supported (direct, indirect, induced)** – full time equivalent jobs supported in Scotland’s economy.

The table overleaf provides the net economic activity of VisitScotland assisted activities and projects in 2023/24.

## VisitScotland 2023/24 Net Economic Impact (NEI) Results\*

Table 1 provides the net economic activity of VisitScotland assisted activities and projects in 2023/24.<sup>1</sup>

The NEI assessment has been prepared using VisitScotland's Economic Measurement Framework<sup>2</sup> which accords with best practice economic appraisal and evaluation guidance.<sup>3</sup>

VisitScotland Interventions**	Gross Economic Activity £million	Net Economic Impact (Direct) £million	GVA (Direct, Indirect, Induced) £million	FTE Jobs Supported (Direct, Indirect, Induced)
Domestic CRM consumer marketing (Jan 2023-Dec 2023) ***				
Short-haul markets (France; Germany; Spain; Italy; Netherlands)	£239.9	£17.3	£11.7	228
Long-haul (USA; Canada; Australia)	£329.3	£20.4	£13.8	268
Rest of UK and Ireland consumer marketing	£353.0	£16.8	£11.3	221
Scotland consumer marketing	£204.4	£2.1	£1.4	28
<b>Domestic consumer marketing total</b>	<b>£1,126.5</b>	<b>£56.7</b>	<b>£38.2</b>	<b>745</b>
EventScotland 2023/24 ****				
VS assisted events and festivals (programmes included: National; International; Community Cycling Fund; Golf and Year of Stories)	£79.1	£32.4	£17.5	473
2023 UCI Cycling World Championships*****				
UCI CWC held in Glasgow, August 2023	£391.4	£344.0	£205.0	5,285
Bid Fund 2023/24				
VS assisted business conferences and association events (c.12,000 delegates)	£22.5	£13.5	£6.6	174
Route development 2023/24				
VS assisted air routes (routes included: Toronto to Edinburgh and Toronto to Glasgow)	£51.2	£22.4	£15.1	295
Connect 2023				
Exhibitor impact – April 2023	£12.7	£6.0	£4.0	78

\* Please note some totals do not sum due to rounding

\*\* Please see individually noted assessment periods

\*\*\* Impacts on VisitScotland CRM database only

\*\*\*\* NEI forecast used for 2024 World Athletics Indoor Championships Glasgow 24 as independent economic impact report was incomplete (as at July 2024)

\*\*\*\*\* Independent evaluation available on [UCI website](#)

<sup>1</sup> For some interventions, the measurement period does not align with the financial year. Precise dates are provided for the instances where this occurs

<sup>2</sup> Developed alongside Scottish Government Economists

<sup>3</sup> HM Treasury Green Book Guidance

# Key government policy objectives

## National policy context

### Scotland's contribution to United Nations Sustainable Development Goals (UNSDG)

The UNSDGs are global goals and targets that form part of an internationally agreed performance framework. They address global challenges, including poverty, inequality, climate change and environmental degradation. Scotland's key policy and strategy documents are specifically tailored to support the delivery of the UNSDG<sup>4</sup>

<sup>4</sup> <https://www.un.org/sustainabledevelopment/sustainable-development-goals>

<https://nationalperformance.gov.scot/about/united-nations-sustainable-development-goals>

### VisitScotland's contribution to Scottish Government policy and strategy objectives

This section demonstrates how VisitScotland contributes to Scotland's refreshed National Performance Framework (NPF, 4th edition, launched February 2023) to include 'NPF'; and The National Strategy for Economic Transformation (NSET, launched March 2022).

Scottish Government and VisitScotland recognise that in light of recent health, economic, social, and environmental challenges, it is increasingly important to be guided by the vision and values of the UNSDG, NPF and NSET. This approach allows shorter term actions and activities to be steered by the longer-term vision and objectives.

### National Performance Framework (NPF)

NPF is Scotland's way to localise the UNSDGs. NPF identifies broad National Outcomes that reinforce the purpose and provide measures on how Scotland can assess progress.

### National Strategy for Economic Transformation (NSET)

NSET sets out the priorities for Scotland's economy, as well as the actions needed to maximise opportunities to achieve the Scottish Government's vision of a 'wellbeing economy' over the next 10 years. A 'wellbeing economy' is defined as one that is thriving across economic, social and environmental dimensions.

## VisitScotland's purpose and activities directly support the interwoven purpose, goals, vision and ambitions of UNSDG; NPF and NSET

### UNSDG

**Purpose:** Provides a 'blueprint' for peace and prosperity for people and the planet, now and into the future.

#### Sustainable Development Goals

**(17):** No poverty; zero hunger; good health and well-being; quality education; gender equality; clean water and sanitation; affordable energy and clean energy; decent work and economic growth; industry innovation and infrastructure; reduce inequalities; sustainable cities and communities; responsible production and consumption; climate action; life below water; life on land; peace justice and strong institutions; partnerships for the goals.

### NSET

**Purpose:** To provide a strategy and programme of action for economic transformation.

**Vision:** A wellbeing economy: thriving across economic, social and environmental dimensions.

**Ambitions:** Fairer; wealthier; greener.

#### Programme of action:

Entrepreneurial people and culture; new market opportunities; productive businesses and regions; skilled workforce; a fairer and more equal society.

### NPF

**Purpose:** To focus on creating a more successful country with opportunities for all of Scotland to flourish through increased wellbeing, and sustainable and inclusive economic growth.

**Values:** We are a society which treats all our people with kindness, dignity and compassion, respects the rule of law, and acts in an open and transparent way.

#### National Outcomes (11):

Economy; international; poverty; fair work and business; health; culture; children; communities; human rights; education; environment.

### VisitScotland purpose, vision, mission and activities

**Purpose:** To deliver a strategic and coordinated approach to supporting the rebuilding of the visitor economy in a responsible way, to ensure that tourism and events thrive.

**Vision:** Scotland is a leader in 21st century tourism with a thriving, responsible visitor economy.

**Mission:** Through strategic leadership and industry partnerships, encourage a responsible approach to re-building and growing the value of tourism highlighting the benefits of tourism and events across Scotland in delivering the very best for our visitors, our businesses, our people, our communities and our environment.

VisitScotland **reinforcing activities:** stimulating global demand; supporting Scotland's tourism and events businesses; working collaboratively with community, sector and destination organisations towards a responsible recovery; enhancing our organisation insight, capability, planning and compliance (see [VS Strategic Framework](#) for specific activities breakdown).



## VisitScotland's scale of contribution

### Strong contribution


-  **Economy:** supports economic growth, sustainable practices, and resilience.
-  **International:** enhances Scotland's global presence through openness and positive contributions.
-  **Fair work and business:** promotes fair work practices, entrepreneurship, and business development.
-  **Culture:** contributes to cultural projects, promoting well-being and heritage.
-  **Health:** we are healthy and active

### Moderate contribution



-  **Communities:** supports initiatives to strengthen local communities and social cohesion.
-  **Children:** involved in programmes aimed at improving educational and developmental outcomes for children.
-  **Environment:** engages in conservation, promotes
-  **Poverty:** engages in programmes to reduce poverty and inequality, ensuring fair access to resources.

### Contribution appropriate to strategic aims

-  **Human rights**
-  **Education**



NPF national outcome	VisitScotland contribution	Scale of contribution
 <p><b>Economy</b> We have a globally competitive, entrepreneurial, inclusive and sustainable economy</p>	<p>VisitScotland supports a range of activity that delivers additional and sustainable economic impacts, which directly support tourism related jobs and jobs throughout the wider economy, through supply chain purchases and household spending.</p> <p>Activity is spread throughout Scotland to ensure businesses and individuals benefit across Scotland.</p> <p>The 2023 UCI Cycling World Championships delivered a significant stimulus of £344 million of incremental spending in the Scottish economy. The event showcased Scotland to large international audience and was broadcast in 130 countries to a TV audience 537 million. The event also had c.1,000 items of global press coverage reaching over 1.5 billion people. (Please also see the Economic performance and Highlights sections in this report).</p>	<p>Strong contribution</p>
 <p><b>International</b> We are open connected and make a positive contribution internationally</p>	<p>The Nation Brands Index (NBI) is an international reputation survey that scores and ranks countries across six dimensions including culture, tourism, governance, immigration and investment, exports, and people.</p> <p>Scottish Government subscribes to the NBI every two years for NPF reporting. Detailed information is known in subscription years. Only overall rank is known in non-subscription years. (Note 2024 not available as at summer 2024).</p> <p>In 2023 Scotland’s relative rank fell from 15th place to 16th. However, in the previous year Scotland achieved its highest-ever reported NBI score. More detailed tourism-related information is also available for 2022 when Scotland’s natural beauty was ranked 7th out of 60, while tourism ranked 12th out of 60.</p> <p>Scotland’s profile and credible international reputation is in part due to the strong international focus of VisitScotland activities, namely consumer marketing activity in international markets and through major events which showcase Scotland to an international audience.</p> <p>Securing a future pipeline of conferences and business events will protect Scotland’s international profile as one of the world’s foremost public-facing events destinations and as the perfect stage for events.</p> <p>VisitScotland also engages with a wide range of organisations with an international focus, including fellow Team Scotland partners: Scottish Government, Scottish Development International and VisitBritain; the international travel trade; associations; other national tourism organisations; Scotland House Brussels; and academia, alumni and diaspora networks.</p>	<p>Strong contribution</p>



NPF national outcome	VisitScotland contribution	Scale of contribution
 <p><b>Fair work and business</b> We have thriving and innovative businesses, with quality jobs and fair work for everyone</p>	<p>VisitScotland aims to grow Scotland’s tourism business base and tourism employment levels. The funding packages administered by VisitScotland have supported businesses of different sizes and geographies to survive the pandemic, ensuring they can thrive in future.</p> <p>Working with the enterprise agencies, Business Gateway and other partners VisitScotland is supporting the drive towards digital capability within the tourism industry. This had been accelerated during the pandemic as more businesses sought to improve their digital skills. Innovation has also come to the fore with businesses pivoting and adapting to new ways of working.</p> <p>The 2023 UCI Cycling World Championships also won two significant Herald &amp; GenAnalytics Diversity Awards which celebrate progress in creating equitable and inclusive work environments.</p>	<p>Strong contribution</p>
 <p><b>Health</b> We are healthy and active</p>	<p>VisitScotland invests and supports tourism related infrastructure and events which positively contribute to social, health and wellbeing outcomes. Promotion and investment in tourism-related infrastructure and product including active travel routes and wellness activities is important as people increasingly look to take a holiday for their own mental wellbeing. The hosting and promotion of high-profile sporting events such as golf and cycling, including the 2023 UCI Cycling World Championships, can raise the profile of an active lifestyle. These events ultimately aim to increase participation in healthy activities among Scotland residents. Such investment provides a wealth of social impacts and health and wellbeing benefits that over time could reduce pressure on NHS, mental health and social care services and budgets. VisitScotland provide staff with regular health related advice and support. Recent examples include launching a Women’s Health Network Group and introducing a new Mental Health Toolkit.</p>	<p>Strong contribution</p>

NPF national outcome	VisitScotland contribution	Scale of contribution
 <p><b>Culture</b></p> <p>We are creative and our vibrant and diverse cultures are expressed and enjoyed widely</p>	<p>VisitScotland invests in promoting creative, cultural and heritage events and products throughout Scotland. This activity provides additional economic impact but also helps preserve and promote local heritage, culture and traditions. Scotland’s diverse culture and heritage is promoted through marketing platforms and supported through events funding.</p> <p>We continue to work in collaboration with our supported cultural event partners and industry forums to showcase Scotland as a world-leading cultural events destination. Scotland’s cultural identity and heritage are also a key asset referenced within Scotland’s refreshed National Events Strategy 2024-2035.</p> <p>A new Gaelic Tourism Strategy for Scotland was launched as part of Seachdain na Gàidhlig (World Gaelic Week) in February 2024. The strategy is aimed at delivering authentic and memorable visitor experiences by celebrating Gaelic culture, heritage and language.</p> <p>VisitScotland also achieved cultural and sustainable tourism recognition through our creation and promotion of Scotland’s UNESCO trail. Scotland is the first country in the world to bring together all national UNESCO sites into one trail. The trail has successfully fulfilled its educational, social and cultural objectives and won multiple international sustainable tourism awards.</p>	<p>Strong contribution</p>
 <p><b>Poverty</b></p> <p>We tackle poverty by sharing opportunities, wealth and power more equally</p>	<p>VisitScotland supports an accessible tourism programme of advice and information for industry and consumers, addressing the specific concerns of disabled individuals, senior travellers and families with young children.</p> <p>We collaborate with organisations such as Euan’s Guide, VOCAL, Tourism for All and Purple Tuesday.</p> <p>VisitScotland is a Scottish Living Wage employer.</p>	<p>Moderate contribution</p>
 <p><b>Children</b></p> <p>We grow up loved, safe and respected so that we realise our full potential</p>	<p>VisitScotland’s People Strategy aims to reflect our socially progressive values. VisitScotland has a range of measures around maternity/ paternity leave, flexible working and benefits to ensure that parents are able to spend valuable time with their children in the early stages of their development.</p> <p>VisitScotland recently supported the Scottish Youth Film Foundation (SYFF) ‘Films of Scotland’ competition. The 2024 competition invites Scotland’s young people to make a film reflecting contemporary life in Scotland today. The winning films will be preserved in the National Library of Scotland’s collections alongside the original Films of Scotland.</p>	<p>Moderate contribution</p>

NPF national outcome	VisitScotland contribution	Scale of contribution
 <p><b>Communities</b> We live in communities that are inclusive, empowered, resilient and safe</p>	<p>VisitScotland’s responsible tourism strategy aims to ‘engage our communities to make sure they are at the heart of our responsible tourism future.’</p> <p>VisitScotland activity also helps support tourism jobs in communities throughout Scotland. In rural areas this helps to prevent depopulation by creating employment opportunities and investment and by providing critical mass for community services (GP surgeries; schools etc).</p> <p>VisitScotland administers the Rural Tourism Infrastructure Fund (RTIF). This aims to alleviate pressure on communities that have been affected by an increase in tourism.</p>	<p>Moderate contribution</p>
 <p><b>Environment</b> We value, enjoy, protect and enhance our environment</p>	<p>VisitScotland’s remit involves sustainably developing Scotland’s tourism economy. Environmental considerations are central to this objective and are further embedded by our focus on responsible tourism being crucial to Scotland’s green recovery.</p> <p>The organisation was the first national tourism organisation to join Tourism Declares a Climate Emergency, an initiative inspired by climate emergency declarations taking place in other sectors.</p> <p>VisitScotland recognises that addressing the climate emergency is imperative in protecting our planet, and our country, for future generations.</p> <p>Through VisitScotland’s responsible tourism strategy the organisation sets out a commitment to being part of the solution by:</p> <ul style="list-style-type: none"> <li>• taking action to reduce carbon emissions and encouraging Scotland’s tourism industry to consider and address their carbon footprint</li> <li>• working collaboratively with the Scottish tourism and events industry to educate and share best practice around effectively reducing carbon emissions</li> <li>• playing a lead role in the development of Scotland as a globally recognised responsible destination</li> <li>• engaging communities to ensure they are at the heart of our responsible tourism future</li> </ul> <p>VisitScotland provides Carbon Literacy training for staff in partnership with Keep Scotland Beautiful (KSB). Staff are encouraged to contribute to net zero ambitions through individual and group actions to reduce carbon. Training is also provided to assist sustainable conversations with industry and colleagues.</p>	<p>Moderate contribution</p>

NPF national outcome	VisitScotland contribution	Scale of contribution
<p><b>Environment</b> We value, enjoy, protect and enhance our environment</p>	<p>VisitScotland secured the coveted Eco Award at The Times and Sunday Times Travel Awards 2023. The Awards celebrates the very best of the travel industry and holds special significance as it is voted for by almost 250,000 readers of The Times/Sunday Times. The award highlights organisations and destinations that put sustainability front and centre and promote advances in sustainable travel.</p> <p>In 2023 VisitScotland launched a refreshed <a href="#">Climate Action Guide</a> which is a practical step-by-step advice for businesses on how to create and manage a climate action plan</p>	
 <p><b>Human rights</b> We respect, protect and fulfil human rights and live free from discrimination</p>	<p>VisitScotland is an equal opportunities employer and our commitment to equality and diversity is at the heart of our organisation values.</p> <p>Research shows that countries with a more open and sustainable tourism sector tend to be more peaceful: ‘A sustainable and open tourism sector brings about a higher level of positive peace: namely the attitudes, institutions, and structures that create and sustain peaceful societies.’</p> <p>Inclusive tourism programmes advise and provide support for inclusive practices, to benefit the widest range of visitors possible, including people with protected characteristics.</p>	<p>Appropriate to strategic aims</p>
 <p><b>Education</b> We are well educated, skilled and able to contribute to society</p>	<p>VisitScotland invests heavily in continuous professional development, mentoring, modern apprenticeships, internships and secondments to ensure that our workforce continues to be equipped with the skills, knowledge and experience required.</p>	<p>Appropriate to strategic aims</p>

# National Strategy for Economic Transformation (NSET)

NSET supports the delivery of the outcomes described in NPF. NSET's vision is for Scotland to be a wellbeing economy, thriving across economic, social and environmental dimensions.

Below outlines the NSET Policy Programmes for Action and how VisitScotland activities, and our support of Scottish tourism specifically, contribute to the main themes and outcome objectives in NSET.

## VisitScotland contribution to NSET

### No 1 - entrepreneurial people and culture

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Aim:

**Establish Scotland as a world-class entrepreneurial nation founded on a culture that encourages, promotes and celebrates entrepreneurial activity in every sector of our economy.**

Scale of VisitScotland contribution: **strong contribution**

VisitScotland embraces a 'Good to Great to World-Class' corporate mindset.

This guiding principle is central to our corporate plan and strategic framework. Internally this is reflected in our people strategy; talent and performance management; youth employment strategy and how we manage change.

Externally it is evident in our knowledge exchange and our extensive partnerships, collaborations and coordinating roles, domestically and internationally, to deliver maximum benefit for Scotland.

VisitScotland provides a leading national role in encouraging a culture that actively promotes and celebrates responsible, sustainable business growth and entrepreneurial activity. This is most visible in our annual **Scottish Thistle Awards**, Scotland's premier tourism and events awards. The awards champion innovation, collaboration and sustainable practices, in line with the ambitions of Scotland's national tourism strategy.

### No 2 - new market opportunities

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Aim:

**Strengthen Scotland's position in new markets and industries, generating new, well-paid jobs from a just transition to net zero.**

Scale of VisitScotland contribution: **strong contribution**

VisitScotland promotes Scotland and Scottish tourism and events to a global audience of existing visitors and also emerging new markets. We also aim to develop new market opportunities for Scotland by promoting the appeal of activities and attractions in lesser-known areas of Scotland at quiet times of year.

Our Business Events team encourages MICE tourism (meetings, incentive groups, conferences and exhibitions) to come to Scotland from the rest of the UK and key international markets. Our aviation route development work supports inbound international tourism, but also importantly supports Scotland's export strategy, by facilitating new export routes for Scottish businesses.

Tourism provides an opportunity for businesses and industries to think differently about their products and diversify to access new markets. This was evident in VisitScotland's extensive development support for Scottish agritourism.

We actively support net zero ambitions by promoting the environmentally sustainable development of the tourism sector by encouraging businesses to embrace the principles of low carbon responsible tourism. In the short term, this has helped to encourage a green recovery from the impacts of COVID-19. In the longer term, we aim to futureproof tourism businesses and safeguard tourism employment.

Our work in this area includes Destination Net Zero which is being delivered by VisitScotland and partners and aims to support tourism on the journey to net zero through research, advice and funding support. This seeks to build resilience in businesses and destinations while aligning emissions with Scottish Government targets.

Recent projects include:

- Hospitality Zero Project – consultations to help reduce food waste
- Electric Vehicle Charge Point Fund - funding to install EV charging points
- Sustainability Certification Scheme Fund - allows business/ event to demonstrate point of differentiation by commitment to responsible tourism practices; and
- the introduction of VisitScotland’s Carbon Literacy Training – a responsible tourism staff education programme

VisitScotland also applies a ‘carbon conscious approach’ in our award criteria to all Rural Tourism Infrastructure Fund (RTIF) applications. This helps to ensure that new jobs created during the construction and operation of any facility supports the transition to low carbon .

VisitScotland’s annual sustainability and biodiversity reports also detail the measures the organisation is taking to help make Scotland more sustainable. Internal sustainability policy objectives include:

- minimise resource use and waste production
- reduce the impact of transport
- improve the quality of tourism jobs
- support climate change mitigation and adaptation; and
- future sustainable planning

### No 3 - productive businesses and regions

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Aim:

**Make Scotland’s businesses, industries, regions, communities and public services more productive and innovative.**

Scale of VisitScotland contribution: **strong contribution**

Businesses productivity is supported by the positive contribution VisitScotland plays in promoting and attracting visitors to Scotland. Our business events activity provides a significant stimulus to the visitor economy by attracting high-value international association events and MICE tourism activity. This provides valuable visitor revenue during the shoulder months and weekdays, to help balance high volumes of peak season and weekend leisure spending.

Our seasonal marketing activity also promotes out of season visits to well-known popular locations and highlights lesser-known regions during high season.

VisitScotland plays a leading role in supporting different economic and community assets to help strengthen Scotland’s regions. Furthermore, many other businesses, regions and sectors (e.g. retail, agriculture, food and drink and construction) benefit from tourism either directly or through supply chain impacts.

