

# VisitScotland Group Annual Report and Accounts

for the year ended 31 March 2021

# Our highlights

## Covid Business Support Grants



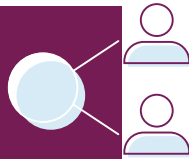
**18 funds delivered**  
with a total value of  
**over £77 million**

**5,197**  
applications received



Over  
**3,850**  
businesses supported

**230**  
Staff redeployed  
to work on funds



## Industry

**6.6 million**  
Twitter engagement



**Over 8,000**

Businesses signed up for the

We're  
Good  
to Go  
Scheme



**246**

blogs posted  
on LinkedIn

## Industry communications

**1.4 million**  
views of COVID-19 content

**13,000**  
70 E-Newsletters sent to business





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# Chairman's foreword

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The Rt Hon. the Viscount Thurso

*Through the challenges of the pandemic, there is also a major opportunity to reset tourism, build back greener and more responsibly.*

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There is no doubt that this annual report covers the most extraordinary period in recent history and the impact of the pandemic on tourism and events was catastrophic.

It is testament to the resilience of the industry, the support of governments, and the success of modern medical science that by the end of the year we had vaccinations and were taking initial, small steps towards recovery.

The leadership shown by VisitScotland throughout these difficult 12 months has been critical to helping prepare industry to face the future.

Despite the adversities faced, and the deeply personal challenges of the pandemic, Scotland remains a first-choice destination for many international and domestic visitors.

This is testament to the efforts of businesses and agencies across Scotland, who have worked tirelessly to keep our product fresh and our audiences engaged.

VisitScotland has upheld its position as a leading national tourism organisation: providing guidance and support to businesses across the whole visitor economy; stimulating demand for travel to Scotland when it was safe to do so; as well as progressing our activity on responsible tourism, underlining our determination to be a world leader in sustainable tourism.

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During the pandemic, VisitScotland responded effectively to changing travel restrictions.

Marketing teams focused on keeping Scotland front of mind with future visitors, helping us stay ahead of competitor destinations when travel resumes more freely.

We know there is a strong pent-up demand for international travel and an increasing interest in values-driven responsible tourism – both of which Scotland is well placed to capitalise on.

Through the challenges of the pandemic, there is also a major opportunity to reset tourism, build back greener and more responsibly.

I'm delighted that in November 2020, with one year to go until the climate change conference COP26 in Glasgow, VisitScotland became the first national tourism organisation to join the Tourism Declares a Climate Emergency movement, putting responsible, sustainable tourism that helps communities thrive at the heart of recovery.

This aligns closely with the national tourism strategy Outlook 2030 and the Scottish Government's target to reach net zero by 2045.

Consumers are also increasingly aware of the need to travel more responsibly and VisitScotland is laying the foundation for this through promoting responsible tourism practices and business events.

In the face of difficulty, innovation has flourished, with the pandemic resulting in a digital acceleration for many businesses.

The events industry pivoted to deliver online showcases, highlighting Scotland as the "Perfect Stage" for events both virtual and in-person, while tourism businesses shared their world-class experiences online.

This will stand us in good stead as we see international tourism and major events resume, ensuring Scotland remains top of 'must visit' lists around the world. Learnings from staging virtual events during the pandemic will enable the industry in Scotland to build their online presence and help us lead the way in staging this type of showcase in future.

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We want to champion collaboration, spearhead digital innovation, promote local areas and events and ensure that tourism is recognised for the positive impact it brings to Scotland.

Preparations are under way for the 2023 UCI Cycling World Championships, which will see the world's greatest riders come together across Scotland to compete at the highest level in 13 disciplines.

But more than that. The Championships embody that vision of a sustainable future and offers a real opportunity to showcase how tourism and events can be a catalyst for positive change.

It is the ambition of the Championships to drive behavioural change across Scotland from now until long after the event. This will create a legacy, showcasing the power of the bike to positively impact on the environment and the health and wellbeing of our communities.