The Rural Tourism Infrastructure Fund (RTIF) also helps protect and enhance regions and communities by providing infrastructure to alleviate an existing or anticipated pressure point. Creating more resilient and productive communities is a key aspect of the RTIF.

VisitScotland directly supports communities through responsible sustainable tourism initiatives that are specifically designed to put the welfare of the individual and communities, as well as our natural environment, at the centre of our approach. We also champion a collaborative approach to grow the value of tourism in a way that makes better places for people to live and visit in every corner of Scotland.

## No 4 - skilled workforce

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Aim:

**Ensure that people have the skills they need at every stage of life to have rewarding careers and meet the demands of an ever-changing economy and society, and that employers invest in the skilled employees they need to grow their businesses.**

Scale of VisitScotland contribution: **strong contribution**

Digital channels play a considerable role in the visitor experience.

VisitScotland provides tailored digital skills support and a range of free online training resources to Scottish tourism businesses. Through the adoption of digital technologies, our support helps businesses improve productivity by becoming more efficient, which in turn helps them access new markets and grow revenues.

Specific skills support includes the essentials of digital marketing, understanding customer base, and improving online performance.

VisitScotland supports and incentivises employees to invest in skills and training throughout their careers by providing an extensive range of mandatory, optional and tailored learning, training and skills development programmes, to support employees continuous learning needs and provide rewarding careers.

## No 5 - a fairer more equal society

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Aim:

**Reorient our economy towards wellbeing and fair work, to deliver higher rates of employment and wage growth, to significantly reduce structural poverty, particularly child poverty, and improve health, cultural and social outcomes for disadvantaged families and communities.**

Scale of VisitScotland contribution: **moderate contribution**

VisitScotland supports the growth of the Scottish tourism economy. Tourism employment is noticeably distinct to the majority of other sectors and plays a vital role in Scotland's economy by helping to eradicate structural barriers to participating in the labour market.

Tourism jobs are vital to the Scottish economy as they are inclusive in nature, readily available throughout Scotland and can be accessed by a wide range of abilities, age groups and by people from a range of socio-economic backgrounds.

The direct and indirect benefits from tourism-related investment can also help to reduce dependency on other Scottish Government budgets by positively contributing to social, health and wellbeing outcomes.

Examples include:

- investment in tourism relatedly infrastructure (e.g., walking and cycling routes) sporting events (e.g., golf, cycling and athletics) helps increase participation in healthy activities
- investment in the promotion of more active lifestyles provides a wealth of social impacts and health and wellbeing benefits, which over time can help reduce pressure on the NHS and social care (i.e., ‘prevention’ is better than ‘cure’ ethos)
- the role that tourism and events (e.g., sporting; cultural, heritage and music) play in supporting wellness is also well documented in our visitor and event research.

## No 6 - Team Scotland

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Aim:

**A sixth programme on delivery introduces a new streamlined delivery model in which all participants are clear about their roles and accept accountability for their actions. We will draw on the strengths of people and organisations from all sectors of the economy – a “Team Scotland” approach. In combination, these six programmes will transform the Scottish economy over the next decade and drive economic opportunities.**

Scale of VisitScotland contribution: **strong contribution**

Tourism in Scotland is known to impact every part of the economy and reach every part of the country. Its touch points across Scottish Government and Team Scotland partners are extensive.

VisitScotland works closely with other Team Scotland partners such as Scottish Government, Scottish Development International (SDI) and VisitBritain. Other tourism specific audiences and stakeholders include: the international travel trade; associations; other national tourism organisations; and academia, alumni and diaspora networks.

Our influencing role in Team Scotland through other key stakeholder activities allows us to understand and optimise international opportunities for Scotland and Scotland’s tourism industry.



## Internal sustainability

The Scottish Government recently reviewed its climate change targets and now aims to reduce Scotland's greenhouse gas (carbon emissions) to net zero by 2045. VisitScotland has aligned its operational activities to meet its obligation under The Climate Change (Scotland) Act 2009, amended by the Climate Change (Emissions Reduction Targets) (Scotland) Act 2019.

We work each year to reduce our energy, travel, and waste, and last year included five new Scope 3 boundary areas. Key actions are reported below, and we will publish progress in our annual Sustainability Report and public bodies' Climate Change Duties Report.

Sustainability continues to be a key consideration for iCentres and local offices and we have achieved Gold Green Tourism awards for the second time across all our sites.

In its previous report VisitScotland mentioned the positive actions taken and these have continued into 2023/24 and include:

### Transport

- we continue to review our estate requirements. We relocated our Edinburgh main office, enhancing public transport access for staff. This will positively affect our future Scope 3 emissions from commuting and business travel
- VisitScotland staff continue to make full use of Microsoft 365 collaboration tools to reduce travel for meetings
- six staff participate in the green car scheme to encourage use of low CO2 emitting cars

### Energy resource

- we moved our primary data centre to an external provider, reducing energy consumption and the need to purchase additional equipment
- the majority of our business systems moved to the Cloud, which reduced energy consumption
- we reduced the number of printers by using electronic, collaborative ways of working
- energy saving was a key factor in relocating our Edinburgh office, now shared with other public bodies. This features efficient sensor heating, chilled beam cooling and rainwater reuse

### Waste production

- electronic information provision in our iCentres has led to a reduction in the need for brochures and printed materials
- our waste electrical and electronic equipment (WEEE) was recycled (28%) or reused (72%), saving 227 tCO2e to remanufacture the same parts
- we reused furniture when relocating our Edinburgh office, and a recycling supplier took the remaining pieces to match with companies seeking sustainable alternatives to buying new

To read about VisitScotland's responsible tourism work with industry, please see page 29.



The new carbon accounted for is based on Scope 3 (indirect Emissions) where we are looking to account for all carbon associated with the organisation directly and indirectly.

## Pensions

Following our commitment made in the 2022/23 annual report and accounts to monitor progress of our pension schemes' investment plans, we have engaged with two out of our three pension funds: the British Tourist Board Pension Scheme and the Lothian Pension Fund.

We have sought further understanding of how climate change affects the investments each fund holds and what actions can be taken to mitigate its impacts and further the transition to net zero. Both schemes have set out their approach to responsible investment and the steps they are taking in this area. We continue to consider how to best to monitor and report on our progress on the transition from fossil fuels, recognising that we cannot directly determine the investment decisions of our funds given the fiduciary duties their trustees are bound by, in relation to members' interests.

The third pension scheme available to our staff is the government sponsored Nation Employee Savings Trust (NEST) which has its own fiduciary arrangements in this area.

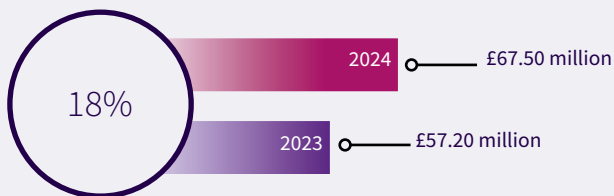
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# Financial position

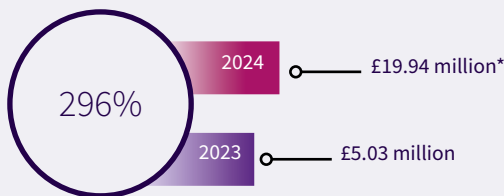
On 29 February 2020, VisitScotland established a wholly owned subsidiary, 2023 Cycling World Championships Limited to plan and deliver the inaugural event (pages page 14-17). In line with this, full group accounts have been prepared for VisitScotland Group which include transactions for the combined, inaugural event, 2023 Cycling World Championships Limited

## GROUP income

### RDEL cash resource (£million)

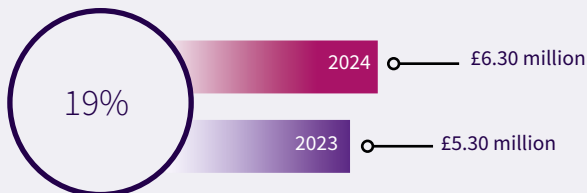


### Retail, commercial, and other income (£million)



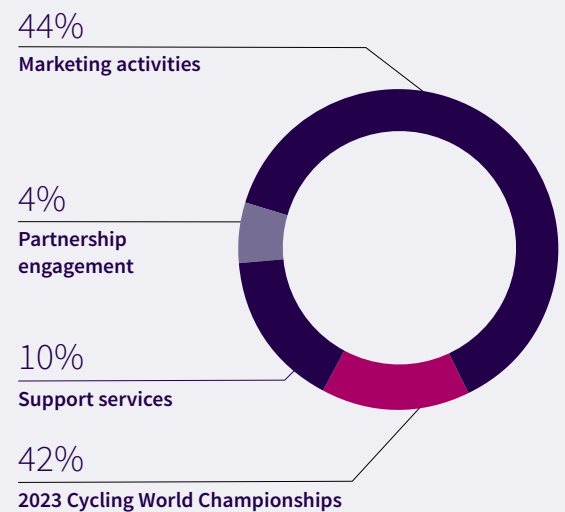
\*Increase in retail, commercial and other income is driven by the delivery in year of the 2023 Cycling World Championships  
RDEL = Revenue Departmental Expenditure Limit

### CDEL CAPITAL (£million)

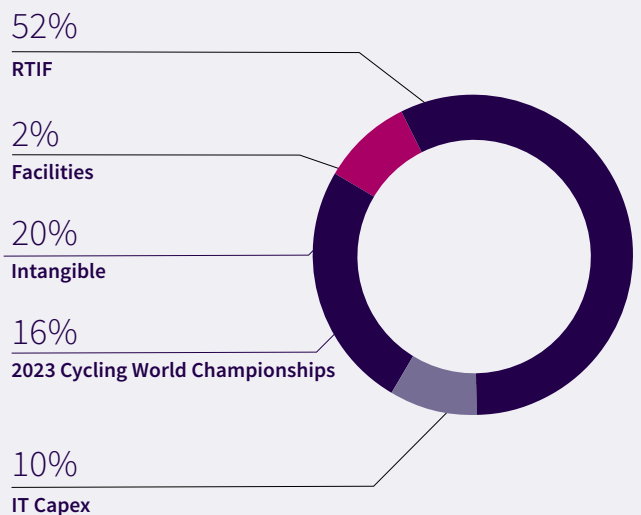


CDEL = Capital Departmental Expenditure Limit

## GROUP spend by category (RDEL)



## GROUP spend by category (CDEL)



## Grant in aid

The Resource Budget is provided to cover capital (CDEL) and revenue expenditure (on an accruals basis) (RDEL), and also 'non-cash' costs including depreciation, impairment, etc. The Resource Budget is made up of two parts: core and ring-fenced.

Core budget is to cover all day-to-day running costs of the organisation including staff costs, IT equipment, office premises and delivery of the marketing of Scotland as a place to visit both within the UK and overseas. Ring-fenced budget is to cover the delivery of specific Government initiatives and projects through direct funding via grants, beyond core remit of the organisation.

The Scottish Government made available to VisitScotland funding for ring-fenced 2023 UCI Cycling World Championships of up to £26.2 million in 2023/24, £2.6 million was not required for the delivery and as such was retained by the Scottish Government.

The Resource Budget is supplemented by the generation of retail and commercial income, local authority funding, and other income.

A further non-targetable budget allocation is made by the Scottish Government to cover volatile costs such as pension, provisions and write-downs, which, by their nature, are not necessarily capable of being controlled to the same extent as items charged to the Resource Budget. This non-cash budget allowance is designated Annually Managed Expenditure (AME).

### Breakdown of grant in aid budget

	RESOURCE		CAPITAL	
	Core £m	Ring-fenced £m	Core £m	Ring-fenced £m
<b>Core activity</b>	40.0	0.2	2.3	-
RTIF	-	-	-	3.0
Major events	-	27.3	-	1.0
<b>TOTAL</b>	<b>40.0</b>	<b>27.5</b>	<b>2.3</b>	<b>4.0</b>
	-	<b>67.5</b>	-	<b>6.3</b>
TOTAL				<b>73.8</b>

## Reconciliation to RDEL

	£m
<b>Marketing activities</b>	<b>41.7</b>
Partnership engagement	4.3
Support services	10.1
2023 UCI Cycling World Championships	24.6
<b>Total operating expenditure</b>	<b>80.7</b>
Non cash including depreciation and impairment	(3.8)
AME	0.1
Non cash IFRS amortisation and interest	(1.8)
Interest and corporation tax	0.1
CWC capital funding	(1.0)
Capital grants including RTIF	(3.3)
Contribution from commercial activities	(3.5)
<b>Net operating expenditure</b>	<b>67.5</b>
Funded by: grant in aid (RDEL)	67.5

### Core cash revenue expenditure

The core revenue 'cash budget' is funded from the grant in aid provision by Scottish Ministers, through the Scottish Government's Business Directorate for Economic Development. Ring-fenced resource budget receives funding from both the Directorate for Economic Development and the Directorate for Major Events and Themed Years. For 2023/24 this core revenue grant amounted to £67.50 million (2023: £57.20 million). This included £23.62 million (2023: £9.0 million) received for 2023 Cycling World Championships Limited.

### Retail, commercial, and other income

The supplementary income generated, comprising retail, commercial, and other income amounted to £3.54 million for VisitScotland, a decrease of £0.45 million. This includes £0.45 million from 2023 Cycling World Championships Ltd in relation to services provided by VisitScotland.

2023 UCI World Cycling Championships had other income of £9.9 million and had local authority income of £4.2 million.

Further analysis of areas of income and expenditure can be found in Notes five and six of these financial statements.

### Cash capital expenditure

The core capital expenditure 'cash budget' is also funded from grant in aid, and for 2023/24 this grant amounted to £6.3 million (2023: £5.3 million). Following in-year adjustments, and capital disposals, total capital expenditure was £6.3 million.

The main capital projects for 23/24 were:

- marketing automation
- redevelopment of VisitScotland.org
- IT hardware and computer equipment
- continued development of visitscotland.com

### Non-cash annually managed expenditure

The Annually Managed Expenditure (AME) is a non-targetable non-cash budget allocation made by the Scottish Government to cover costs that are not necessarily capable of being controlled to the same extent as items charged to the Resource Budget. This covers costs such as pension, provisions and write-downs. AME spend in the year amounted to £0.01 million (2023: £6.7 million).

### **Basis of preparation and going concern**

The financial statements have been prepared on a going concern basis, which assumes that VisitScotland Group will continue in operational existence for the foreseeable future. To the extent that the net liabilities are not to be met from VisitScotland Group's other sources of income, these liabilities may only be met by future grants or grant in aid from the Scottish Government. This is because, under the normal conventions applying to the parliamentary control over income and expenditure, such grants may not be issued in advance of need, and insofar as approval for grant in aid for 2024/25 for VisitScotland has already been given, there is no reason to believe that future approvals will not be forthcoming. On this basis, the Board considers it appropriate to prepare the financial statements on a going concern basis.

### **Cash balances**

VisitScotland does not retain any cash reserves, other than monies required to meet authorised expenditure accrued at the year end.

### **Payment to creditors**

VisitScotland Group observes the Scottish Government's policy for prompt payment to creditors and is committed to paying suppliers within 10 days of receipt of a valid invoice. An analysis of invoices received between April 2023 and 31 March 2024 shows that VisitScotland Group 83% of valid invoices received within 10 working days (2023: 85%)

### **Vicki Miller**

Chief Executive and Accountable Officer  
VisitScotland



# Accountability report

## Corporate governance report

### Directors' report

#### The Board

The Chair and Board members are appointed by the Scottish Ministers in accordance with the Code of Practice for Ministerial Appointments to Public Bodies in Scotland, issued by the Commissioner for Ethical Standards in Public Life in Scotland. Details of the role of the Board and its membership are provided within the Governance Statement.

#### Register of Board members' interests and code of conduct

All Board members work to the high standards of conduct outlined in The Ethical Standards in Public Life (Scotland) Act 2000. Each Board member also records publicly details of company directorships and other significant interests held on their Register of Interests.

VisitScotland's Board member Code of Conduct is published on our corporate website, as are Registers of Interests for each board member.

[www.visitscotland.org/about-us/our-team/board](http://www.visitscotland.org/about-us/our-team/board)

#### Auditor

The Auditor General for Scotland appoints auditors to conduct the audit of VisitScotland's Annual Report and Accounts, in accordance with Section 6(4) of the Development of Tourism Act 1969. The appointed auditor for the five-year period starting with the year ended 31 March 2023 was announced in May 2022, with Audit Scotland re-appointed for this period.

The fees payable for audit services provided by the appointed auditors in the year to 31 March 2024 were £103,750 (2023: £97,850). There were no fees payable to Audit Scotland for non-audit work during the year (2023: £ Nil).

## Statement of accountable officer's responsibilities

Under Section 6(1) of the Development of Tourism Act 1969 the Scottish Ministers have directed VisitScotland to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction, which is reproduced on page 82 of these financial statements.

The financial statements are prepared on an accruals basis and must give a true and fair view of the affairs of VisitScotland, and of its net resource outturn, application of resources, changes in taxpayers' equity and cash flows for the financial year.

In preparing the financial statements the Accountable Officer is required to comply with the requirements of the Government Financial Reporting Manual (FRoM) and in particular to:

- a. observe the Accounts Direction issued by the Scottish Ministers, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- b. make judgements and estimates on a reasonable basis
- c. state whether applicable accounting standards as set out in the FRoM have been followed, and disclose and explain any material departures in the financial statements
- d. prepare the financial statements on a going concern basis

In accordance with section 15 of the Public Finance and Accountability (Scotland) Act 2000, the Permanent Secretary, as the Principal Accountable Officer for the Scottish Administration, has designated the Chief Executive as Accountable Officer of VisitScotland.

The responsibilities of an Accountable Officer, including responsibility for the propriety and regularity of the public finances for which the Accountable Officer is answerable, for keeping proper records and for safeguarding VisitScotland's assets, are set out in "Managing Public Money" published by HM Treasury.

As the Accountable Officer, as far as I am aware there is no relevant information of which VisitScotland's auditors are unaware, and that I have taken all necessary steps to make myself aware of any relevant audit information and to establish that VisitScotland's auditors are aware of that information.

Furthermore, I can confirm that;

- i. the Annual Report and Accounts, are fair, balanced and understandable, and
- ii. I take personal responsibility for the Annual Report and Accounts and the judgements required for determining that they are fair, balanced and understandable



## The Board

### Responsibilities

The Board has corporate responsibility for the overall strategy of the organisation, within the strategic and funding framework set by Scottish Ministers, ensuring that VisitScotland fulfils its aims and objectives. Members also provide general oversight of our practices to ensure the proper management of the organisation, and in so doing demonstrate high standards of corporate governance at all times.

The Board members who held office during the year, were as follows:



**Stephen Leckie, Chair**

Stephen has been VisitScotland Chair since April 2024. In this post, he also serves as an ex-officio Board member of VisitBritain.

Stephen is CEO and Executive Chair of Crieff Hydro, a family run hotel and estate. The company is now the oldest trading registered company in Scotland. The resort has expanded to include seven hotels, from the Scottish Borders to Glencoe, and attractions including Highland Safaris.

He brings a broad background to VisitScotland. As an operator of hotels, self-catering and attractions across different parts of rural Scotland, Stephen is well versed in the challenges and opportunities on the ground.

Stephen is a long-time advocate for Scotland's wider tourism and business community, he was previously invited to serve as Chair of the Scottish Government's Tourism Leadership Group.



**Lindsey Paterson**

Lindsey is a qualified chartered accountant and was a partner at PwC until her retirement in June 2022.

Most of her career has been spent providing risk and assurance services to public sector bodies across Scotland and the wider UK.

In addition to her client-facing roles, she also led PwC's place and purpose agenda in Scotland. In doing so, she had a key responsibility in relation to:

- inclusion
- communities
- wellbeing

She joined the Board of Glasgow Clyde College in February 2021.

She joined the Board January 2024 and became Chair of the ARC in September 2024.



**Dr Keith Nicholson**

Keith is a former, internationally-acclaimed professor with appointments worldwide. These include those within a UN-funded Institute in New Zealand.

He is an award-winning company director and a leading expert in Scotland on cyber security.

Keith is also a former member of the Scottish Government's National Cyber Resilience Leaders Board.

Keith is the founder of Cyber Security Scotland and works as an independent consultant.



**Steven Walker**

Steven is the Executive Chair at Blazing Griffin, a Scottish digital entertainment company.

He is also Chair of the joint industry panel managing the Scottish Thistle Awards, and a former MD of Scotsman Publications, News International Scotland, and The Scottish Children's Lottery.

Most recently, he was the Director of Corporate Development at STV Group Plc.

He brings significant leadership skills and valuable e-commerce, digital media, marketing and brand development expertise.



**Barbara Smith**

Barbara is one of Scotland's most experienced leaders in the tourism and hospitality sector. She has spent over 35 years working in areas of sport, leisure, tourism, culture and heritage.

She has held senior leadership and Board positions in the private, public and not-for-profit sectors, including for:

- Meadowbank Stadium
- Edinburgh Castle
- Chester Zoo
- The Royal Zoological Society of Scotland

Most recently, she was Managing Director at Johnnie Walker Princes Street. Barbara is also a member of the Tourism and Hospitality Industry Leadership Group.

She joined January 2024.



**Shona Marsh**

Shona has held roles in sustainable tourism, DMO marketing and membership development and tourism consultancy.