Tourism and events are a force for good, helping communities thrive, contributing to economic success and working to make Scotland a responsible destination. It will take continued effort and resilience by all of us in the industry to ensure it can rebuild.

The strengths of the industry and Scotland as a destination remain.

There is no doubt that people are at the heart of tourism and events and I would like to pay tribute to all the leaders and staff who have worked tirelessly during these most difficult of times.

VisitScotland staff have been flexible and resilient in the face of significant challenges and continue to drive the vision for Scottish tourism to be recognised as world class.

Finally, I am grateful for the support and contribution of my Board colleagues and thank them all for their commitment and wise counsel. With my Board colleagues I would also like to thank Malcolm Roughead and the leadership team for all their hard work and dedication during this particularly challenging year.

# Chief Executive's statement

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Malcolm Roughead OBE

*What became very clear, early on, was the need for an effective response and our annual report this year showcases how VisitScotland pivoted operations entirely to ensure the survival of the industry.*

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The past year has been unlike any other in memory; it began with the tourism and events industry effectively closed down, to devastating effect, and even when businesses have been able to operate under certain restrictions, the “bounce back” has been mixed.

What became very clear, early on, was the need for an effective response and our annual report this year showcases how VisitScotland pivoted operations entirely to ensure the survival of the industry.

While work continued in areas to support our four strategic pillars, much of our focus turned specifically to the response to the pandemic.

Across the course of the year, VisitScotland shifted from primarily a marketing organisation, to a funding and business support organisation, administering funds and offering a vital source of advice for industry.

This necessitated a mammoth effort in redeploying staff and refocusing efforts. It necessitated close collaboration with our partners and the Scottish Government. And it necessitated effective engagement with businesses.

We harnessed our partnerships and communication channels to support the industry and over the past year we have delivered an unprecedented amount of support - £50 million to 3,850 businesses and organisations across the tourism and events sector.

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This vital funding was delivered as quickly as possible to help the industry to stay afloat.

Great credit must go to VisitScotland staff who created the funds, developed them into a digital product and were redeployed over the past year to assist with delivering those funds - they have played a crucial role in safeguarding jobs and ensuring the sector can build for recovery and renewal.

My thanks also go to those who maintained business as usual as others redeployed and to those who were crucial in enabling our move to remote working.

As well as business support, we also delivered advice using our corporate website as a source of information for the industry. That helped businesses understand what Scottish Government guidelines meant and what the impact on their operations would be.

We have worked alongside several bodies to facilitate the industry's response to the pandemic through chairing the Scottish Tourism Emergency Response Group (STERG). This forum allowed sector bodies to be as joined up as possible with our response to COVID-19 but also gave us a platform so that ministers could hear what the issues were.

The Event Industry Advisory Group (EIAG) was also established to represent the events and festivals sector amid the devastating impact of the COVID-19 pandemic to provide a co-ordinated voice during the national response and recovery planning.

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This year has also enabled us to refocus our efforts on values-driven tourism and events as we have sought to prioritise industry recovery in a responsible way. Communities and our natural beauty are vital assets to Scotland's world-famous brand that should benefit from tourism, not be adversely affected by it. Our work on visitor management and responsible tourism has accelerated over the past year, one positive from an otherwise awful year for our industry.

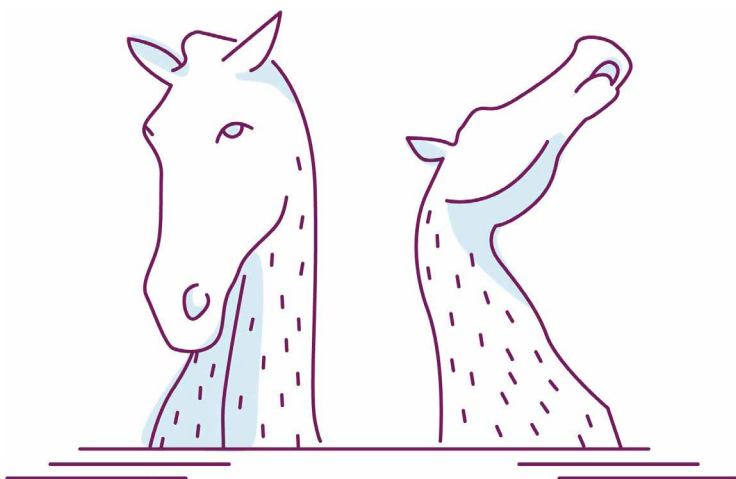
What the pandemic has shown is just how important the visitor economy is in supporting communities and livelihoods; tourism provides a ripple effect which sustains other businesses and supports people. It also shone a spotlight on the importance of tourism for wellbeing, with almost a quarter of people from the UK and Ireland taking a holiday in Scotland in 2020 specifically to protect their mental health from the impact of COVID-19.