She was the first employee of Accomable, a global rental platform for people with disabilities, which was acquired by Airbnb. She later managed commercial growth of Airbnb Experiences in Northern Europe. She is a Board member of Disability Snowsport UK and works with universities and start-up programmes to support entrepreneurs.



**Paul Easto**

Paul is founder and CEO of Wilderness Scotland, a tour operator specialising in providing active and nature-based travel experiences.

Paul has more than 20 years' experience in tourism and has previously held board positions with the Adventure Travel Trade Association and the Cairngorms National Park, where he chaired the Sustainable Tourism Partnership. He has also chaired the Scottish Destination Management Association and the Outdoor Tourism Leadership Group.



**Professor Cara Aitchison**

Cara has 35 years' experience in higher education. She was President and Vice-Chancellor of Cardiff Metropolitan University from October 2016 until January 2024.

She was previously:

- Vice-Chancellor and Chief Executive of Plymouth Marjon University
- Head of Moray House School of Education
- Chair in Social and Environmental Justice at Edinburgh University

Her tourism research has focused on:

- the development and impact of tourism in sustaining rural and remote economies
- widening access to tourism
- the role of tourism in international diplomacy

She is a member of the Board of Trustees of the Royal Botanic Garden Edinburgh and a Council Member of the All Party Parliamentary (Universities) Group.

She joined December 2023.

## Those who have left the Board



**THE Rt HON. the Viscount Thurso**

Chair

John was appointed as our Chairman in 2016, and as such also serves as an ex-officio Board member of VisitBritain. He has considerable industry experience: at 27 he became Europe's youngest five-star hotel manager. He has also served as non-executive director on several public company boards. John reached the end of his tenure from the Board, 31 March 2024.



**Caroline Roxburgh**

Caroline is a chartered accountant and was Chair of our Audit and Risk Committee.

She was an audit partner at Pricewaterhouse Coopers (PwC) LLP. Her non-executive director positions include Edinburgh International Festival, Royal Conservatoire of Scotland and UK listed Investment Trusts.

Caroline has over 30 years' business experience advising boards in a range of industry sectors. She also has experience as a non-executive director and as a committee chair. Caroline reached the end of her tenure from the Board, 31 August 2024.



**Professor Anne Anderson**

Anne holds a number of non-executive roles including Deputy Chair of the Commonwealth Scholarship Commission: UNESCO Director and Advisor to the British Council (Scotland). In 2019, she retired from her executive role as Vice Principal of the University of Glasgow where she was active in building links to, among others, Canada, USA and China. Anne reached the end of her tenure from the Board, November 2023.



**Rebecca Brooks**

Rebecca is Managing Director of Abbey UK, and a director/owner of the Abbey Group. Rebecca has worked in international inbound tourism since 2001. She became Chair of Scottish Tourism Alliance in March 2024, and Chair of UK Inbound in February 2024.

Rebecca is also a former chair of the SDMA. Rebecca was a member of the Scottish Government appointed Tourism Recovery Taskforce in response to the COVID-19 pandemic. Rebecca reached the end of her tenure from the Board, November 2023.

# Governance statement

As Chief Executive and Accountable Officer I have responsibility for maintaining a robust performance management framework, in accordance with the VisitScotland Management Statement and associated Financial Memorandum, as agreed with the Scottish Government's Directorate for Culture, Tourism and Major Events.

This includes a sound system of internal control that supports the achievement of VisitScotland's policies, aims and objectives set by the Scottish Ministers, whilst safeguarding the public funds and assets.

I am personally answerable to the Scottish Ministers in accordance with section 15 of the Public Finance and Accountability (Scotland) Act 2000. I am responsible for safeguarding the public funds under my charge, for ensuring propriety and regularity in the handling of those funds and for the day-to-day operations and management of VisitScotland. In addition, I have a duty to ensure that arrangements have been made to secure best value, which includes the concepts of good corporate governance, performance management and continuous improvement.

## Standing committees

### Audit and Risk Committee

The VisitScotland Board has established an Audit and Risk Committee to support them in their responsibilities for issues of risk management, control, governance and associated assurance. The committee oversees the arrangements for internal control, risk, corporate governance, internal and external audit and the annual accounts. The audit committee receives the annual accounts, audit reports and a range of other management reports.

The Audit and Risk Committee of the Board normally meets at least four times a year and comprises Chair and three non-executive Board members. Representatives of the Scottish Government, external and independent internal auditors, together with the Director of Corporate Services, the Head of Corporate Governance and Performance, the Head of Financial Services, and I, attend these meetings.

### Remuneration Committee

During 2023/24 all Board members were - de facto – members of the Remuneration Committee.

The purpose of the Committee is to:

- review the annual salary and performance-related bonus proposals of the Leadership Group, in accordance with Scottish Government guidelines
- consider any changes in the terms and conditions of employment of the Leadership Group
- submit any proposed changes to the Scottish Government for approval
- deal with such other matters as may be referred to it by the Board

## Attendance

The following table shows the number of meetings the VisitScotland Board and its principal committees held during 2023/24, and the individual attendance by Board and committee members.

<sup>1</sup>Observer at March 24 Board meeting, Chair from 1 April 24

<sup>2</sup>Joined in Jan 24

<sup>3</sup>Joined Dec 23

\* Resigned Board and Arc March 24

\*\* Resigned Board and Arc Nov 23

	Board (8)	Audit and Risk Committee (4)
Stephen Leckie <sup>1</sup>	1/1	NA
Lindsey Paterson <sup>2</sup>	2/2	1/1
Keith Nicholson	8/8	4/4
Paul Easto	8/8	NA
Shona Marsh	8/8	0/1 <sup>3</sup>
Steven Walker	8/8	NA
Barbara Smith <sup>3</sup>	3/3	NA
Cara Aitchison <sup>3</sup>	1/3	NA
John Thurso *	8/8	NA
Caroline Roxburgh	8/8	4/4
Rebecca Brooks**	4/4	3/3
Anne Anderson**	4/5	2/3

## The Leadership Group

### Responsibilities

The Leadership Group is responsible for the delivery of strategy as set by the Board and the day to day management of VisitScotland's activities and operations. The delivery of VisitScotland's aims and objectives is supported by an operational framework comprising key corporate business processes and a wide range of control mechanisms. VisitScotland's Leadership Group is in place to actively support and develop talent for the future across the organisation. Members of the Leadership Group who held office during the year were as follows:

Name	Position
<b>Malcolm Roughead</b>	Chief Executive
<b>Vicki Miller</b>	Director of Marketing and Digital
<b>Ken Neilson</b>	Director of Corporate Services
<b>Paul Bush</b>	Director of Events
<b>Rob Dickson</b>	Director of Industry and Destination Development
<b>Robbie Clyde (resigned)</b>	Head of EventScotland
<b>Rebecca Edser (appointed)</b>	Head of EventScotland
<b>Michelle Lavery</b>	Head of Corporate Governance and Performance
<b>Lynn Jack</b>	Head of Human Resources
<b>Mike Slack</b>	Head of IT
<b>Susan Dickie</b>	Head of Insights
<b>Ken Massie</b>	Head of Industry Development
<b>Carolyn Churchill</b>	Head of Corporate Communications

## Risk management and control

VisitScotland's Board has overall responsibility for VisitScotland's Risk Management Strategy and Framework.

The Board also determines the risk appetite for the activities carried out within each strategic pillar, depending on their nature.

The Board's Audit and Risk Committee oversees the Risk Management Framework on behalf of the Board. The committee recommends the appointment of our internal auditors and receives our annual accounts and internal audit reports.

The Risk Management Framework includes a Corporate Risk Register where each risk is aligned to our strategic objectives. All corporate risks are actively managed, reviewed and updated, together with the actions to mitigate them, by the directors and heads of department on a quarterly basis, who through their assessment categorise risk by four levels; very high, high, medium, and low. These updates are reviewed by the VisitScotland Risk Management Committee to ensure our management of risk remains appropriate and consistent, and are then reported to the VisitScotland Leadership Group, the Audit and Risk Committee and the Board.

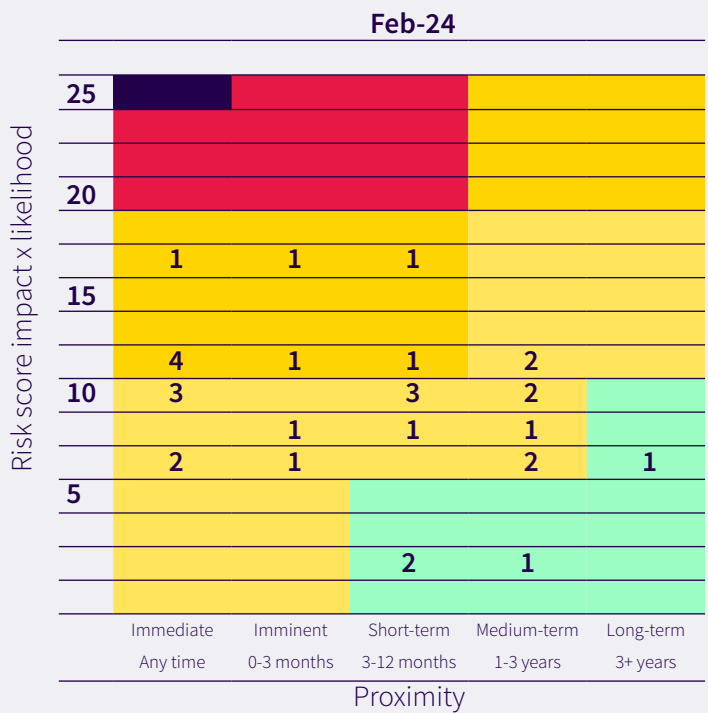
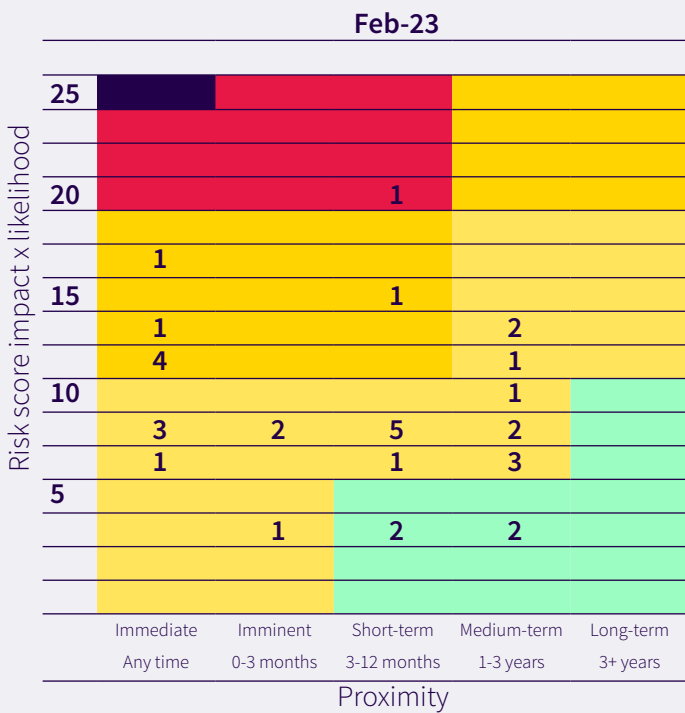
At an operational level, risk management has been fully incorporated into the corporate planning and decision-making processes of the organisation.

In addition, risks are managed throughout the organisation by the application and review of controls built into day-to-day working practices, and the use of sub-risk registers (which cover specific matters in greater detail). The organisation also maintains risk registers for all significant projects.

VisitScotland's Assurance Framework forms an integral part of our governance processes. Over 180 assurance activities (our 'Audit Universe') are mapped across 62 key business areas under each strategic pillar and aligned to risks within the Corporate Risk Register. A full review of all assurance activities and their assurance 'need' is undertaken on an annual basis, to ensure that the Assurance Framework remains up-to-date and maintains an appropriate level of assurance for all key business processes as well as identify any gaps in assurance.

The system is designed to manage rather than eliminate the risk of failure to achieve VisitScotland's policies, aims and objectives. The process within VisitScotland accords with guidance from the Scottish Ministers provided in the Scottish Public Finance Manual (SPFM) and has been in place for the year ended 31 March 2024, and up to the date of approval of the Annual Report and Accounts.

The charts below summarise how risk proximity has moved throughout 2023/24. The numbers within each chart are representative of the number of risks at that level, in the reporting period. These charts show how the risk profile has moved within the year, with little change in the number of risks in the immediate and imminent categories. This is reflective of the overall risk register position at the end of 2023/24 with the focus on the impacts of continued financial pressures, the close-out of the 2023 UCI Cycling World Championships, cyber security, and Strategic Change Programme activity.



Principal risks and uncertainties identified at the end of 2023/24 are described in the Overview section of this report (page 8). Corporate risks scored “high” or “very high” at the year-end assessment have been listed below:

Scottish Government budget
Non-Scottish Government grant income
Marketing automation project
Macro-economic matters
Industry funding resources
Maintaining credible reputation
Corporate governance
Unsupported systems
Change in leadership
Payroll cloud transition (project)
Strategic change programme
Data management
Responsible Tourism Strategy 2030 ambition
Travel links to Scotland
Cyber security
Procurement
Events CRM project (Granicus)

As Accountable Officer, I am responsible for reviewing the effectiveness of the systems of risk management and internal control. My review is informed by:

- an Assurance Framework established in accordance with the Scottish Public Finance Manual
- certificates of assurance from the Leadership Group who are responsible for developing, implementing and maintaining internal controls across their delegated areas
- the work of the internal auditors, which is directed through an audit plan agreed by the Audit and Risk Committee and focuses on identified control risk areas. The internal auditors submit regular reports on the adequacy and effectiveness of the organisation’s systems of internal control together with recommendations for improvement
- quarterly reviews by the Audit and Risk Committee of the organisation’s corporate risk register and the work of internal audit in assessing the effectiveness of risk management arrangements
- comments made by the external auditors in their management letters and other reports



## Cyber, information and data security

Given the increased general risk in these areas, we continue to strengthen our control environment. We have in place a range of systems and measures which ensure that information held by the organisation and by third parties, on behalf of the organisation, is secure. The Data Governance and Security Group monitors the organisation's overall legal and regulatory compliance concerning the release of data from the organisation. In addition, we have implemented Scottish Government guidance on data security and information risk through the creation of an Information Asset Register and an Information Risk Register, along with the implementation of risk assessments and awareness training for staff. Cyber security standards continue to develop and we have a Cyber Resilience Group and an action plan in place to continually enhance the level of security and ensure an appropriate level of resilience. This is aligned with the Scottish Government's Cyber Framework, National Cyber Security Centre guidance and the government-backed scheme Cyber Essentials. We carry out regular exercises, audits and post incident reviews, each of which enable us to identify further areas for improvement. Cyber resilience and security is a standing item on the agenda of our Leadership Group as well as our Data Governance and Security Group. An update is provided to the Board at each meeting. We closely monitor data protection legislation through the Data Governance and Security Group, Head of Legal and the Data Protection Officer. Training on data protection and information security is included in the induction process for new staff. All staff receive mandatory training and are provided with security and data protection updates. Staff with specific data protection responsibilities have these responsibilities built into their job descriptions, which are subject to review at annual performance appraisals.

There were no reportable data incidents in 2023/24.

## Digital transformation

In 2017, we embarked on a digital transformation to modernise our IT and digital environment, remove legacy systems, reduce energy usage and take a 'cloud first' approach. This has involved a staged approach and is aligned with Scottish Government guidance and standards. The initial target was to move key enterprise systems into the Software as a Service (SaaS) model. This included Oracle ERP, Microsoft 365, Dynamics CRM and Bloomreach Content Management System. A major project to decommission our data centres was successfully completed in 2023/24. This included infrastructure, communications and back-office systems. Services have moved to a combination of cloud and third-party data centre providers. The next phase is transitioning to further use Infrastructure as a Service (IaaS). Staff are currently being trained in public cloud tools, and services are being redesigned to make use of cloud-based approaches, which will lead to further efficiencies, which will be reinvested into continually improving our digital services for the consumer and the tourism industry.

## Fraud corruption and bribery

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control and risk management.

My review is informed by:

- the work and views of the Audit and Risk Committee
- the documented assurances of executive managers within the organisation who have responsibility for the development and maintenance of the internal control framework
- the work of the internal auditors, who submit to VisitScotland's Audit and Risk Committee regular reports on the adequacy and effectiveness of internal control together with recommendations for improvement
- comments made by the external auditors in their management letters and other reports
- the outcome and feedback of external auditors during their annual statutory audit

## Audit and Risk Committee

The Audit and Risk Committee reviews the reports from both internal and external auditors. In addition, members agree the annual internal audit plan, review the Corporate Risk Register reports, as well as carrying out ad-hoc reviews of departmental/project risk sub-registers that underpin the principal Corporate Risk Register and seeking assurances from management on any matters arising.

## Management assurance statements

Annually, management is required to review the internal control systems throughout the organisation, and to provide assurances and comments via completion of a detailed Internal Control Checklist.

## Independent internal audit

For 2023/24, Visit Scotland internal audit work has been carried out by the contracted services of independent auditors. Their role is to report on the adequacy and effectiveness of VisitScotland's systems of internal control and make any recommendations for improvement. There were nine reviews within the financial year. Two high risk recommendations were made during the year in relation to Business Continuity. The Audit and Risk Committee are content with progress against all recommendations within the year. For 2023/24 the overall conclusion of the independent internal auditor in respect of the areas reviewed was: "In our opinion VisitScotland has a framework of governance, risk management and controls that provides reasonable assurance regarding the effective and efficient achievement of objectives." This is the highest level of assurance provided by internal audit.

## Conclusion

In summary, on the basis of the above processes, I confirm that I am content with the effectiveness of such procedures that enable VisitScotland to maintain appropriate best practice standards of governance and effective risk management, and my overall review has not highlighted any significant internal control weaknesses within VisitScotland. As a consequence, I have confirmed for 2023/24 that controls have been, and are, working well within VisitScotland, and that there are no significant matters arising which would require to be raised.

## Vicki Miller

Chief Executive and Accountable Officer  
VisitScotland

# The Remuneration and Staff Report

## Board and Leadership Group report

### Remuneration policy

Under the terms of the financial memorandum with the Scottish Government, an annual pay remit for all staff is submitted to the Scottish Government for approval. The pay remit must be within the terms of the Scottish Government's public sector pay policy.

**Board members:** Remuneration for the Chair and Board members is set by the Scottish Government and is reviewed annually. The Chair and Board members of VisitScotland are appointed by Scottish Ministers normally for an initial period of three years, with the option of re-appointment for a second term.

**Chief Executive:** The Chief Executive's performance is appraised by the Chair in consultation with the Board, in session as the Board Remuneration Committee ("BRC"). The annual pay award is considered by the BRC, and approved by the Scottish Government. This is in accordance with the Scottish Government's pay policy for senior appointments.

**Directors:** Performance is appraised by the Chief Executive in consultation with the BRC. Their annual pay award, are considered by the BRC, and approved by the Chief Executive. Appointments of the Chief Executive and Directors are made on merit, and the appointments are on a permanent basis. The notice periods range between three to 12 months for both Directors and the Chief Executive. Early termination, other than for misconduct, would result in payments under agreed contractual, or severance, arrangements.

**Wider Leadership Group:** Individual performance is appraised by the line manager. Appointments of the Leadership Group are made by the Chief Executive and are reviewed on an annual basis. Their pay award is in line with VisitScotland's pay award to all staff members. For 2023/24 this was between 1%-3% dependent upon salary.

Remuneration includes gross salary, benefits in kind and any other allowance to the extent that it is subject to UK taxation.

This section is subject to audit.

	2024	2023
Board Members' Remuneration	£'000	£'000
Lord Thurso*	35-40	35-40
Caroline Roxburgh	10-15	10-15
Professor Anne Anderson**	5-10	5-10
Rebecca Brooks**	5-10	5-10
Dr Keith Nicolson	5-10	5-10
Steven Walker	5-10	5-10
Shona Marsh	5-10	0-5
Paul Easto	5-10	0-5
Professor Cara Aitchison***	0-5	-
Barbara Smith***	0-5	-
Lindsey Paterson****	0-5	-

\* Lord John Thurso reached the end of his tenure in March 2024

\*\* Professor Anne Anderson and Rebecca Brooks reached the end of their tenure from the Board in November 2023

\*\*\* Professor Cara Aitchison and Barbara Smith were appointed to the Board in December 2023

\*\*\*\* Lindsey Paterson was appointed to the Board in January 2024

This section is subject to audit.