Recovery will take many years of work. There are swathes of the industry, particularly in events, that have been unable to operate at all throughout the pandemic so far. Reaching pre-pandemic levels of value will not happen overnight. That's why continuing to collaborate and work towards a collective recovery will be as important as ever over the coming year and beyond.



# Statutory background

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*VisitScotland shares the 2030 industry ambition of Scotland being a leader in 21st century tourism.*

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## 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 Corporate Plan, is to deliver sustainable and inclusive economic growth throughout Scotland. In so doing, we will play a key role in delivering against the shared industry ambition as set out in Tourism Scotland 2020 of growing tourism revenues by £1bn by 2020 from a baseline of £4.5bn.

To deliver our core purpose, VisitScotland adopted the following strategic pillars for 2020/21:

- Pillar 1 - Building a visitor-shaped destination brand
- Pillar 2 - Investing in Scotland’s Tourism and Events Communities
- Pillar 3 - Facilitating innovation and embracing change in a global digital economy
- Pillar 4 - Enabling good to great to world class

These strategies provide the framework for our performance measurement arrangements and our risk management framework (pages 78-80).

The key strategic risks for VisitScotland are detailed on pages 79-80. Looking forward, VisitScotland will also have to consider the following matters:

- how VisitScotland can support the industry in recovering from the impact of Covid-19
- how the organisation ensures commitment to the Responsible Tourism Programme
- how it maintains effective support for, and partnership with, tourism businesses
- how it maximises digital technology for the benefit of the tourism industry in the delivery of the wider economic and community benefit

The financial statements have been prepared on a going concern basis (page 71).

In delivering our strategies we have contributed to the delivery of the four pillars laid out in the Scottish Economic Strategy below:



## INVESTMENT

- quality & sustainability
- national tourism development framework
- data driven



## INNOVATION

- marketing partnerships
- digital/data
- discovery plan
- social media strategy
- outreach programme



## INTERNATIONALISATION

- quality & sustainability
- national tourism development framework
- data driven



## INCLUSIVE GROWTH

- accessible tourism
- social tourism
- national events programme
- local engagement

# COVID-19 Response

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VisitScotland's response to COVID-19 got under way as soon as the potential impact of the virus became clear and work to support Scotland's tourism and events industry in navigating the crisis has not stopped since.

As businesses have faced the immense challenges of changing lockdown restrictions, VisitScotland has provided support, leadership and guidance throughout. The organisation has rightly pivoted its activities and many staff have been re-deployed to ensure our response to the crisis has addressed the needs of Scotland's tourism and events industry at every step of the way.

This first section of our Annual Report provides an overview of our response and COVID-19 related activity. Other activity aligned to our strategic pillars follows in this report, however due to the seismic events of 2020-21, almost every piece of work during this year was in some way linked to COVID-19.

## SCOTTISH TOURISM EMERGENCY RESPONSE GROUP (STERG)

Since mid-March 2020, VisitScotland has chaired weekly meetings of STERG, a group made up of representatives of the three Enterprise Agencies - Scottish Enterprise (SE), Highlands and Islands Enterprise (HIE) and South of Scotland Enterprise (SoSE) - COSLA, Skills Development Scotland (SDS), the Scottish Tourism Alliance (STA), and the Scottish Government's Tourism Team. The role of the group has been to coordinate the response of the key public agencies involved in tourism to COVID-19; provide a forum for consistent and comprehensive data gathering, sharing, analysis and dissemination of information relating to the impact of COVID-19 on Scottish tourism; and to act as the single authoritative communications source for the Scottish tourism industry in relation to COVID-19.