Leadership Group Remuneration		23/24	23/24	23/24	23/24	23/24
		Salary	Car Allowance	Non-cash benefits	Pension Benefit	Total
		£'000	£'000	£	£'000	£'000
Malcolm Roughead	Chief Executive	165-170	-	7,300	83	255-260
Ken Neilson	Director of Corporate Services	120-125	-	6,900	33	155-160
Paul Bush	Director of Events	120-125	5-10	100	-	125-130
Rob Dickson	Director of Industry Destination Development	115-120	5-10	100	6	130-135
Vicki Miller	Director of Marketing and Digital	115-120	5-10	100	37	155-160
Ken Massie	Head of Industry Development	85-90	-	100	19	100-105
Lynn Jack	Head of HR	80-85	-	100	16	95-100
Susan Dickie	Head of Insights	85-90	-	100	17	100-105
Michelle Lavery	Head of Corporate Governance and Performance	85-90	-	1,300	27	110-115
Carolyn Churchill	Head of Corporate Communications	75-80	-	100	16	95-100
Mike Slack	Head of IT	85-90	-	100	18	100-105
Robbie Clyde (d)	Head of EventScotland	40-45	-	-	8	50-55
Rebecca Edser (e)	Head of EventScotland	40-45	-	-	11	50-55

Leadership Group Remuneration		22/23	22/23	22/23	22/23	22/23
		Salary	Car Allowance	Non-cash benefits	Pension Benefit	Total
		£'000	£'000	£	£'000	£'000
Malcolm Roughead	Chief Executive	160-165	-	7,300	-	165-170
Ken Neilson	Director of Corporate Services	110-115	-	6,900	-	120-125
Paul Bush	Director of Events	110-115	5-10	100	-	120-125
Rob Dickson	Director of Industry Destination Development	105-110	5-10	100	38	150-155
Vicki Miller	Director of Marketing and Digital	105-110	5-10	600	5	115-120
Ken Massie	Head of Industry Development	80-85	-	100	5	85-90
Lynn Jack	Head of HR	80-85	-	100	-	80-85
Susan Dickie	Head of Insights	80-85	-	100	-	80-85
Michelle Lavery	Head of Corporate Governance and Performance	75-80	-	100	16	95-100
Carolyn Churchill	Head of Corporate Communications	70-75	-	100	25	95-100
Mike Slack	Head of IT	80-85	-	100	2	80-85
Robbie Clyde	Head of EventScotland	80-85	-	100	17	100-105

- (a) From 1.4.19, Malcolm Roughead no longer contributes to the BTB Pension Scheme, nor any other VisitScotland scheme
- (b) Non-cash benefits are for medical cover and car benefit and disclosed to the nearest £100
- (c) The value of pension benefits accrued during 2023-24 is calculated as the real increase in pensions and applying the HMRC methodology multiplier of 20, less the contributions made by the individual. The real increase in pension excludes increases due to inflation, or any increase due to transfer of pension rights
- (d) Robbie Clyde (FTE Salary banding £80-£85k) resigned 1 September 2023
- (e) Rebecca Edser (FTE salary banding £80 - £85k) was appointed in 11 September 2023

Additional Note: No performance pay or bonuses were paid or payable during 2023/24 ( 2022/23, NIL)

Malcolm Roughead retired from VisitScotland on 30 September 2024. Vicki Miller took over as Chief Executive on 1 October 2024 and will sign off the accounts.

In accordance with the Scottish Government’s pay policy, the Chief Executive and the Leadership Group members received a pay increase in 2023/24, in line with Scottish Government’s pay policy but did not receive any bonus award.

This section is subject to audit.

## Pension Entitlements

This section is subject to audit.

As at 31 March 2024		Accrued	Real increase	Opening	Closing	CETV: Increase
		pension	in annual	Opening	Closing	net of members’
Leadership Group		£’000	pension note	CETV	CETV	contributions
			(d)	£’000	note(b)	note (c) & (e)
						£’000
Malcolm Roughead	Chief Executive	45-50	2.5-5	772	820	-
Ken Neilson	Director of Corporate Services	40-45	0-2.5	702	764	9
Paul Bush	Director of Events	-	-	-	-	-
Rob Dickson	Director of Industry Destination Development	5-10	0-2.5	54	107	-
Vicki Miller	Director of Marketing and Digital	30-35	0-2.5	337	359	-
Ken Massie	Head of Industry Development	15-20	0-2.5	190	203	-
Lynn Jack	Head of HR	25-30	0-2.5	323	334	-
Susan Dickie	Head of Insights	30-35	0-2.5	634	644	-
Michelle Lavery	Head of Corporate Governance and Performance	10-15	0-2.5	51	55	-
Carolyn Churchill	Head of Corporate Communications	5-10	2.5-5	27	85	1.80
Mike Slack	Head of IT	20-25	0-2.5	211	221	-
Robbie Clyde	Head of EventScotland	5-10	0-2.5	58	60	-
Rebecca Edser	Head of EventScotland	0-5	0-2.5	-	4	1.70

As at 31 March 2023		Accrued	Real increase	Opening	Closing	CETV: Increase
		pension	in annual			
Leadership Group		£'000	£'000	£'000	£'000	contributions
			(d)		note(b)	note (c) & (e)
						£'000
Malcolm Roughead	Chief Executive	40-45	-	1005	772	-
Ken Neilson	Director of Corporate Services	35-40	-	899	702	-
Paul Bush	Director of Events	-	-	-	-	-
Rob Dickson	Director of Industry Destination Development	0-5	0-2.5	12	33	14
Vicki Miller	Director of Marketing and Digital	25-30	0-2.5	483	337	-
Ken Massie	Head of Industry Development	15-20	0-2.5	266	190	-
Lynn Jack	Head of HR	25-30	-	503	323	-
Susan Dickie	Head of Insights	30-35	-	775	634	-
Michelle Lavery	Head of Corporate Governance and Performance	10-15	0-2.5	108	51	-
Carolyn Churchill	Head of Corporate Communications	0-5	0-2.5	6	13	3
Mike Slack	Head of IT	15-20	0-2.5	313	211	-
Robbie Clyde	Head of EventScotland	5-10	0-2.5	80	58	-

## Notes:

- (a) Pension calculations are based on the pensionable salary at 31 March
- (b) Cash Equivalent Transfer Value (CETV) is a lump sum value in today's terms of the benefits accrued by a member of the pension scheme. The sum is assessed by an actuary and is the amount which would be offered by the scheme to transfer benefits into another scheme when the member leaves. Within BTPS, CETV is computed by reference to factors agreed by the Trustees of the BTPS
- (c) CETV: Increase net of members' contributions. This reflects the increase in CETV effectively funded by the employers over the year. It takes account of the change in accrued pension due to additional accrual and salary growth, excluding inflation, and uses common market factors for the start and end of the period. It does not include any increase in value that arises from contributions paid by the employee or the value of any benefits transferred from another pension scheme
- (d) The real increase in annual pension excludes any increase in inflation or any increase due to a transfer of pension rights
- (e) The assumptions used include future long-term interest rates and inflation. Certain members of the British Tourist Boards' Pension Scheme can choose to retire from age 60
- (f) Paul Bush transferred out the pension scheme in May 2020

The Chair and Board members are not members of the pension schemes. However, pensions are paid to two previous Chairs, and a provision has been made for this in these financial statements (Note 20).

## Compensation and post employment payments

VisitScotland is required to disclose any compensation payments made on early retirement or for loss of office for senior members of staff, and any payments made to past directors. No payments were made in year.

## Fair pay disclosure (this information is subject to audit)

The highest paid member of the Leadership Group was the Chief Executive. His annualised salary before Pension benefits was 4.68 times the £36,840 median earnings of the organisation's work-force in 2023/24 (2022/23: 5.06 x £33,109).

The Median Total Remuneration calculation continues to be impacted by adoption of the Living Wage recommendations.

	23/24	22/23
<b>Highest-Paid Director's Salary</b>	£170k-£175k	£160k-£165k
Median Total remuneration	36,840	33,109
Ratio	4.68	5.06
Ratio (25th Percentile)	6.32	7.03
Ratio (75th Percentile)	3.77	3.92
Percentage Changes in Highest Paid Directors:	-	-
Salary and Allowances	2.99%	0.00%
Performance Pay and Bonuses Payable	N/A	N/A
Average % Changes from Previous Financial Year of Salary and Allowances:		
Salary and Allowances	11.27%	9.42%
Performance Pay and Bonuses Payable	N/A	N/A
Range of Staff remuneration including highest paid director (excluding pension benefit)	£23k-£173k	£20k-£165k

### Staff numbers and costs

	VisitScotland		Cycling World C'ships	
	2023/24	2022/23	2023/24	2022/23
	£'000	£'000	£'000	£'000
<b>Salaries</b>	19,746	19,677	2,151	1,903
Social Security costs	1,979	1,960	272	250
Voluntary Severance - in year	361	60	24	-
Voluntary Severance - accrued	255	266	-	-
Pension Contributions	3,909	4,054	208	205
Staff seconded from VS to CWC salaries recharged	(342)	(255)	342	255
<b>Total RDEL staff cost</b>	<b>25,908</b>	<b>25,763</b>	<b>2,997</b>	<b>2,613</b>

### IAS 19 charges to the P&L (AME adjustments):

Pension Current Cost of Service (AME adjustments)	4,031	8,539	-	-
Pension Interest (Income)/costs (AME adjustments)	(44)	483	-	-
Pension contributions deducted (RDEL)	(3,909)	(4,054)	-	-
<b>IAS 19 charges to the P&amp;L (AME adjustments)</b>	<b>78</b>	<b>4,968</b>	<b>-</b>	<b>-</b>

See also note 3 to the accounts.

<b>Staff composition</b> (this information is subject to audit)	<b>VS FTE</b> <b>(at 31/3/24)</b>	<b>VS FTE</b> <b>(as at 31/3/23)</b>	<b>CWC FTE</b> <b>(at 31/3/24)</b>	<b>CWC FTE</b> <b>(as at 31/3/23)</b>
Leadership Group	12	12.0	-	8.0*
<b>Operational and support staff:</b>				
Directors	5.0	5.0	-	5.0
Heads of department	20.0	19.0	-	7.0**
All other staff (including Seasonal and Youth Employment Schemes)	457.32	477.7	-	60.6
Fixed term contract (including Seasonal and Youth Employment Schemes)	43.59	56.4	-	63.6
Fixed term contract (excluding Seasonal and Youth Employment Schemes)	25.46	23.3	-	63.6
Seconded from VS to CWC	-2.0	-9.0	2	9.0
Total FTE Perm	438.72	436.2	-	9.0
Total FTE FTC	43.59	56.4	-	63.6
Total FTE	482.32	492.7	-	72.6
Total average number of full-time equivalents	491.99	522.3	-	42.7

\* includes 3 staff from VisitScotland on secondment to 2023 UCI Cycling World Championships.

## Sickness absence data and employment statistics

	<b>VS FTE</b> <b>(at 31/3/24)</b>	<b>VS FTE</b> <b>(at 31/3/23)</b>	<b>CWC FTE</b> <b>(at 31/3/24)</b>	<b>CWC FTE</b> <b>(at 31/3/23)</b>
<b>Staff Turnover</b>	8.46%	11.56%	157.21%	28.75%
Sickness Absence	2.62%	2.20%	0.17%	0.38%
Sickness Absence days/person	6.81	5.73	0.45	0.98
Male:Female Ratio – Total Workforce	32:68	31:69	41:59	40:60
Male:Female Ratio – Board Members	44:56	50:50	-	57:43
Male:Female Ratio – Leadership Group	50:50	58:42	-	37:63
Male:Female Ratio – Heads of Department	35:65	37:63	-	43:57
Staff Salary range (excluding Leadership Group)	23k-88k	£20k-82k	£23k-72k	£20k-65k



### Equity, equality and diversity and inclusion

Our Interim Equality Mainstreaming Report was published in April 2023 and since then, we have maintained our commitment to be fully inclusive, and worked to achieve our equality outcomes.

Our target in the 2023 report is to increase the numbers of black and ethnic minority staff from 1% to 4% by April 2025. This also includes an increase in the numbers of ethnic minority young people applying for Modern Apprenticeships and graduate placements.

The latest black and ethnic minority staff figures for VisitScotland as of 31 March 2024 is now 3% (1% in 2023). Currently, nearly 10% of our graduates and apprentices are from a black or ethnic minority background.

What we have achieved:

- we have used online channels and our corporate website to promote job roles, highlighting the breadth and depth of opportunities across the business
- we have consulted with partner organisations e.g. Council for Ethnic Minority Voluntary Sector Organisations (CEMVO) to advise on our recruitment strategy
- we have provided Human Resources Business Partner advice and support to all recruiting managers to ensure fairness and equality throughout the recruitment process
- we have continued to offer flexibility in our recruitment processes, ensuring both in-person and video interviews are available, based upon candidate needs. Our recruitment process is aligned to the criteria set out in the 'Disability Confident' Level 2 award
- to ensure maximum flexibility, we now offer flexible working from day one of employment and give traditionally office-based staff the option of working in a hybrid manner. Pre-COVID19, our job roles were largely Edinburgh-based. Vacancies are now advertised Scotland-wide to attract the widest pool of candidates from across the country



## Industrial relations

The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force on 1 April 2017. The disclosures required by these regulations are within the tables below:

- number of employees who were relevant officials during the year
- full-time equivalent employee number

Percentage of time spent on facility time	No. of Employees
0%	-
1% - 50%	4
51% - 99%	-
100%	-
<b>Percentage of total paybill spent on facility time</b>	0.005%
<b>Total cost of time</b>	£1,171

## Expenditure on consultancy

(this information is subject to audit)	2023/24	2022/23
Consultancy	13,500	5,940

## Exit packages

(this information is subject to audit)

Voluntary severance costs

Ongoing business re-organisation during the year has meant that the opportunity for voluntary departure by staff, in accordance with VisitScotland's approved voluntary severance scheme, was taken up by 15 members of staff in 2023/24 at a total cost of £615,906 (£326,038 in 22/23).

	2023/24	2022/23
£0 - £20,000	3	2
£20,001 - £40,000	4	1
£40,001 - £60,000	4	3
£60,001 - £80,000	3	1
£80,001 - £100,000	1	1
Total number of exit packages	15	8
No. staff taken up VS	15	8
Total cost of VS	£615,906	£326,038

There were no compulsory redundancies (2023: none).

## Vicki Miller

Chief Executive and Accountable Officer,  
VisitScotland

# Parliamentary accountability report

## Regularity of expenditure

VisitScotland is held to account by the Scottish Ministers, in accordance with the requirements of Section 6(1) of the Development of Tourism Boards (Scotland) Act 2006. The main financial objective for 2023/24 is to ensure that the financial outturn for the year is within the Resource Budget allocated by the Scottish Ministers. VisitScotland achieved this objective. The Statement of Resource Outturn is on page 60.

## Remote contingent liabilities

There is the remote possibility that a proportion of grants previously received may need to be repaid. This will remain until official timelines expire in relation to specific grants. Details are within Note 23 to the Financial Statements.

## Statement of losses and special payments

Losses: None during 2023/24 (2022/23: none).

Special Payments: Voluntary severance cost in year amounted to £603,886 (2022/23 - £315,526). These were the only special payments made during the year. No gifts were provided by VisitScotland during the year.

## Fees and charges income

		2024	2023
		£'000	£'000
<b>Retail Sales</b>			
Product Income	I	2,882	2,100
Cost of Sales		(1,226)	(984)
Gross Profit		1,655	1,116
GP percentage		57%	53%
<b>Business Promotion and Advertising income</b>			
Exhibitions and Promotional advertising	II	957	818
Joint Promotional Campaigns	III	-	-
<b>Quality Assurance</b>			
Award Scheme fees	IV	315	627
Less: Direct Costs of Service		710	669
Net Cost of Service Delivery		(395)	(42)

- I. sales of information and visitor products through the network of VisitScotland information centres
- II. exhibitions/promotions supported during the year. Partners are charged on a cost recovery basis
- III. joint promotional campaigns with business partners.
- IV. the Quality Assurance programme is aimed at promoting the many accommodation providers across Scotland by awarding a grading of their respective establishments in accordance with approved standards as laid down by the BHA

## Vicki Miller

Chief Executive and Accountable Officer, VisitScotland

## Independent auditor's report to the members of VisitScotland, the Auditor General for Scotland and the Scottish Parliament

### Reporting on the audit of the financial statements

#### Opinion on financial statements

I have audited the financial statements in the annual report and accounts of VisitScotland and its group for the year ended 31 March 2024 under the Development of Tourism Act 1969, as amended by the Tourist Boards (Scotland) Act 2006. The financial statements comprise the VisitScotland and Group Statement of Comprehensive Net Expenditure, Statement of Financial Position, Cash Flow Statement, Statement of Changes in Taxpayers' Equity and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the 2023/24 Government Financial Reporting Manual (the 2023/24 FReM).

In my opinion the accompanying financial statements:

- give a true and fair view of the state of the affairs of the body and its group as at 31 March 2024 and of the net expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2023/24 FReM; and
- have been prepared in accordance with the requirements of the Development of Tourism Act 1969, as amended by the Tourist Boards (Scotland) Act 2006 and directions made thereunder by the Scottish Ministers.

#### Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Auditor General for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Auditor General on 3 April 2023. My period of appointment is five years, covering 2022/23 to 2026/27. I am independent of the body and its group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the body. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## Conclusions relating to going concern basis of accounting

I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the ability of the body and its group to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on current or future financial sustainability of the body and its group. However, I report on the body's arrangements for financial sustainability in a separate Annual Audit Report available from the [Audit Scotland website](#).

## Risks of material misstatement

I report in my separate Annual Audit Report the most significant assessed risks of material misstatement that I identified and my judgements thereon.

## Responsibilities of the Accountable Officer for the financial statements

As explained more fully in the Statement of Accountable Officer's Responsibilities, the Accountable Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Accountable Officer determines 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 Accountable Officer is responsible for assessing the ability of the body and its group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention to discontinue the body's operations.

## Auditor's responsibilities for the audit of the financial statements

My 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 auditor's report that includes my 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 decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- using my understanding of the central government sector to identify that the Development of Tourism Act 1969, as amended by the Tourist Boards (Scotland) Act 2006 and directions made thereunder by the Scottish Ministers are significant in the context of the body;
- inquiring of the Accountable Officer as to other laws or regulations that may be expected to have a fundamental effect on the operations of the body;
- inquiring of the Accountable Officer concerning the body's policies and procedures regarding compliance with the applicable legal and regulatory framework;
- discussions among my audit team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the body's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.

## Reporting on regularity of expenditure and income

### Opinion on regularity

In my opinion in all material respects the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

### Responsibilities for regularity

The Accountable Officer is responsible for ensuring the regularity of expenditure and income. In addition to my responsibilities in respect of irregularities explained in the audit of the financial statements section of my report, I am responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

## Reporting on other requirements

### Opinion prescribed by the Auditor General for Scotland on audited parts of the Remuneration and Staff Report

I have audited the parts of the Remuneration and Staff Report described as audited. In my opinion, the audited parts of the Remuneration and Staff Report have been properly prepared in accordance with the Development of Tourism Act 1969, as amended by the Tourist Boards (Scotland) Act 2006 and directions made thereunder by the Scottish Ministers.

### Other information

The Accountable Officer is responsible for the other information in the annual report and accounts. The other information comprises the Performance Report and the Accountability Report excluding the audited parts of the Remuneration and Staff Report. My responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on the Performance Report and Governance Statement to the extent explicitly stated in the following opinions prescribed by the Auditor General for Scotland.

### **Opinions prescribed by the Auditor General for Scotland on Performance Report and Governance Statement**

In my opinion, based on the work undertaken in the course of the audit:

- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Development of Tourism Act 1969, as amended by the Tourist Boards (Scotland) Act 2006 and directions made thereunder by the Scottish Ministers; and
- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Development of Tourism Act 1969, as amended by the Tourist Boards (Scotland) Act 2006 and directions made thereunder by the Scottish Ministers.

### **Matters on which I am required to report by exception**

I am required by the Auditor General for Scotland to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited parts of the Remuneration and Staff Report are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

### **Conclusions on wider scope responsibilities**

In addition to my responsibilities for the annual report and accounts, my conclusions on the wider scope responsibilities specified in the Code of Audit Practice are set out in my Annual Audit Report.

### **Use of my report**

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 108 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Pauline Gillen,  
Audit Director  
Audit Scotland  
4th Floor  
8 Nelson Mandela Place  
Glasgow  
G2 1BT

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### **Direction by the Scottish Ministers**

The Scottish Ministers, in pursuance of Section 6(1) of the Development of Tourism Act 1969, as amended by the Tourist Boards (Scotland) Act 2006, hereby give the following direction:

- i. The statement of accounts for the financial year ended 31 March 2008, and subsequent years, shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FRM) which is in force for the year for which the statement of accounts are prepared.
- ii. The accounts shall be prepared so as to give a true and fair view of the income and expenditure and cash flows for the financial year, and of the state of affairs as at the end of the financial year.
- iii. This direction shall be reproduced as an appendix to the statement of accounts. The direction given on 11 January 2006 is hereby revoked.



Signed by the authority of the Scottish  
Ministers  
Dated 30 July 2008



VisitScotland and Group statement of comprehensive net expenditure for the year ended 31 March 2024

		Group		VisitScotland	
	Note	2024	2023	2024	2023
		£'000	£'000	£'000	£'000
<b>Resource Expenditure</b>					
Marketing activities		41,723	42,972	41,723	42,972
Partnership engagement		4,293	4,298	4,293	4,298
Support services		10,078	10,247	10,078	10,247
2023 UCI Cycling World Championships		41,079	10,034	24,618	9,000
	2	97,173	67,551	80,712	66,517
<b>Non-Resource Expenditure</b>					
Pension Costs - IAS 19 adjustments	17.2	78	4,968	78	4,968
Unfunded pension costs		-	2	-	2
<b>Gross expenditure</b>					
		97,251	72,521	80,790	71,487
<b>Income</b>					
Retail and commercial	5	(5,614)	(2,606)	(2,952)	(2,606)
Other income	6	(9,401)	(1,705)	(588)	(1,385)
2023 UCI Cycling World Championships		(4,984)	(714)	-	-
<b>Net expenditure</b>					
		77,252	67,496	77,250	67,496
Finance costs	7	40	51	40	51
<b>Net operating expenditure before taxation</b>					
		77,292	67,547	77,290	67,547
Corporation tax		9	4	8	3
<b>Net operating expenditure</b>					
		77,301	67,551	77,298	67,550
Other Comprehensive Expenditure/(Income)					
Net actuarial (surplus)/deficit on valuation of retirement benefit schemes		5,310	21,256	5,310	21,256
Transfer for Implementation IFRS16		-	212	-	212
(Surplus)/deficit arising on revaluation of property, plant and equipment		-	(31)	-	(31)
Balance on revaluation reserve arising on lease disposal		-	-	-	-
<b>Total other comprehensive expenditure</b>					
		5,310	21,437	5,310	21,437
<b>Total other comprehensive net expenditure</b>					
		82,611	88,988	82,608	88,987

## VisitScotland and Group statement of financial position as at 31 March 2024

		Group		VisitScotland	
	Note	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Assets</b>					
<b>Non-current</b>					
Tangible fixed assets	9	2,787	4,525	2,787	4,514
Intangible assets	8	2,804	2,900	2,804	2,900
Right of Use Assets	10	1,315	4,655	1,315	4,655
Retirement Benefit Asset	17	-	2,401	-	2,401
<b>Total non-current assets</b>		<b>6,906</b>	<b>14,481</b>	<b>6,906</b>	<b>14,470</b>
<b>Current</b>					
Inventories	12	473	502	473	502
Trade and other receivables	13	1,513	4,351	1,149	1,408
Cash and cash equivalents	14	4,429	11,782	2,204	1,223
<b>Total current assets</b>		<b>6,415</b>	<b>16,635</b>	<b>3,826</b>	<b>3,133</b>
Non-current assets classified as held for sale	-	-	-	-	-
<b>Total Assets</b>		<b>13,321</b>	<b>31,116</b>	<b>10,732</b>	<b>17,603</b>
<b>Liabilities</b>					
<b>Current</b>					
Current obligations under IFRS16 Right of Use of liability	10	(761)	(1,025)	(761)	(1,025)
Trade and other payables	16	(8,948)	(19,726)	(6,356)	(6,213)
<b>Total current liabilities</b>		<b>(9,709)</b>	<b>(20,751)</b>	<b>(7,117)</b>	<b>(7,238)</b>
<b>Non-current liabilities</b>					
Non-current obligations IFRS 16 Right of Use of Liability	10	(1,261)	(3,506)	(1,261)	(3,506)
IFRS 16 Dilapidations Provision	19	(88)	(73)	(88)	(73)
Provisions	19	(481)	(536)	(481)	(536)
Retirement benefit obligations	17	(4,457)	(1,470)	(4,457)	(1,470)
<b>Total non-current liabilities</b>		<b>(6,287)</b>	<b>(5,585)</b>	<b>(6,287)</b>	<b>(5,585)</b>
<b>Total Liabilities</b>		<b>(15,996)</b>	<b>(26,336)</b>	<b>(13,404)</b>	<b>(12,823)</b>
<b>Net Assets</b>		<b>(2,675)</b>	<b>4,780</b>	<b>(2,672)</b>	<b>4,780</b>
<b>Taxpayers' equity</b>					
General reserve		1,555	3,583	1,558	3,583
Pension reserve		(4,457)	931	(4,457)	931
Revaluation reserve		227	266	227	266
<b>Total Equity</b>		<b>(2,675)</b>	<b>4,780</b>	<b>(2,672)</b>	<b>4,780</b>

The Accountable Officer authorised these financial statements for issue

Vicki Miller, Chief Executive and Accountable Officer, VisitScotland

The notes on pages 93-140 form part of these financial statements

## VisitScotland and Group cash flow statement year ending 31 March 2024

	Group		VisitScotland	
Note	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
<b>Cash flows from operating activities</b>				
Net operating expenditure before taxation	77,292	67,547	77,290	67,547
<b>Items not involving the flow of cash</b>				
Depreciation of tangible fixed assets	(818)	(700)	(807)	(695)
Impairment of tangible fixed assets	(1,604)	-	(1,604)	
Depreciation of ROU assets	(993)	(1,370)	(993)	(1,370)
Loss on disposal of assets	(19)	-	(19)	-
Loss on disposal of ROU assets	(26)	(3)	(26)	(3)
IFRS 16 Impairment Loss	(767)	-	(767)	-
Amortisation of intangible fixed assets	(1,381)	(1,302)	(1,381)	(1,302)
Net pension service costs and return on assets	(78)	(4,968)	(78)	(4,968)
Miscellaneous	2	(17)	41	(16)
Net financing costs	(40)	(51)	(40)	(51)
<b>Movements in working capital</b>				
Increase/(Decrease) in inventories	(29)	89	(29)	89
(Decrease)/ Increase in receivables	(2,800)	803	(259)	(1,080)
Decrease/ (Increase) in payables	10,796	(341)	(127)	9,828
<b>Movements in provisions</b>				
(Increase)/ Decrease in provisions	55	(432)	55	(432)
<b>Net cash flow from operations</b>	79,590	59,255	71,256	67,547
Interest paid	-	-	-	-
Interest received	(39)	(13)	(39)	(13)
<b>Net cash outflow from operating activities</b>	79,551	59,242	71,217	67,534
<b>Cash flows from investing activities</b>				
Payments to acquire tangible fixed assets	748	750	748	745
Payments to acquire intangible fixed assets	1,268	1,301	1,268	1,301
<b>Net cash flows used in investing activities</b>	2,016	2,051	2,016	2,046
<b>Cash flows from financing activities</b>				
Grant in aid from Scottish Government	(75,195)	(62,465)	(75,195)	(62,465)
Decrease in other borrowings - obligations under finance leases	-	-	-	-
Leases				
Payments for IFRS 16 rents	981	1,336	981	1,336
Cash receipts to be reinvested/(released)	-	(38)	-	(38)
<b>Net cash flows from financing activities</b>	(74,214)	(61,167)	(74,214)	(61,167)
<b>Net (increase)/ decrease in cash and cash equivalents</b>	7,353	126	(981)	8,413
Cash and cash equivalents as at 1 April	11,782	11,908	1,223	9,636
<b>Cash and cash equivalents as at 31 March</b>	4,429	11,782	2,204	1,223

VisitScotland and Group statement of changes in taxpayers' equity  
for the year ended 31 March 2024

	<b>Group</b>			
	<b>General Reserve</b>	<b>Pension Reserve</b>	<b>Revaluation Reserve</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Balance at 1 April 2022</b>	3,489	(15,357)	494	(11,374)
<b>Net operating expenditure</b>	(67,551)	-	-	(67,551)
Transition to IFRS 16 loss on transfer of finance lease asset	-	-	(47)	(47)
Transition to IFRS 16 removal of revaluation balance on finance lease assets	212	-	(212)	-
Transfer between reserves	4,968	(4,968)	-	-
Surplus/(deficit) arising on revaluation of property, plant and equipment	-	-	31	31
Net actuarial gains/(losses) in retirement benefit schemes	-	21,256	-	21,256
<b>Total recognised income and expense</b>	(62,371)	16,288	(228)	(46,311)
Grant in aid from Scottish Government	62,465	-	-	62,465
<b>Balance at 31 March 2023</b>	3,583	931	266	4,780
<b>Net operating expenditure</b>	(77,301)	-	-	(77,301)
Transfer between reserves	78	(78)	-	-
Surplus/(deficit) arising on revaluation of property, plant and equipment	-	-	(39)	(39)
Net actuarial gains/(losses) in retirement benefit schemes	-	(5,310)	-	(5,310)
<b>Total recognised income and expense</b>	(77,223)	(5,388)	(39)	(82,650)
Grant in aid from Scottish Government	75,195	-	-	75,195
<b>Balance at 31 March 2024</b>	1,555	(4,457)	227	(2,675)

The Statement above has been shown as an overall Group position. This also reflects the VisitScotland position

The notes on pages 93-140 form part of these financial statements

# Notes to the financial statements

## 1

### Accounting policies

#### Basis of preparation

These financial statements have been prepared in accordance with the 2023/2024 Government Financial Reporting Manual (FReM) issued by the Scottish Government. The accounting policies contained within the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context, and without limiting the information given, the financial statements meet the relevant disclosure requirements, so far as those requirements are appropriate, and in accordance with the Accounts Direction given by Scottish Ministers.

Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be the most appropriate to the particular circumstances of VisitScotland for the purpose of giving a true and fair view has been selected.

As of 28 February 2020, VisitScotland incorporated a new fully owned subsidiary, 2023 Cycling World Championships Limited. 2023 Cycling World Championships Limited is a private company limited by guarantee without share capital. The liability is limited to £1. All transactions in the financial year have been consolidated into this set of financial statements. The accounting policies for 2023 Cycling World Championships Limited have been aligned to VisitScotland.

The particular policies adopted by VisitScotland covering these financial statements for the year ended 31 March 2024 are described below. They have been applied consistently in dealing with the items that are considered material to the financial statements.

#### Basis of accounting

Under Section 6(1) of The Development of Tourism Act 1969, VisitScotland is required to prepare an annual Statement of Accounts in such form, and containing such particulars as Scottish Ministers may from time to time direct. A copy of the Accounts Direction, at present in force, is set out on page 90.

These financial statements are presented in £ sterling, which is the organisation's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

#### Going concern

The terms of the management statement between the Scottish Ministers and VisitScotland require that VisitScotland Group shall conduct its affairs so as to remain solvent within the total resources made available to it by funding bodies. These financial statements have been prepared on this basis. VisitScotland Group has net liabilities as at the date of the statement of financial position of £2.67 million (2023: £4.78 million net assets), arising from its benefits in respect of the inclusion of retirement benefit asset falling due in future years, in accordance with the accounting treatment required by IAS 19 'Employee Benefits'.

To the extent that they are not to be met from VisitScotland's other sources of income, these liabilities may only be met by future grants or grant in aid from the Scottish Government. This is because, under the normal conventions applying to the parliamentary control over income and expenditure, such grants may not be issued in advance of need.

In 2019/20, VisitScotland received formal guarantee from the Scottish Government for the BTB pension scheme. This stated that in the event the BTB Pension Fund and VisitScotland were unable to meet the cost of paying the pensions promised to members, the government stands behind the Fund and will meet these obligations.

Grant in aid for both VisitScotland and 2023 Cycling World Championships Limited in 2024-25, taking into account the amounts required to meet the VisitScotland's liabilities falling due have already been included in the Scottish Government's estimates which have been approved by the Scottish Parliament. There is no reason to believe that the Scottish Government's future sponsorship and parliamentary approval will not be forthcoming. It is therefore appropriate to adopt a going concern basis for the preparation of these financial statements. Details of VisitScotland's liquidity position is given in Note 19.

#### Accounting convention

These financial statements have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangibles, inventories, and assets classified as held for sale.

## Funding

Much of the expenditure incurred by VisitScotland is met from funds advanced by the Scottish Government within an approved allocation of grant in aid (GIA). Cash drawn down to fund expenditure within this approved allocation is credited to the general fund.

## Income

Income receipts are accounted for in line with the requirements of IFRS 15: revenue is recognised when (or as) it satisfies a performance obligation, when control of the promised good or service has been passed over.

Where applicable, income is shown exclusive of Value Added Tax (VAT).

## Government grants

Where assets are financed by government grant or donation, the funding element is recognised as income and taken through the statement of comprehensive net expenditure. Deferral of this income will only occur when a condition has been imposed by the funder to the extent that it must be a requirement that the future economic benefits embodied in the grant/ donation are consumed as specified by the grantor/ donor or must be returned to them.

Grant in aid, whether for revenue or capital purposes, are treated as contributions from controlling parties giving rise to a financial interest in the residual interest of the reporting entity and are credited to general reserves.

## Expenditure

### Marketing activities

Marketing activities incorporate all expenditure, direct and indirect, associated with the marketing, selling, support, and delivery of the principal function of VisitScotland, i.e. the development of tourism in Scotland.

The expenditure is recorded in the period in which the goods are received, or the services are carried out.

## Partnership engagement

Partnership engagement includes all expenditure related to the development of partnership arrangements to promote tourism in Scotland. It also includes all expenditure associated with the provision of direct support in the maintenance, and monitoring, of quality standards within the network of providers of tourist accommodation and facilities across Scotland.

The expenditure is recorded in the period in which the goods are received, or the services carried out.

## Support services

Support services include the remaining administrative costs of running the organisation.

Where applicable, all categories of expenditure are shown exclusive of Value Added Tax (VAT).

## Grants paid

Grants awarded to third parties are accounted for on an accruals basis, subject to the grantee meeting specific terms and conditions attached to each grant.

## Intangible assets

In accordance with IFRS 3 an intangible asset acquired in a business combination is deemed to have a cost to VisitScotland of its fair value at the acquisition date. Intangible assets, arising upon acquisition, are recognised separately from goodwill.

Under IAS 38 "Intangible Assets", VisitScotland use the cost model and assess for impairment.

Other intangible assets are stated at fair value determined at the date of acquisition of the related underlying business, or at cost if they are separately acquired or represented internally developed software, less accumulated amortisation and impairment losses.

Direct costs related to the development of software for internal use are capitalised only if the costs can be measured reliably, technological feasibility has been established, future economic benefits are probable and VisitScotland intends to use the software. All other costs are expensed as incurred.

Amortisation is computed, and charged to the statement of comprehensive net expenditure, using the straight-line method based on the estimated useful lives, which are as follows:

<b>Information technology</b>	<b>2-4 years</b>
<b>Software licences</b>	<b>4-6 years</b>
<b>Website development</b>	<b>1-6 years</b>

Software licenses are capitalised when they are capable of being used in VisitScotland activities for more than one year, can be valued, and have a cost of at least £2,000.

The useful lives are reviewed, and adjusted if appropriate, at the date of each statement of financial position.

An impairment review of other intangible assets is carried out annually by directors, and any impairment charged to the statement of comprehensive net expenditure.

### Impairment

The carrying value of VisitScotland's assets is reviewed at the date of each statement of financial position to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount of an asset is the higher of fair value less costs to sell and value in use.

### Non-current assets

Non-current assets are assessed at fair value. An impairment loss is recognised in the statement of comprehensive net expenditure for the amount by which the asset's carrying amount exceeds its recoverable amount.

In subsequent years, impairment losses recognised in respect of non-current assets other than goodwill may be reversed and recognised immediately in the statement of comprehensive net expenditure. The carrying amount is increased to the revised estimate of the recoverable amount.

## Property, plant and equipment

### Property - land and buildings

Land and buildings are carried at fair value.

The fair value of all land and buildings is assessed by performing a full valuation at least every five years, and an interim valuation in year three. Interim valuations are carried out in years one, two and four where it is deemed likely that there has been a material change in value. The valuations are carried out by professionally Qualified Valuers, in accordance with the Royal Institution of Chartered Surveyors Appraisal and Valuations Standards, insofar as these Standards are consistent with the agreed requirements of the FReM.

Land is regarded as having unlimited useful life and therefore is not depreciated.

Buildings are depreciated on a straight-line basis over their expected useful lives between 30-50 years.

Buildings under construction are valued at current cost. At first valuation after being brought into use, any write down of the cost is treated as impairment and charged to the statement of comprehensive net expenditure.

Upon revaluation gains are credited to the statement of comprehensive net expenditure to the extent that they reverse previous impairment on that asset. All other gains are credited to the revaluation reserve.

Losses on revaluation are first charged against the surplus previously credited to reserve for that property, with the balance of any loss being charged to the statement of comprehensive net expenditure.

An annual review takes place to consider losses in value (impairment) due to a change in the consumption of economic benefits, with such losses being charged to the statement of comprehensive net expenditure.

The valuation report has been used to inform the measurement of assets in these financial statements.

## Non-property

### Leasehold building improvements

Refurbishments are carried at fair value using appropriate indices, and depreciated straight line over the expected life of the building, or the term of the relevant lease, when shorter.

### Plant, equipment, fixtures and fittings

Items of plant, equipment, fixtures and fittings are stated at cost, or valuation, less accumulated depreciation and impairment losses.

Costs includes expenditure that is directly attributable to the acquisition or construction of an asset and includes borrowing costs incurred during construction.

Depreciation is computed, and charged to the statement of comprehensive net expenditure, using the straight-line method based upon estimated useful lives, taking into account the estimated residual value, together with any provision for permanent diminution in value.

All other subsequent expenditure represents repairs and maintenance and is expensed as incurred.

The estimated useful lives of plant, equipment, fixtures and fittings are:

Vintage railway carriage	25 years
Fixtures and fittings	5-10 years
Plant and equipment	4-6 years
Computer equipment	2-6 years
Leasehold improvements	5-10 years

Only plant and equipment and computer hardware costing in excess of £2,000 are capitalised.

The assets' useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

## Leases

### IFRS 16 leases

For government bodies reporting under the FreM, IFRS 16 has been brought into effect on 1 April 2022 and replaces IAS 17 (Leases). IFRS 16 provides a single lessee accounting model with the emphasis on control of the use of an asset, requiring the recognition of assets and liabilities for all leases, together with options to exclude leases where the lease term is 12 month or less, or where the underlying asset is of low value.

IFRS 16 substantially carries forward the lessor accounting in IAS 17, with the distinction between operating leases and finance leases being retained. VisitScotland does not have any leasing activities acting as a lessor.

VisitScotland has adopted IFRS 16 using the modified retrospective approach, with recognition of transitional adjustments on the date of initial application (1 April 2022), without restatement of comparative figures which continue to be reported under IAS 17 "Leases" and IFRIC 4 "Determining whether an arrangement contains a lease". On adoption of IFRS 16 VisitScotland recognized the right-of-use assets and lease liabilities.

The option to reassess whether a contract is, or contains, a lease at the date of initial application has not been used, VisitScotland has used the practical expedient detailed in IFRS 16 (C3).1.

The definition of a contract is expanded to include intra-UK government agreements where non-performance may not be enforceable by law. This includes, for example, Memorandum of Terms of Occupation (MOTO) agreements.

Where applicable VisitScotland will expand the definition of a lease to include arrangements with nil consideration. Peppercorn leases are examples of these, they are defined by HMT as lease payments significantly below market value. These assets are fair valued on initial recognition. On transition any differences between the discounted lease liability and right of use asset are included through cumulative catch up. Any difference between the lease liability and right of use asset for new leases after implementation of IFRS 16 are recorded in income in the Statement of Comprehensive Net Expenditure.



VisitScotland has elected not to recognise right of use assets and lease liabilities for the following leases:

- intangible assets
- non-lease components of contracts where applicable
- low value assets (these are determined to be in line with capitalisation thresholds on Property, Plant and Equipment except vehicles which have been deemed to be not of low value and specific examples as provided for under IFRS 16)
- leases with a lease term of 12 months or less

Policy applicable from 1 April 2022

At inception of a contract, VisitScotland assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time. This includes assets for which there is no consideration. To assess whether a contract conveys the right to control the use of an identified asset, VisitScotland assesses whether:

- the contract involves the use of an identified asset
- visitScotland has the right to obtain substantially all of the economic benefit from the use of the asset throughout the period of use
- visitScotland has the right to direct the use of the asset

The policy is applied to contracts entered into, or changed, on or after 1 April 2022.

At inception or on reassessment of a contract that contains a lease component, VisitScotland allocates the consideration in the contract to each lease component on the basis of the relative standalone prices. VisitScotland assesses whether it is reasonably certain to exercise break options or extension options at the lease commencement date. VisitScotland reassesses this if there are significant events or changes in circumstances that were not anticipated.

## VisitScotland as a lessee

### Right of use assets

VisitScotland recognises a right of use asset and lease liability at the commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for initial direct costs, prepayments or incentives, and costs related to restoration at the end of a lease. The right of use assets are subsequently measured at either fair value or current value in existing use in line with property, plant and equipment assets. The cost measurement model in IFRS 16 is used as an appropriate proxy for current value in existing use or fair value for the majority of leases (consistent with the principles for subsequent measurement of property, plant and equipment) except for those which meet one of the following:

- a longer-term lease that has no provisions to update lease payments for market conditions or if there is a significant period of time between those updates
- the fair value or current value in existing use of the underlying asset is likely to fluctuate significantly due to changes in market prices

The right of use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of the right of use assets are determined on the same basis of those of property plant and equipment assets.

VisitScotland applies IAS 36 Impairment of Assets to determine whether the right of use asset is impaired and to account for any impairment loss identified.

## Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that cannot be readily determined, the rate provided by HM Treasury (HMT). The HMT discount rates were 0.95% for leases entered into prior to 31 December 2022, 3.51% for 2023 and 4.7% for 2024.

The lease payment is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in the index or rate, if there is a change in VisitScotland's estimates of the amount expected to be payable under a residual value guarantee, or if VisitScotland changes its assessment of whether it will exercise a purchase, extension or termination option.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments
- variable lease payments that depend on an index or a rate, initially measured using the index rate as at the commencement date
- amounts expected to be payable under a residual value guarantee
- the exercise price under a purchase option that VisitScotland is reasonably certain to exercise, lease payments in an optional renewal period if VisitScotland is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless VisitScotland is reasonably certain not to terminate early

When the lease liability is re-measured, a corresponding adjustment is made to the right of use asset or recorded in the Statement of Comprehensive Net Expenditure if the carrying amount of the right of use asset is zero.

## VisitScotland as a lessor

Assets leased out under operating leases are included within their respective asset designation and depreciated over their useful lives. Rental income, including the effect of lease incentives, is recognised on a straight-line basis over the lease term.

Any lease incentives are paid to lessees to enter into operating leases, such incentives are initially recorded as an asset and recognised as a reduction of rental revenue in the statement of comprehensive net expenditure on a straight-line basis over the term.

Where VisitScotland transfers substantially all the risks and benefits of ownership of the asset, the arrangement is classified as a finance lease and a receivable is recognised for the initial direct costs of the lease and the present value of the minimum lease payments.

As payments fall due, finance income is recognised in the statement of comprehensive net expenditure.

## Financial instruments

### Financial liabilities

VisitScotland has classified its financial instruments in accordance with IFRS 9.

### Trade and other payables

Trade and other payables are initially recognised at fair value, which represent the invoiced amounts, less adjustment for estimated revenue deductions and subsequently measured at amortised cost.

### Financial assets

#### Cash and cash equivalents

Cash and cash equivalents with regard to GIA and all expenditure are held within the Government Banking Service (GBS) nominated accounts, and miscellaneous receivables within other commercial bank balances.

At initial recognition, VisitScotland classifies all other financial assets at fair value through the statement of comprehensive net expenditure. Financial assets are initially recognised at fair value (plus/net of transaction costs).

### Receivables

This category comprises trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market. Trade receivables are initially recognised at fair value that represent the invoiced amounts, less adjustments for estimated revenue deductions such as rebates and cash discounts. Other receivables are carried at amortised cost (plus/net transaction costs) using the effective interest method, less any impairment losses. They are included in current assets, except for receivables with maturities greater than 12 months after the date of the statement of financial position.

## Critical accounting estimates and judgements

The preparation of the financial statements requires the Board and Accountable Officer to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the course of preparing the financial statements, one judgement has been made in the process of applying the Group's accounting policies in relation to the retirement benefit obligations. When there is a surplus in the defined benefit plan the net defined benefit is measured at the lower of the surplus in the defined benefit plan and the asset ceiling. Judgement has been made to determine the asset ceiling, defined as the present value of the economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

VisitScotland has made judgement that it does not have an unconditional right to a refund and does not recognise economic benefit in that regard. It has made judgement that the economic benefit through a reduction in future contributions is the present value of employer future service costs less the present value of future employer contributions, over the future working lifetime of the active scheme members, using assumptions consistent with those used to determine the defined benefit obligation at the end of the reporting period in accordance with IAS 19 Employee Benefits.

Estimates have been used during the course of preparing the financial statements. Estimates applied are detailed as follows:

### Retirement benefit obligations

The present value of retirement benefit obligations depends upon a number of factors that are determined on an actuarial basis using a number of assumptions.

The assumptions used in determining the net cost or income for pensions include discount rate, salary growth, inflation rate, etc. Any changes in these assumptions will impact the carrying amount of Retirement benefit calculations.

VisitScotland determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the retirement benefit obligations.

In determining the appropriate discount rate, VisitScotland considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related retirement benefit obligations.

VisitScotland determines the appropriate rate for salary inflation based on consideration of inflation and long-term assumptions in respect of salary increases.

Other key assumptions for retirement benefit obligations are based, in part, on current market conditions.

VisitScotland has incorporated actuarial assumptions which are unbiased, mutually compatible and represent the best estimate of the variables which are used to measure the scheme liabilities. At 31 March 2024, after recognising the effect of the asset ceiling, the Group's pension schemes had a net liability of £4.5m (2023: net asset £0.9m).

Additional information is disclosed in Notes 18.1 and 18.2.

## Valuation of assets

### Intangibles

For all intangible assets, direct costs relating to the development of the asset are capitalised only if the costs can be measured reliably, technological feasibility has been established, and future economic benefits are probable. Management assesses the business case prior to project initiation, at stages throughout the project, and on completion to ensure this criteria has been met.

The discounted cash flow model used to assess the impairment of intangible and tangible assets includes a number of assumptions, including estimates of future cash flows, discount rate, and other variables.

VisitScotland determines the appropriate discount rate at the end of each year that reflects current market assessments of the time value of money, and the risks specific to the asset.

The carrying value is at 31 March 2024 £2.8 million (2023: £2.9 million).

Additional information is disclosed in Note 8.

## Property valuations

The fair value of all land and buildings is assessed by performing a full valuation at least every five years, and an interim valuation in year three. Interim valuations are carried out in years one, two and four where it is deemed likely that there has been a material change in value. The valuations are carried out by professionally Qualified Valuers, in accordance with the Royal Institution of Chartered Surveyors Appraisal and Valuations Standards, insofar as these Standards are consistent with the agreed requirements of the FReM. Management have accepted the valuations as provided from the valuers.

An annual review takes place to consider losses in value (impairment) due to a change in the consumption of economic benefits. Should it be determined that an impairment review is required VisitScotland would appoint professionally Qualified Valuers to provide current valuations and action the outcome of their work as appropriate at the time.

The carrying value at 31 March 2024 is £1.0 million (2023: £1.0 million).

Additional information is disclosed in Note 9.

## IFRS 16 Leases – dilapidations

For all new leases entered into after 1 April 2022 under IFRS 16 a provision for dilapidations should be accounted for where dilapidations are noted in the contract or expected to occur. Where the dilapidations value has been agreed within the contract this is provided for, however where this is not VisitScotland have made an estimate of expected value of dilapidations based on knowledge of the operational function of the property, anticipated alterations VisitScotland would normally undertake in similar circumstances, duration of lease, square footage of properties and apply an appropriate estimate of cost for dilapidations for the location of that office. This is then discounted through the IFRS 16 model at the same rate as that of the lease. Throughout the life of the leases VisitScotland review the appropriateness of the provision created and revise accordingly.

Additional information is disclosed in Note 10.

## Comparative amounts

Comparative amounts are provided in accordance with IAS 1 'Presentation of Financial Statements', except where a Standard or Interpretation permits otherwise and includes narrative and descriptive information when this is relevant to the understanding of the financial statements.

If it is necessary to re-classify comparative amounts, but deemed impractical so to do, in accordance with IAS 1 re-classification is not adopted, and a note shown in the financial statements to that effect.

## Changes in accounting policy, accounting estimates and mis-statements

Changes in accounting policy, accounting estimates and mis-statements, are recognised in accordance with the requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

## Provisions

Provisions are recognised when;

- i. VisitScotland has a present (legal or constructive) obligation as a result of past events
- ii. it is more likely than not that an outflow of resources will be required to settle the obligation, and
- iii. the amount can be reliably estimated

The amount recognised is the best estimate of the expenditure required to settle the obligation. Provisions are discounted (at a rate prescribed by HM Treasury) whenever the effect of the time value of money is significant.

## Related party transactions

Related party transactions are identified, considered and disclosed in line with the requirements of IAS 24 'Related Party Disclosures' (Note 24).

## Transactions between VisitScotland and 2023 Cycling World Championships Limited

During the course of the life of 2023 Cycling World Championships Limited, VisitScotland incurred a number of transactions that have been accounted for as follows:

Delivery of services as part of the Services Agreement between the two parties, recognised as Other Income within VisitScotland and Expenditure within CWC to the value of £387k (PY: £511k). The Services Agreement covered the provision of corporate services provided by VisitScotland to CWC.

Reimbursable expenditure via the intercompany account, recognised as expenditure within CWC to the value of £1,438k (PY:£690k). Reimbursable expenditure incurred included travel and subsistence costs for CWC staff and provision of VisitScotland staff to aid event delivery. These costs were charged directly to CWC at cost price.

## Employee benefits

### Retirement benefits

VisitScotland employees are members of either Scottish Local Government Pension Schemes ("LGPS") or the British Tourist Boards' Pension Scheme ("BTBPS"). All existing and new members of staff have the option of joining either the Lothian local government pension scheme or the BTBPS.

### Local Government Pension Schemes, and the British Tourist Boards' Pension Scheme ("the Schemes")

The schemes are defined benefit pension schemes. The Local Government Pension Schemes provide benefits based on career average earnings (CARE). The British Tourist Boards' Pension Scheme provides benefits based on final pensionable pay. Both Schemes are contracted out of the State Earnings-Related Pension Fund. Assets and liabilities of the Schemes are held separately from those of VisitScotland.

Defined benefit obligations are actuarially calculated at least annually at the date of the statement of financial position using the projected unit credit method. The present value of the defined benefit obligations is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds in the currency in which the benefits will be paid, and that have an average duration similar to the expected duration of the related pension liabilities.

Contributions to the Schemes are calculated so as to spread the cost of pensions over employees' working lives with VisitScotland. The contributions are determined by independent actuaries on the basis of triennial valuations using the Age Attained Method. The actuaries also review the progress of the Schemes in each of the intervening years. Variations from regular cost are spread over the expected average remaining working lifetime of members of the Schemes after making allowances for future withdrawals.

The expected cost of providing staff pensions to employees contributing to the Schemes is recognised in the statement of comprehensive net expenditure on a systematic basis over the expected average remaining lives of members of the funds in accordance with IAS 19 'Employee Benefits' and recognises retirement benefits as the benefits are earned and not when they are due to be paid.

All actuarial gains and losses so determined are recognised through the statement of comprehensive net expenditure.

### Short-term employee benefits

A liability and an expense are recognised for holiday days, holiday pay, bonuses and other short-term benefits when the employees render service that increases their entitlement to these benefits. As a result, an accrual has been made for holidays earned, but not taken. Accruals are recognised for material amounts in respect of holiday days, holiday pay, bonuses and other short-term benefits earned but not taken or paid at the date of the statement of financial position.

### Losses and special payments

Net operating cost includes certain losses which would have been made good through insurance cover had VisitScotland not been bearing its own risks. Losses and special payments are disclosed in Note 21 to the financial statements.

### Accounting standards issued but not yet adopted

International Financial Reporting Standard 17 (Insurance Contracts) is expected to replace International Financial Reporting Standard 4 (Insurance Contracts) in 2025-26. We do not expect that there will be any impact on our accounts.

## 2

### Segmental reporting

IFRS 8 requires operating segments to be identified on the basis of internal reports that are regularly reviewed by the chief operating decision maker in order to allocate resources. The analysis of operating expenditure by strategic pillar is as follows:

	Marketing	Partnership	Support	CWC	Total 2024
<b>2023-24</b>					
Enhancing our organisation insight, capability, planning and compliance	3,080	-	2,024	-	5,104
Stimulating global demand	14,553	-	6	-	14,559
Supporting and enabling our people	334	4,110	8,019	-	12,463
Supporting Scotland's tourism and events businesses	10,758	130	18	-	10,906
Working collaboratively with community, sector and destination organisations towards a responsible recovery	12,998	53	11	-	13,062
2023 UCI Cycling World Championship	-	-	-	24,618	24,618
	41,723	4,293	10,078	24,618	80,712
<b>2022-23</b>					
Enhancing our organisation insight, capability, planning and compliance	2,654	-	8,418	-	11,072
Stimulating global demand *	19,509	-	66	-	19,575
Supporting and enabling our people	332	4,116	1,715	-	6,163
Supporting Scotland's tourism and events businesses *	10,637	111	23	-	10,771
Working collaboratively with community, sector and destination organisations towards a responsible recovery	9,840	71	25	-	9,936
2023 UCI Cycling World Championship	-	-	-	9,000	9,000
	42,972	4,298	10,247	9,000	66,517

\*includes STERG funding 2022/23

Through strategic leadership and industry partnerships, VisitScotland's mission is to encourage a responsible approach to re-building and growing the value of tourism highlighting the benefits of tourism and events across Scotland in delivering the very best for our visitors, our businesses, our people, our communities and our environment.

In-year reports of expenditure to the Chief Executive and Executive Leadership Team are presented via regular Board reports, with operating expenditure being reported and monitored by strategic pillar.

A description of each of VisitScotland's strategic pillars is as follows:

**Stimulating global demand:** positioning Scotland as a responsible destination, driving short-term business and longer-term awareness and propensity to visit.

**Supporting Scotland's tourism and events businesses:** supporting industry, helping to stabilise and re-build the sector in a responsible and inclusive way.

**Working collaboratively with community, sector and destination organisations towards a responsible recovery:** establishing new mechanisms and capability to ensure a truly collaborative and community-led approach.

**Enhancing our organisation insight, capability, planning and compliance:** maintaining the momentum of our transformation programmes, enhancements to organisational processes and value from our insight programme.

**Supporting and enabling our people:** building internal advocates: a diverse, informed, empowered, agile and engaged team.



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## 3

## Staff costs (included within gross expenditure)

	Group		VS	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
<b>Salaries</b>	21,897	21,580	19,746	19,677
Social Security costs	2,251	2,210	1,979	1,960
<b>Voluntary severance - in year</b>	385	60	361	60
Voluntary severance - accrued	255	266	255	266
Pension Contributions	4,117	4,259	3,909	4,054
Staff seconded from VS to CWC salaries recharged		-	(342)	(255)
<b>Total RDEL staff costs</b>	<b>28,905</b>	<b>28,375</b>	<b>25,908</b>	<b>25,762</b>
<b>IAS 19 charges to the P&amp;L (AME adjustments):</b>				
<b>Pension Current cost of service (AME adjustments)</b>	4,031	8,539	4,031	8,539
<b>Pension Interest (Income)/ costs (AME adjustments)</b>	(44)	483	(44)	483
Pension contributions deducted (RDEL)	(3,909)	(4,054)	(3,909)	(4,054)
IAS 19 charges to the P&L (AME adjustments)	78	4,968	78	4,968

Further details on total staff costs can be found within the Remuneration and Staff Report (see page 78).



## 4

## Admin costs (included within gross expenditure)

	Group		VS	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Travel and hospitality	825	729	717	624
Property, information technology, and office expenses	6,159	4,959	4,851	4,102
Depreciation of tangible fixed assets	818	700	807	695
Amortisation of intangible assets	1,382	1,302	1,382	1,302
Depreciation of Right of Use assets	993	1,370	993	1,370
Impairment of tangible fixed assets	1,604	-	1,604	-
Net interest cost and return on pension assets	(44)	483	(44)	483
Loss on Sale of Property	19	-	19	-
Loss on disposal of ROU assets	26	3	26	3
IFRS 16 Impairment loss	767	-	767	-
Trade bad debt				
• Written off	4	-	4	-
• Increase/(decrease) in provision	38	-	-	-
(Decrease)/ increase in past pension provision	-	2	-	2
(Decrease)/ increase in dilapidations provision	(55)	430	(55)	430
(Decrease)/ increase in ROU dilapidations provision	15	73	15	73
	12,551	10,051	11,086	9,084
<b>Administration overheads also includes:</b>				
Audit Fees	144	124	104	98
<b>Total audit fees</b>	144	124	104	98

## 5

## Retail and commercial income

	Group		VisitScotland	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
<b>Retail</b>				
Products income	5,108	2,100	2,881	2,100
Cost of sales	(1,226)	(984)	(1,226)	(984)
	3,882	1,116	1,655	1,116
<b>Commercial</b>				
Business promotion and advertising	1,392	818	957	818
Quality assurance	315	627	315	627
Miscellaneous income	25	45	25	45
	1,732	1,490	1,297	1,490
<b>Total retail and commercial income</b>	<b>5,614</b>	<b>2,606</b>	<b>2,952</b>	<b>2,606</b>

## 6

## Other income

	Group		VisitScotland	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Local authority income	9,298	1,023	97	192
Sundry income	103	682	491	1,193
Total other income	9,401	1,705	588	1,385

## 7

## Finance costs

	Group		VisitScotland	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
<b>Finance Costs</b>				
Interest charge - IFRS 16	40	51	40	51
<b>Total finance cost</b>	40	51	40	51
<b>Finance Income*</b>				
Bank interest receivable	39	13	39	13
<b>Total finance income</b>	39	13	39	13
Net financing costs	1	38	1	38

\*Finance income is netted off against administration costs

## 8

## Intangible assets

Group	Development Costs £'000	Acquired Technology £'000	Software Licences £'000	Total £'000
<b>At 1 April 2022</b>	6,327	1,704	1,273	9,304
Additions	1,301	-	-	1,301
At 31 March 2023	7,628	1,704	1,273	10,605
At 1 April 2023	7,628	1,704	1,273	10,605
Additions	1,286	-	-	1,286
<b>At 31 March 2024</b>	8,914	1,704	1,273	11,891
<b>Amortisation</b>				
At 1 April 2022	3,681	1,616	1,106	6,403
Charge for the year	1,126	87	89	1,302
At 31 March 2023	4,807	1,703	1,195	7,705
At 1 April 2023	4,807	1,703	1,195	7,705
Charge for the year	1,319	-	63	1,382
<b>At 31 March 2024</b>	6,126	1,703	1,258	9,087
<b>Net book value</b>				
<b>At 31 March 2024</b>	2,788	1	15	2,804
At 31 March 2023	2,821	1	78	2,900

The note above is shown as Group disclosure and also reflects the VisitScotland position as they are not applicable to 2023 Cycling World Championships Limited.

## 9

### Non-current assets

#### Freehold property

All freehold land and buildings, and those held under beneficial ownership, were valued at 31 March 2024 by Graham and Sibbald - Chartered Surveyors, on a fair value basis as defined in the Valuation Standards 2022 (Red Book Global Standards) issued by The Royal Institution of Chartered Surveyors.



Group	Land & Buildings	Leasehold Improvements	Fixtures Fittings and Equipment	Computer Equipment	Vintage Railway Carriage	Total
	£'000	£'000	£'000			£'000
<b>At cost of valuation</b>						
At 1 April 2022	1,166	6,849	5,608	3,999	497	18,119
Additions	-	-	508	496	-	1,004
Revaluation	-	-	-	-	-	-
Transfer to ROU assets	(179)	-	-	-	-	(179)
Disposals	-	-	-	(99)	-	(99)
<b>At 31 March 2023</b>	<b>987</b>	<b>6,849</b>	<b>6,116</b>	<b>4,396</b>	<b>497</b>	<b>18,845</b>
At 1 April 2023	987	6,849	6,116	4,396	497	18,845
Additions	-	25	90	633	-	748
Revaluation	(70)	-	-	-	-	(70)
Disposals	-	(41)	(61)	(720)	-	(822)
<b>At 31 March 2024</b>	<b>917</b>	<b>6,833</b>	<b>6,145</b>	<b>4,309</b>	<b>497</b>	<b>18,701</b>
<b>Depreciation</b>						
At 1 April 2022	81	5,288	4,864	3,107	280	13,620
Charge for the year	31	120	237	406	18	812
Revaluation	(31)	-	-	-	-	(31)
Transfer to ROU asset	(81)	-	-	-	-	(81)
On Disposal	-	-	-	-	-	-
<b>At 31 March 2023</b>	<b>-</b>	<b>5,408</b>	<b>5,101</b>	<b>3,513</b>	<b>298</b>	<b>14,320</b>
At 1 April 2023	-	5,408	5,101	3,513	298	14,320
Charge for the year	31	111	274	382	20	818
Revaluation	(31)	-	-	-	-	(31)
Impairment	-	1,209	395	-	-	1,604
On Disposal	-	(41)	(52)	(704)	-	(797)
<b>At 31 March 2024</b>	<b>-</b>	<b>6,687</b>	<b>5,718</b>	<b>3,191</b>	<b>318</b>	<b>15,914</b>
<b>Net book value</b>						
<b>At 31 March 2024</b>	<b>917</b>	<b>146</b>	<b>427</b>	<b>1,118</b>	<b>179</b>	<b>2,787</b>
At 31 March 2023	987	1,441	1,015	883	199	4,525
<b>Asset Financing</b>						
Owned/ beneficially owned	917	146	427	1,118	179	2,787
Finance Lease	-	-	-	-	-	-
<b>Net book value</b>	<b>917</b>	<b>146</b>	<b>427</b>	<b>1,118</b>	<b>179</b>	<b>2,787</b>
<b>At 31 March 2024</b>						

The note above is shown as Group disclosure and also reflects the VisitScotland position. At 31 March 2024 £11k of Assets owned by 2023 Cycling World Championships Limited were fully depreciated.

## 10

### Right-of-use assets

VisitScotland enters into lease contracts for buildings with normal lease terms of 10 years with a break clause at five years. As at 31 March 2024, remaining life on current leases ranges from <1 to 10 years.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>£,000</b>	<b>£,000</b>
At 1 April	4,655	5,885
Additions during year	116	345
Depreciation expense	(993)	(1,370)
Disposals during the year	(80)	(205)
Impairment during the year	(787)	
Revaluation during the year	(1,596)	-
At 31 March	1,315	4,655

Set out below are the carrying amounts of lease liabilities recognised and the movements during the period:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>£,000</b>	<b>£,000</b>
At 1 April	4,531	5,748
Additions during year	116	271
Interest charge	40	51
Payments	(981)	(1,336)
Revaluation during the year	(1,630)	-
Disposals during the year	(54)	(203)
At 31 March	2,022	4,531

Set out below are the carrying amounts of ROU dilapidations provision recognised and the movements during the period:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>£,000</b>	<b>£,000</b>
At 1 April	74	-
Additions during year	13	73
Accretion of interest	1	1
Payments	-	-
At 31 March	88	74

Set out below are the carrying amounts of ROU dilapidations provision recognised and the movements during the period:

**Obligations under finance leases for the following periods comprise:**

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>£,000</b>	<b>£,000</b>
Not later than one year	761	1,025
Later than one year and not later than five years	1,210	2,738
Later than five years	94	978
Less interest element	(43)	(210)
Present Value of obligations	2,022	4,531
Current	761	1,025
Non-current	1,261	3,506

**The following are the amounts recognised in the statement of net expenditure:**

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>£,000</b>	<b>£,000</b>
Depreciation expense of right-of use assets	993	1,370
Interest expenses on lease liabilities	40	51
Expense related to short-term leases	47	23
Expense relating to leases of low value assets (included in administration expenditure)	8	4
ROU loss on disposal	26	3
IFRS 16 impairment loss	767	

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>£,000</b>	<b>£,000</b>
Cash outflows for leases under IFRS 16	981	1,336
Short-term leases not accounted under IFRS 16	47	23
Low value leases not accounted under IFRS 16	8	4
<b>Total cash outflows for leases in year</b>	<b>1,036</b>	<b>1,363</b>

For leases commencing, transitioning or being remeasured in the 2022 calendar year, lease obligations have been discounted based on the HM Treasury weighted average incremental borrowing rate of 0.95% for that year. For leases commencing in the 2023 calendar year, the relevant HM Treasury weighted average incremental borrowing rate of 3.51% and 2024 calendar year 4.72% has been applied. The weighted average remaining lease term for all leases accounted for under IFRS 16 at 31 March 2024 is 4.521 years.

The note above is shown as Group disclosure and also reflects the VisitScotland position as they are not applicable to 2023 Cycling World Championships Limited.



## 11

### VisitScotland Group structure

#### Subsidiary Companies

VisitScotland has seven subsidiary companies. As at 31 March 2024, the only active subsidiary is 2023 Cycling World Championships Limited. The remaining wholly owned subsidiaries, detailed below, are classified as non-trading and dormant:

Scottish Tourist Board Limited

Etourism Limited

TourCo Limited

Tourist Board Training Limited - Limited by guarantee

VisitScotland Limited

Visit Shetland Limited

The total cost of shareholdings held by VisitScotland in the subsidiaries as at 31 March 2024 is £100 (2023: £100).



## 12

### Inventories

Group	2024 £'000	2023 £'000
Retail stock	473	502
<b>At 31 March</b>	<b>473</b>	<b>502</b>

The note above is shown as Group disclosure and also reflects the VisitScotland position as they are not applicable to 2023 Cycling World Championships Limited.

## 13

### Trade and other receivables

	Group		VisitScotland	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Current</b>				
Trade receivables	304	183	235	66
Expected credit loss allowance (see note 15)	(73)	(35)	(35)	(35)
<b>Trade receivables - net</b>	<b>231</b>	<b>148</b>	<b>200</b>	<b>31</b>
Prepayments	918	2,793	918	1,203
Accrued income	5	1,371	5	69
Other receivables	359	39	26	34
Intercompany	-	-	-	71
<b>At 31 March</b>	<b>1,513</b>	<b>4,351</b>	<b>1,149</b>	<b>1,408</b>

Trade and other receivables reported above include:

#### Receivables - Public sector balances

	Group		VisitScotland	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Current</b>				
Local Authorities	3	252	3	-
Other Central Government bodies	9	6	-	-
<b>At 31 March</b>	<b>12</b>	<b>258</b>	<b>3</b>	<b>-</b>

## 14

### Cash and cash equivalents

	Group		VisitScotland	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
<b>Balance at 1 April</b>	11,782	11,908	1,223	9,636
Net change in cash and cash equivalent balances	(7,353)	(126)	981	(8,413)
<b>At 31 March</b>	4,429	11,782	2,204	1,223
<b>The balances at 31 March were held at:</b>				
Commercial banks and cash in hand	3,905	11,361	1,680	802
Government Banking Service	524	421	524	421
<b>At 31 March</b>	4,429	11,782	2,204	1,223

## 15

### Receivables - provision for impairment

Impairment provisions are used to record impairment losses unless VisitScotland is satisfied that no recovery of the amount owing is possible; at that point the amount is considered irrecoverable and written off directly against the financial asset:

Impairment provisions are as follows:

Group	Trade receivables	Total
	£'000	£'000
At 1 April 2022	35	35
Utilised during year	-	-
Movement in Provision	-	-
<b>At 31 March 2023</b>	35	35
At 1 April 2023	35	35
Utilised during year	-	-
Movement in Provision	38	38
<b>At 31 March 2024</b>	73	73

The note above is shown as Group disclosure and also reflects the VisitScotland position as they are not applicable to 2023 Cycling World Championships Limited.

## 16

## Trade and other payables

	Group		VisitScotland	
Current	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Trade payables	1,023	3,244	930	2,450
Social security and other taxes	831	614	815	527
Accruals	4,868	4,480	3,330	2,279
Deferred income	2,226	10,469	1,281	620
Other payables	-	919	-	337
<b>At 31 March</b>	<b>8,948</b>	<b>19,726</b>	<b>6,356</b>	<b>6,213</b>

## Public sector balance

Current				
Local Authorities	183	5,107	182	353
Other Central Government bodies	828	3,064	815	527
<b>At 31 March</b>	<b>1,011</b>	<b>8,171</b>	<b>997</b>	<b>880</b>

## 17

### Post-retirement benefits

#### British Tourist Board's Pension Scheme (BTBPS)

VisitScotland is a participant in the British Tourist Boards' Pension Scheme (BTBPS) providing benefits and life assurance for staff based upon final pensionable salary. The scheme is a multi-employer defined benefit scheme, contracted out of the State Second Pension Scheme, with the principal Employer (also a participating Employer) being VisitBritain, VisitEngland together with the other participating Employers, namely VisitScotland, and the Welsh Assembly Government (accrual ceased with effect from 1 February 2009) (VisitLondon ceased to be a participating employer in 2011/12). In April 2017, the BTB Scheme was closed to new VisitEngland and VisitBritain employees and from April 2020 it was fully closed to future accrual moving all current members to a deferred member status. VisitScotland is the only employer within the scheme which remains open for new staff to join.

Qualified independent actuaries XPS Pension Group estimated the liabilities of the Section by updating the results of the 2023 actuarial valuation to allow for the passage of time, benefits paid out of the Scheme and changes in actuarial assumptions over the period from 31 March 2023 to 31 March 2024.

The rate for employee and employer contributions for 2024 is 29.1% up to Dec 2023 then 18% (2023: 29.1%). This included employees' contributions of 5% (2023: 5%) and employer's contributions of 13% (2023: 24.1%). Employer contributions paid by VisitScotland for the year to 31 March 2024 amounted to £2,521,000 (2023: £2,725,000). The deficit contributions were paid in accordance with the recovery plan.

VisitScotland share of the Scheme assets, as disclosed at fair value, amounts to £82,070,000 (2023: £79,283,000), as compared to its share of Scheme liabilities of £85,567,000 (2023: £80,753,000) results in the funded status of VisitScotland's share of the Scheme reflecting a liability of £3.497 million as at 31 March 2024 (2023: £1.47 million).

Early retirement and enhanced pension liabilities are accounted for under International Accounting Standard 37 'Provisions, Contingent liabilities and Contingent assets' (IAS37, and are disclosed in Note 20).

## Assumptions

BTBPS

After consultation with actuarial advisors the Directors advise that the principal actuarial assumptions used are as follows:

<b>Financial:</b>	<b>2024</b>	<b>2023</b>
	<b>% p.a</b>	<b>% p.a</b>
<b>As at 31 March 2024</b>		
Inflation assumption - Pre 2030	2.35CPI	2.45 CPI
Inflation assumption - Post 2030	2.95CPI	2.85 CPI
Principal rate of increase in pensionable salaries	2.85	2.95
<hr/>		
Rate of increase in pensions in payment - Pre 2030	2.35 CPI	2.45 CPI
Rate of increase in pensions in payment - Post 2030	2.95CPI	2.85 CPI
Liability discount rate	4.9	4.85
Expected return on employer Assets	4.9	4.85
<b>Mortality:</b>		
Pre- and post-retirement assumptions are based on the following criteria:		
Male life expectancy is derived from 107% SAPS S3PXA table 2022 CMII projections trending to 1.25%		
Female life expectancy is derived from 107% SAPS S3PXA table 2022 CMII projections trending to 1.25%		
Expected age at death of current pensioner at age 65		
Male aged 65 at year end	86.30 years	86.80 years
Female aged 65 at year end	88.8 years	88.90 years
Expected age at death of future pensioner at age 65		
Male aged 45 at year end	87.6 years	88.2 years
Female aged 45 at year end	90.2 years	90.4 years

### Commutation:

It is assumed that 100% of active and deferred members will commute 10% of their pensions for a cash sum.

## Assumptions

BTBPS

### Sensitivity Analysis:

The degree of sensitivity to each of the actuarial assumptions is linked to the maturity profile of the liabilities, and the duration of VisitScotland's liabilities within the Scheme as at 31 March 2024 amounts to approximately 19 years. (2023: 19 years). Under IAS 19 because the liabilities are discounted by reference to bond yields, whereas the Scheme invests a significant proportion of its assets in equities and other return seeking assets, scheme valuations, as required, are likely to remain volatile in future years.

The approximate impact of a 0.5% change in the respective RPI inflation and discount rate assumptions on the Scheme liabilities is as follows:

#### a. Inflation assumption per CPI

These calculations take into account an appropriate variance in the assumptions for the increases to pensions in payment, for the revaluation of deferred pensions before retirement and for salary growth to ensure consistency with the revised RPI inflation assumption. with the revised RPI inflation assumption.

##### Central Assumptions

	2.90%	2.95%	3.00%
Liabilities	79.2 m	85.5 m	90.6 m

#### b. Salary assumptions

##### Central Assumptions

	2.80%	2.85%	2.90%
Liabilities	84.1 m	85.5 m	87 m

#### c. Discount rate

##### Central Assumptions

	4.85%	4.90%	4.95%
Liabilities	93.6 m	85.5 m	78.4 m

#### d. Life expectancy

##### -1 year Central Assumptions +1 year

Liabilities	82.6 m	85.5 m	88.4 m
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## Movement in fair value of plan asset, defined benefit obligation, and net liability for the year ended 31 March 2024

BTBPS

	Assets	Obligations	Net (liability)/ asset
	£'000	£'000	£'000
Fair value of employer assets	79,283	-	79,283
Present value of funded liabilities	-	80,753	(80,753)
Present value of unfunded liabilities	-	-	-
<b>Opening position as at 1 April 2023</b>	79,283	80,753	(1,470)
Service cost			
Current service costs	(454)	1,955	(2,499)
Past service cost (including curtailments)			
Effect of settlements			
<b>Total service cost</b>	(454)	1,995	(2,449)
Net interest			
Interest income on plan assets	3,849	-	3,849
Interest cost on defined benefit obligation	-	3,918	(3,918)
Impact of asset ceiling on net interest			
<b>Total net interest</b>	3,849	3,918	(69)
<b>Total defined benefit cost recognised in statement of comprehensive net expenditure</b>	3,395	5,913	(2,518)
<b>Cashflow</b>			
Plan participants' contributions	542	542	-
Employer contributions	2,521	-	2,521
Transfers in			
Benefits paid	(2,464)	(2,464)	-
<b>Expected closing position</b>	83,277	84,744	(1,467)
Remeasurements of net defined benefit obligations			
Change in demographic assumptions	-	(1,592)	1,592
Change in financial assumptions	-	(527)	527
Other experience	-	2,942	(2,942)
Return on assets excluding amounts included in net interest	(1,207)	-	(1,207)
Changes in asset ceiling			
<b>Total remeasurements recognised in other comprehensive income</b>	(1,207)	823	(2,030)
Fair value employer assets	82,070	-	82,070
Present value of funded liabilities	-	85,567	(85,567)
<b>Closing position as at 31 March 2024</b>	82,070	85,567	(3,497)



## Movement in fair value of plan asset, defined benefit obligation, and net liability for the year ended 31 March 2023

BTBPS

	Assets	Obligations	Net (liability)/ asset
	£'000	£'000	£'000
Fair value of employer assets	97,004	-	97,004
Present value of funded liabilities	-	111,877	(111,877)
Present value of unfunded liabilities	-	-	-
<b>Opening position as at 1 April 2022</b>	97,004	111,877	(14,873)
Service cost			
Current service costs	(286)	4,361	(4,647)
Past service cost (including curtailments)	-	-	-
Effect of settlements	-	-	-
<b>Total service cost</b>	(286)	4,361	(4,647)
Net interest			
Interest income on plan assets	2,676	-	2,676
Interest cost on defined benefit obligation	-	3,111	(3,111)
Impact of asset ceiling on net interest	-	-	-
<b>Total net interest</b>	2,676	3,111	(435)
<b>Total defined benefit cost recognised in statement of comprehensive net expenditure</b>	2,390	7,472	(5,082)
<b>Cashflow</b>			
Plan participants' contributions	503	503	-
Employer contributions	2,725	-	2,725
Transfers in	-	-	-
Benefits paid	(2,346)	(2,346)	-
<b>Expected closing position</b>	100,276	117,506	(17,230)
Remeasurements of net defined benefit obligations			
Change in demographic assumptions	-	(155)	155
Change in financial assumptions	-	(47,090)	47,090
Other experience	-	10,492	(10,492)
Return on assets excluding amounts included in net interest	(20,993)	-	(20,993)
Changes in asset ceiling	-	-	-
<b>Total remeasurements recognised in other comprehensive income</b>	(20,993)	(36,753)	15,760
Fair value employer assets	79,283	-	79,283
Present value of funded liabilities	-	80,753	(80,753)
<b>Closing position as at 31 March 2023</b>	79,283	80,753	(1,470)

## Fair value of employer assets -

BTBPS

Asset category	31 MARCH 2024				31 MARCH 2023			
	Quoted Prices	Prices not	Total	%	Quoted Prices	Prices not	Total	%
	in Active	quoted in			in Active	quoted in		
	Markets	Active markets	Markets	Active markets				
£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
<b>Equity Securities:</b>								
Consumer	-	-	-	-	-	-	-	-
Manufacturing	-	-	-	-	-	-	-	-
Energy and Utilities	-	-	-	-	-	-	-	-
Financial Institutions	-	-	-	-	-	-	-	-
Health and Care	-	-	-	-	-	-	-	-
Information technology	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>Debt securities:</b>								
Corporate Bonds (investment grade)	-	-	-	-	-	-	-	-
Corporate Bonds (non-investment grade)	-	-	-	-	-	-	-	-
UK Government	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>Private Equity:</b>								
All	-	-	-	-	-	-	-	-
<b>Real Estate:</b>								
UK and Overseas Property	14,952	-	14,952	18.2%	14,690	-	14,690	18.5%
<b>Investment funds and unit trusts:</b>								
Equities	21,882	-	21,882	26.7%	18,225	-	18,225	23.0%
Corporate Bonds	2,245	-	2,245	2.7%	1,952	-	1,952	2.5%
Hedge Funds	18,049	-	18,049	22.0%	19,890	-	19,890	25.1%
Commodities	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Other - LDI repo	17,955	-	17,955	21.9%	17,426	-	17,426	22.0%
Other - Insurance Annuities	538	-	538	0.7%	860	-	860	1.1%
<b>Derivatives:</b>								
Inflation	-	-	-	-	-	-	-	-
Interest rate	-	-	-	-	-	-	-	-
Foreign exchange	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>Cash and cash equivalents:</b>								
All	6,449	-	6,449	7.9%	6,240	-	6,240	7.9%
<b>Totals</b>	<b>82,070</b>	<b>-</b>	<b>82,070</b>	<b>100.0%</b>	<b>79,283</b>	<b>-</b>	<b>79,283</b>	<b>100.0%</b>

The Scheme has no investments in the Employer, or in property occupied by the Employer(s)

## Fair value of employer assets

BTBPS

## Historic experience gains and losses

As at 31 March

	<b>2024</b>	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Fair value of employer assets	82,070	79,283	97,004
Present value of defined benefit obligation	(85,567)	(80,753)	(111,877)
<b>Net pension (liability)</b>	<b>(3,497)</b>	<b>(1,470)</b>	<b>(14,873)</b>
<b>Net gain/(loss) on assets and liabilities</b>			
Experience: (Losses)/gains on assets	(1,207)	(20,719)	3,350
Experience: (Losses)/gains on liabilities	(823)	36,364	13,499
	(2,030)	15,645	16,849
<b>Experience: Cumulative actuarial (losses)/gains recognised</b>	<b>25,387</b>	<b>27,417</b>	<b>11,772</b>

## 17.1

### Post-retirement benefits

#### Local Government Pension Schemes (LGPS)

VisitScotland participates in one Local Government Pension Scheme (LGPS), which is a defined benefit statutory scheme and is administered in accordance with Local Government Pension Scheme (Benefits, membership and Contributions) (Scotland) Regulations 2008, the Local Government Pension Scheme Administration (Scotland) Regulations 2008, and also the Local Government Pension Scheme (Transitional Provisions) Regulations 2008.

All the LGPS have been contracted out of the State Second Pension Scheme (now ceased) and the consolidated figures from the scheme are detailed in the tables below. The latest triennial formal valuations of LGPS Fund, in which VisitScotland participates, was carried out as at 31 March 2024.

The LGPS Scheme in which VisitScotland participates is the Lothian Pension Fund. Employer contribution rates for the year are 17.8% (2023: 17.8%).

Employee contributions are applied in tiers ranging from 5.5% to 12% depending upon the employee's pensionable pay on 31 March.

Employer's principal contributions paid by VisitScotland for the year to 31 March 2024 amounted to £1,388,000 (2023: £1,329,000). VisitScotland's share of the LGPS Scheme assets, as disclosed at fair value, as at 31 March 2024, amounts to £92,651,000 (2023: £89,769,000) which, when compared to its share of Scheme Liabilities of £65,696,000 (2023: £58,268,000), results in the funded status of VisitScotland's share of the Scheme as at 31 March 2024 standing at an asset of £26,955,000 (2023: £31,501,000).

The net defined benefit liability at 31 March 2024 has been measured to the lower of the surplus in the defined benefit plan and the asset ceiling. When applying the asset ceiling we have applied the methodology that the asset ceiling should result in a surplus no greater than the economic benefit available as a refund. This methodology assumes that we the Employer has no unconditional right to a refund from the Fund and there is no economic benefit available as a refund. In the current year actuarial working and best practice on accounting for surpluses within pension funds has developed and as such there are clear directions that unfunded pensions are not included within the asset ceiling calculations. Prior year unfunded pensions were included within the asset ceiling applied by VisitScotland. Within our disclosures we have not adjusted the prior year for the change in methodology.

The economic benefit associated with a reduction in future contributions, recognising a minimum funding requirement for future service, has been estimated as the present value of employer future service costs less the present value of future employer contributions. This economic benefit, however, cannot be reduced below zero where the present value of future employer contributions exceed the present value of future service costs.

Using assumptions consistent with those used to determine the defined benefit obligation at 31 March 2024, the asset ceiling has been valued to zero recognizing the following:

- Net present value of employer future service costs: £115,735,000
- Net present value of employer future contributions: £157,144,000

The assets split at the accounting date, as shown on page 131, is based on the split of each Fund's asset as at the most recent date this information was available and, particularly, the division between those assets with prices quoted in active markets and those where prices are not quoted in active markets is an estimated based on the allocation as provided last year.

## Assumptions

LGPS

After consultation with actuarial advisors the Directors advise that the principal actuarial assumptions used are as follows:

### Financial:

As at 31 March 2024	2024 % p.a.	2023 % p.a.
Principal rate of increase in pensionable salaries	3.50	3.45
Pension Increase Rate (CPI)	2.80 CPI	2.95 CPI
<hr/>		
Rate of increase in pensions in payment		
Liability discount rate	4.80	4.75
Expected return on employer Assets	6.80	2.20

### Mortality:

The mortality tables adopted are those applied at CMI 2022 model.

Based on these assumptions, the average future life expectancies at age 65 are summarised below:

Expected age at death of current pensioner at age 65		
Male aged 65 at year end	86.5 years	84.9 years
Female aged 65 at year end	89.1 years	87.9 years
<hr/>		
Expected age at death of future pensioner at age 65		
Male aged 45 at year end	86.7 years	86.2 years
Female aged 45 at year end	90.3 years	89.7 years

The life expectancies shown are those in respect of the Lothian Pension Fund and these reflect the average life expectancies across all the members of the Fund.

## Assumptions

LGPS

### Commutation:

The allowance for commutation is consistent with the assumptions used at the formal valuations carried out as at 31 March 2024.

### Major categories of plan assets as a percentage of total plan assets

The split of assets at 31 March 2024 between those with prices quoted in active markets and those where prices are not quoted in active markets is an estimate based on the equivalent split provided for the 31 March year end position.

### Sensitivity Analysis

The degree of sensitivity to each of the actuarial assumptions is linked to the maturity profile of the liabilities, and the duration of VisitScotland's liabilities within the Scheme.

The sensitivities regarding the principle assumptions used to measure the scheme liabilities are set out below:

	<b>% Increase in Liabilities</b>	<b>Approximate amount £m'000</b>
0.1% decrease in 'Real' Discount Rate	2%	1,159
0.1% increase in Salary Increase Rate	0%	45
0.1% increase in the Pension Increase (CPI)	2%	1,134
1 year increase in member life expectancy	4%	2,628

These figures are provided for illustration purposes only; they are not intended to be regarded as a recommendation for this or for future accounting disclosures.

## Movement in fair value of plan asset, defined benefit obligation, and net liability for the year ended 31 March 2024

LGPS

	Assets £'000	Obligations £'000	Impact of ceiling	Net (liability)/asset £'000
<b>Fair value of employer assets</b>	89,769	-	-	89,769
Present value of funded liabilities	-	57,261	-	(57,261)
Present value of unfunded liabilities	-	1,007	-	(1,007)
Effect of asset ceiling	-	-	(29,100)	(29,100)
<b>Opening position as at 1 April 2023</b>	89,769	58,268	(29,100)	2,401
Service cost				
Current service costs	-	1,582	-	(1,582)
Past service cost (including curtailments)	-	-	-	-
Effect of settlements	-	-	-	-
<b>Total service cost</b>	-	1,582	-	(1,582)
Net interest				
Interest income on plan assets	4,255	-	-	4,255
Interest cost on defined benefit obligation	-	2,760	-	(2,760)
Impact of asset ceiling on net interest	-	-	(1,382)	(1,382)
<b>Total net interest</b>	4,255	2,760	(1,382)	113
<b>Total defined benefit cost recognised in statement of comprehensive net expenditure</b>	4,255	4,342	(1,382)	(1,469)
Cashflow				
Plan participants' contributions	480	480	-	-
Employer contributions	1,316	-	-	1,316
Contributions in respect of unfunded benefits	72	-	-	72
Benefits paid	(2,580)	(2,580)	-	-
Unfunded benefits paid	(72)	(72)	-	-
<b>Expected closing position</b>	93,240	60,438	(30,482)	2,320
Remeasurements of net defined benefit obligations				
Change in demographic assumptions	-	(611)	-	611
Change in financial assumptions	-	(2,268)	-	2,268
Other experience	(1,814)	8,137	-	(9,951)
Return on assets excluding amounts included in net interest	1,225	-	-	1,225
Changes in asset ceiling	-	-	2,567	2,567
<b>Total remeasurements recognised in other comprehensive income</b>	(589)	5,258	2,567	(3,280)
Fair value employer assets	92,651	-	-	92,651
Present value of funded liabilities	-	64,736	-	(64,736)
Present value of unfunded liabilities	-	960	-	(960)
Effect of the asset ceiling	-	-	(27,915)	(27,915)
<b>Closing position as at 31 March 2024</b>	92,651	65,696	(27,915)	(960)

\*The current service cost includes an allowance for administration expenses of 0.3% of payroll together with any other costs arising

## Movement in fair value of plan asset, defined benefit obligation, and net liability for the year ended 31 March 2023

LGPS	Assets £'000	Obligations £'000	Net (liability)/asset £'000
Fair value of employer assets	87,681	-	87,681
Present value of funded liabilities	-	86,908	(86,908)
Present value of unfunded liabilities	-	1,257	(1,257)
<b>Opening position as at 1 April 2022</b>	<b>87,681</b>	<b>88,165</b>	<b>(484)</b>
Service cost			
Current service costs	-	3,892	(3,892)
Past service cost (including curtailments)	-	-	-
Effect of settlements	-	-	-
<b>Total service cost</b>	<b>-</b>	<b>3,892</b>	<b>(3,892)</b>
Net interest			
Interest income on plan assets	2,368	-	2,368
Interest cost on defined benefit obligation	-	2,416	(2,416)
Impact of asset ceiling on net interest	-	-	-
<b>Total net interest</b>	<b>2,368</b>	<b>2,416</b>	<b>(48)</b>
<b>Total defined benefit cost recognised in statement of comprehensive net expenditure</b>	<b>2,368</b>	<b>6,308</b>	<b>(3,940)</b>
Cashflow			
Plan participants' contributions	467	467	-
Employer contributions	1,264	-	1,264
Contributions in respect of unfunded benefits	65	-	65
Benefits paid	(1,553)	(1,553)	-
Unfunded benefits paid	(65)	(65)	-
<b>Expected closing position</b>	<b>90,227</b>	<b>93,322</b>	<b>(3,095)</b>
Remeasurements of net defined benefit obligations			
Change in demographic assumptions	-	(592)	592
Change in financial assumptions	-	(38,720)	38,720
Other experience	-	4,258	(4,258)
Return on assets excluding amounts included in net interest	(458)	-	(458)
Changes in asset ceiling	-	-	-
<b>Total remeasurements recognised in other comprehensive income</b>	<b>(458)</b>	<b>(35,054)</b>	<b>34,596</b>
Fair value employer assets	89,769	-	89,769
Present value of funded liabilities	-	58,268	(58,268)
<b>Closing position as at 31 March 2022</b>	<b>89,769</b>	<b>58,268</b>	<b>31,501</b>
<b>Effect of asset ceiling limitation on net asset</b>			
<b>Net asset/liability</b>			<b>31,501</b>
<b>Effect of asset ceiling limitation on net defined benefit asset</b>			<b>(29,100)</b>
<b>Reported Closing position as at 31 March 2023</b>			<b>2,401</b>

\* The current service cost includes an allowance for administration expenses of 0.3% of payroll together with any other costs arising



## Fair value of employer assets

LGPS

The Fund's assets are at bid values as required under IAS 19

Asset category	31 MARCH 2024				31 MARCH 2023			
	Quoted Prices in Active Markets	Prices not quoted in Active markets	Total	%	Quoted Prices in Active Markets	Prices not quoted in Active markets	Total	%
	£'000s	£'000s	£'000s		£'000s	£'000s	£'000	
<b>Equity Securities:</b>								
Consumer	10,943	-	10,943	12%	11,006	-	11,006	12%
Manufacturing	12,724	-	12,724	14%	12,375	-	12,375	14%
Energy and Utilities	5,033	-	5,033	5%	5,415	-	5,415	6%
Financial Institutions	5,455	-	5,455	6%	5,400	-	5,400	6%
Health and Care	5,987	-	5,987	6%	6,594	-	6,594	7%
Information technology	4,594	-	4,594	5%	3,728	-	3,728	4%
Other	5,683	-	5,683	6%	6,130	-	6,130	7%
<b>Debt Securities:</b>								
Corporate Bonds (investment grade)	1,495	-	1,495	2%	1,400	-	1,400	2%
Corporate Bonds (non-investment grade)					-	-	-	0%
UK Government	12,455	-	12,455	13%	10,407	-	10,407	12%
Other	1,604	-	1,604	2%	1,875	-	1,875	2%
<b>Private Equity:</b>								
All	474	377	851	1%	56	295	351	0%
<b>Real Estate:</b>								
UK Property		4,735	4,735	5%	602	3,442	4,044	5%
Overseas Property	314	1	315	0%	119	25	144	0%
<b>Investment funds and unit trusts:</b>								
Equities					1,195	70	1,265	1%
Corporate Bonds		2,357	2,357	3%	-	2,599	2,599	3%
Hedge Funds					-	-	-	0%
Commodities		1,027	1,027	1%	-	-	-	0%
Infrastructure	210	13,758	13,968	15%	-	12,794	12,794	14%
Other - LDI repo					-	-	-	0%
Other - Insurance Annuities					-	-	-	0%
<b>Derivatives:</b>								
Inflation interest rate					-	-	-	0%
Foreign exchange	(14.7)		(14.7)	0%	4	-	4	0%
Other					-	-	-	0%
<b>Cash and cash equivalents:</b>								
All	3,441	-	3,441	4%	4,240	-	4,240	5%
Totals	70,397	22,254	92,651	100%	70,545	19,224	89,769	100%

## Fair value of employer assets

LGPS

## Historic experience gains and losses

As at 31 March

	<b>2024</b>	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Fair value of employer assets	92,651	89,769	87,681
Present value of defined benefit obligation	(65,696)	(58,268)	(88,165)
<b>Net pension (liability)</b>	<b>26,955</b>	<b>31,501</b>	<b>(484)</b>
<b>Net Gain/(Loss) on assets and liability</b>			
Experience: (Losses)/gains on assets	(589)	(458)	7,001
Experience: (Losses)/gains on liabilities	(5,258)	35,054	1,802
	(5,847)	34,596	8,803
<b>Experience: Cumulative actuarial (losses)/gains recognised</b>	<b>26,653</b>	<b>41,303</b>	<b>6,707</b>

## Total pension scheme employer's contributions reflected in the statement of comprehensive net expenditure

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
British Tourist Boards' Pension Scheme	2,521	2,725
Local Government Pension Schemes	1,388	1,329
Other Pension Schemes		-
<b>At 31 March</b>	<b>3,909</b>	<b>4,054</b>

### a. Total pension scheme actuarial (losses)/gains recognised in other comprehensive income

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
British Tourist Boards' Pension Scheme	(2,030)	15,760
Local Government Pension Schemes	(5,847)	34,596
<b>At 31 March</b>	<b>(7,877)</b>	<b>50,356</b>

### b. Total deficit on retirement benefit obligations

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
British Tourist Boards' Pension Scheme	(3,497)	(1,470)
Local Government Pension Schemes	26,955	31,501
IFRIC 14 adjustment on Local Government Pension Schemes	(27,915)	(29,100)
Local Government Pension Schemes adjusted position	(960)	2,401
<b>At 31 March</b>	<b>(4,457)</b>	<b>931</b>

### c. IAS 19 adjustment as disclosed in the performance report

	<b>BTBPS</b>	<b>LGPS</b>
	<b>£'000</b>	<b>£'000</b>
Charges recognised in the statement of comprehensive net income		
Current services costs	(2,449)	(1,582)
Interest costs	(69)	113
Employers contributions	2,521	1,388
<b>Annually Managed Expenditure (AME)</b>	<b>3</b>	<b>(81)</b>
<b>Total charge to SoCNE during the year was</b>		<b>(78)</b>

## 18

### Financial instruments

VisitScotland has exposure to the following risks from the use of financial instruments:

#### **Liquidity risk; Credit risk; Market risk; Currency risk**

This note presents information about VisitScotland's exposure to each of the above risks. Further quantitative disclosures are included throughout these financial statements.

The Board has overall responsibility for the establishment and stewardship of the risk management framework. The Audit and Risk Committee oversees how management monitors compliance with VisitScotland's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by VisitScotland.

VisitScotland has no derivative financial assets or liabilities.

#### **a. Liquidity risk**

- liquidity risk is the risk that VisitScotland will not be able to meet its financial obligations as they fall due. The organisation's approach to managing liquidity is to ensure that it will have sufficient liquid funds to meet its liabilities as they fall due. VisitScotland's primary source of funds is the grant in aid provision from the Scottish Government
- VisitScotland manages its liquidity by the monthly drawdown of grant in aid, and the daily management of cash resources. Regular monitoring of actual performance against budgets and forecasts takes place to ensure alignment with the annual operating plan
- the following tables summarise the maturity profile of VisitScotland's financial liabilities as at 31 March, based on contractual undiscounted payments

#### **b. Credit risk**

- credit risk is the risk of financial loss to VisitScotland if a customer, or counter party, fails to meet its contractual obligations, and arises from the trade receivables
- credit risk arising from VisitScotland's normal operations is controlled from within the management framework of the Corporate Services directorate, in accordance with the policies and procedures laid down
- provision is made for doubtful receivables upon the age of the debt and experience of collecting overdue debts. The movement in the impairment provision in respect of financial assets is set out in Note 15
- VisitScotland operates within the Government Banking framework and any remaining cash and cash equivalents are held with AAA rated banks, which are not expected to fail

**c. Market risk**

- market risk is the risk that market prices such as interest rates, foreign exchange rates and equity prices will affect the statement of comprehensive net expenditure, or the value of holdings in financial instruments

**Fair values of financial instruments**

- the following tables present the fair values of financial instruments compared to the carrying amounts for which these instruments are included in the statement of financial position

**Cash and cash equivalents**

- VisitScotland operates within the Government Banking framework and by so doing does not engage in depositing monies outwith the framework. As a consequence, there is minimal interest receivable on its daily banking receipts and therefore the sensitivity analysis previously applied to monies held on deposit, and shown for illustrative purposes only, is no longer considered to be necessary.

**d. Currency risk**

- VisitScotland is exposed to currency risk on transactions and balances that are denominated in currencies other than sterling. Where practical, VisitScotland enters into agreements in its functional currency in order to minimise currency risks.
- VisitScotland is exposed to currency risk from its activities conducted overseas, but does not enter into any hedge arrangements, and does not consider such currency risk to be material

## Financial instruments

Financial liabilities	Group				Total £'000
	Net carrying amount £'000	Within 1 year £'000	Between 1 and 5 years £'000	After 5 years £'000	
As at 31 March 2023					
Other borrowings	-	-	-	-	-
Trade and other payables	19,726	19,726	-	-	19,726
<b>Total financial liabilities</b>	<b>19,726</b>	<b>19,726</b>	<b>-</b>	<b>-</b>	<b>19,726</b>
As at 31 March 2024					
Other borrowings	-	-	-	-	-
<b>Trade and other payables</b>	<b>8,948</b>	<b>8,948</b>	<b>-</b>	<b>-</b>	<b>8,948</b>
<b>Total financial liabilities</b>	<b>8,948</b>	<b>8,948</b>	<b>-</b>	<b>-</b>	<b>8,948</b>

## Credit risk

	Group	
	2024 £'000	2023 £'000
<b>Current receivables</b>		
Trade and other receivables	1,513	4,351
Cash and cash equivalent		
Government Banking Service	524	421
Commercial banks	3,905	11,361
Unapplied capital receipts		-
<b>At 31 March</b>	<b>5,942</b>	<b>16,133</b>

## Financial instruments

### Market risk

	Net carrying amount £'000	Within 1 year £'000	Between 1 and 5 years £'000	After 5 years £'000	Total £'000
<b>Fixed interest rate</b>					
<b>At 31 March 2023</b>					
Financial liabilities					
Other borrowings	-	-	-	-	-
<b>Total</b>	-	-	-	-	-
<b>At 31 March 2024</b>					
Financial liabilities					
Other borrowings	-	-	-	-	-
<b>Total</b>	-	-	-	-	-
<b>Variable interest rate</b>					
<b>At 31 March 2023</b>					
Financial assets					
Trade and other receivables		4,351	-	-	4,351
Cash and cash equivalents		11,782	-	-	11,782
Financial liabilities					
Trade and other payables		(19,726)	-	-	(19,726)
<b>Total</b>		(3,593)	-	-	(3,593)
<b>At 31 March 2024</b>					
Financial assets					
Trade and other receivables		1,513	-	-	1,513
Cash and cash equivalents		4,429	-	-	4,429
Financial liabilities					
Trade and other payables		(8,948)	-	-	(8,948)
<b>Total</b>		(3,006)	-	-	(3,006)

## Financial instruments

### Fair value hierarchy

	2024	2024	2023	2023
	Carrying amount £'000	Fair value £'000	Carrying amount £'000	Fair value £'000
<b>Financial assets</b>				
Trade and other receivables	1,513	1,513	4,351	4,351
Cash and cash equivalents	4,429	4,429	11,782	11,782
<b>Financial liabilities</b>				
Trade and other payables	(8,948)	(8,948)	(19,726)	(19,726)
<b>At 31 March</b>	<b>(3,006)</b>	<b>(3,006)</b>	<b>(3,593)</b>	<b>(3,593)</b>

VisitScotland's financial assets and liabilities that are valued at fair values are defined as follows:

#### Estimation of fair values

<b>Level 1</b>	quoted prices (unadjusted) in active markets for identical assets or liabilities.
<b>Level 2</b>	inputs other than quoted prices included within level 1 that are observable for the asset or liability (i.e. as prices) or indirectly (i.e. derived from prices).
<b>Level 3</b>	inputs for the asset or liability that are not based on observable market data (i.e. unobservable market inputs). All material VisitScotland financial assets and liabilities are defined as level 3 instruments.

The following methods and assumptions were used to estimate fair values:

<b>Trade and other receivables</b>	the fair value is deemed to be the same as the carrying value, less any provision for impairment.
<b>Cash and cash equivalents</b>	the fair value is deemed to be the same as the carrying value.
<b>Trade and other payables</b>	the fair value is deemed to be the same as the carrying value.
<b>Other borrowings</b>	the fair value is deemed to be equal to the net present value of future lease payments.



## 19

## Provisions

GROUP	McCloud provision £'000	Dilapidation provision £'000	ROU Dilapidation provision £'000	Pension provision £'000	Total £'000
<b>At 1 April 2022</b>	37	22	-	45	104
Utilised	-	-	-	-	-
Charged	-	430	73	2	505
<b>At 31 March 2023</b>	37	452	73	47	609
<b>At 1 April 2023</b>	37	452	73	47	609
Utilised	-	(55)	-	(4)	(59)
Charged	-	-	15	4	19
<b>At 31 March 2024</b>	37	397	88	47	569

VisitScotland is liable for the pension associated with past Chairs, and the provision is adjusted, as necessary, to account for the timing of payments, and the resultant annually discounted liability.

The provision for dilapidations is where we have a liability for dilapidations charges and a cessation event within 12 months, however we do not have an exit date confirmed or exit planned.

The McCloud provision is in relation to the June 2019 outcome following the hearing of the UK government appeal against the ruling that transitional protections built into new pension schemes are age discriminatory. This provision has been created as the potential liability has not been reflected in the pension liabilities as presented in the IAS 19 note. VisitScotland has consulted with its actuary and have concluded that the judgement only affected LGPS schemes with a potential liability of £37k. Management have reviewed this and agreed to include a provision for £37k in the Balance Sheet since 31 March 2021.

The note above is shown as Group disclosure and also reflects the VisitScotland position as they are not applicable to 2023 Cycling World Championships Limited.

## 20

### Losses

	Group		VisitScotland	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Total losses for the year were:				
Trade bad debts written off	41	-	4	-
<b>At 31 March</b>	<b>41</b>	<b>-</b>	<b>4</b>	<b>-</b>

## 21

### Capital commitments

As at 31 March 2024 there were no capital commitments (2023: none).

## 22

### Contingent liabilities

The impact of the change in accounting policy in 2012 with regard to the treatment of Government grants etc., was such that the grants will no longer be held in reserve with amounts being released over the life of an asset. However, there remains the possibility that, until the official timeline expires in respect of a number of the grants that have been received, there may be a requirement to repay a proportion of such grants in the event that the associated assets were to be sold or the nature of their use was to be changed.

The valuation of LGPS pension liabilities at 31 March 2024 does not include an allowance for a potential 'past service cost' in light of the Lloyds judgement on guaranteed minimum pension (GMP) equalisation. At this point in time, VisitScotland is unable to reliably quantify an associated contingent liability.

The valuation of pension liabilities at 31 March 2024 do not include an allowance for a potential liability in light of the Goodwin judgment. At this point in time, VisitScotland is unable to reliably quantify an associated contingent liability.

## 23

## Related party transactions

VisitScotland is a Non-Departmental Public Body (NDPB) sponsored by the Scottish Government, which in turn, is regarded as a related party. During the year VisitScotland has had various material transactions, excluding grant in aid, with the Scottish Government, and with other entities for which the Scottish Government is regarded as the parent body. The Highland Council, Orkney Council, City of Edinburgh Council and Loch Lomond & Trossachs National Park are the entities with which we have had material transactions throughout the year.

Details of material transactions with other government bodies and companies where Board members, Directors and senior staff have an interest are disclosed as follows:

Representative	Company name	Role	Nature of supply	Sales to £'000	Debt balance £'000	Purchase from £'000	Creditor balance £'000
Malcolm Roughead	SCDI	Board Director	Membership fee	-	-	4.00	-
Paul Bush	Commonwealth Games Scotland	Chair	Event sponsorship	6.00	-	-	-
Rebecca Brooks	UKInbound Ltd	Non-executive Director	Conference stand	-	-	21.00	-
Rebecca Brooks	Scottish Tourism Alliance	Non-executive Director and Trustee	Conference tickets	-	-	9.00	-
Rob Dickson	Royal Highland Agricultural Society	Member	EventScotland grant award	-	-	22.00	-
Caroline Roxburgh	Edinburgh International Festivals	Non-executive Director	EventScotland grant award	-	-	50.00	-

With the exception of the transactions described above, none of the other Board members, key management staff, or other related parties, has undertaken any material transactions with VisitScotland during the year.

The nature of VisitScotland's operations and the composition of its Board make it very likely that transactions will take place with companies or other organisations in which a member may have an interest. All transactions involving companies or organisations in which a member may have an interest are conducted at arm's length in the normal course of business and in accordance with VisitScotland procurement guidelines and expenditure approval limits.

## 2023 Cycling World Championships Limited

Details of material transactions during the period with related parties, where Board members, directors and senior staff, have an interest, are disclosed, as follows:

Representative	Company Name	Role	Nature of Supply	During year ended 31 March 2024		As at 31 March 2024			
				Expenses from £000	Sales to £000	Included within Trade Debtors £000	Included within Trade Creditors £000	Included within Accrual £000	Included within Deferred Income £000
Colin Edgar	Glasgow City Council	Head of Communications	Funding	-	5,308	9	-	-	945
Stuart Turner	UK Sport	Major events specialist/ funder	Funding	-	799	-	-	-	-
Billy Garrett	Glasgow Life	Director of Sport, Events, Libraries & Communities	Event partner	15,600	-	-	-	1,328	-
Craig Burn Tom Bishop	Scottish Cycling	Previous CEO Past President	Supplier	76	-	-	-	-	-

With the exception of the transactions described above, none of the other Board members, key management staff, or other related parties, has undertaken any material transactions with VisitScotland during the year.

The nature of VisitScotland's operations and the composition of its Board make it very likely that transactions will take place with companies or other organisations in which a member may have an interest. All transactions involving companies or organisations in which a member may have an interest are conducted at arm's length in the normal course of business and in accordance with VisitScotland procurement guidelines and expenditure approval limits.