Over the year the group has maintained a comprehensive action plan focused on the four Rs – Respond, Reset, Restart, Recover. It has, largely through VisitScotland, commissioned three industry research studies; provided advice and support to over 5,000 businesses, administered over 20 different funds for industry; influenced the content of the Government's reopening Roadmap and tourism and hospitality guidelines; coordinated the work of the Tourism Task Force and its Recovery Plan; supported the work of the Visitor Management Steering Group; worked closely with VisitScotland's marketing teams to ensure messaging was closely linked to campaign activity and is now delivering Phase One Recovery Plan activity.

VisitScotland's Insight Department provided direct and crucial support to STERG in its recovery planning efforts. This included the development of scenarios which helped to shape thinking on future prospects and requirements. This work was subsequently rolled out, through a toolkit and workshops, to industry groups.

## BUSINESS ADVICE AND SUPPORT

Quality Assurance Advisors, along with Industry Relationship Managers, were redeployed on a programme to make over 5,500 calls to industry to understand the challenges, identify gaps in advice and support and to signpost to sources of these.

While this work was ongoing, the Quality Assurance (QA) team also continued to deliver support to industry throughout the year. QA fees were waived for the over 4,000 members of the scheme through 2020 and again for 2021/22, and face-to-face visits were suspended during the pandemic, but advice continued over the phone and online.

Conversations on quality continued with 2,700 businesses throughout this time, from cleaning protocols and the value of promoting involvement in the 'Good To Go' marque, to those who saw an opportunity and sought advice on how to raise their star grading and build back better for the post-COVID consumer.

## MOMENT FOR CHANGE AND INSIGHTS

Our *Moment for Change* programme of webinars and advice content directed attention to future restart and recovery and included a scenario planning toolkit and a comprehensive programme of digital skills support. Work continued this year to build upon the learnings of the earlier digitaltourismScotland.com (DTS) programme and transfer of content onto the VisitScotland.org platform was completed during the response stage of the pandemic.

VisitScotland's Insight Department played a vital role in supporting response and recovery efforts, following on from the two industry surveys carried out early in the first lockdown.

A further wave of research was carried out amongst tourism businesses, to understand the impact on them and to get their opinions on the support they most needed. Recognising the huge effect on the events sector, two surveys to gather insights from the events supply chain were also carried out.

## REGIONAL SUPPORT AND DEVELOPMENT

The senior regional team joined recovery and response groups across the country as soon as the initial lockdown was introduced. Throughout the year, that engagement has centred around sharing information, insights and trends and VisitScotland's activity on marketing, funding and business support initiatives.

A country-wide programme of community engagement sessions was delivered during the summer of 2020, ahead of lockdown easing, to provide reassurance and updates to communities where large visitor volumes were anticipated. The team listened to concerns and shared solutions and best practice around visitor pledges, our marketing approach and initiatives like Good to Go.

Working closely with destinations and regions helped shape the nature of financial support required for sector and destination groups and provided key insights for STERG and Government.



## BUSINESS RESILIENCE

VisitScotland has a Business Continuity Management Plan, managed by our facilities team, which is intended to mitigate the risk, both organisational and reputational, to business activities and to provide good corporate governance. This plan has been continually tested over a number of years and reviewed through live workshops, desktop exercises and benchmarking over many years. It was put to full use when the impact of the pandemic became clear and the plan facilitated a smooth transition to home working

One of the critical initial tasks was to allow all departments to work from home to test their home environments and systems and allow for adjustments to be made for readiness. Then plans for the impact of the pandemic on key areas were instigated as the organisation moved into a virtual environment and became resilient to what has been, and still is, a monumental period of change.

The traditional business continuity group was superseded by a larger group of senior members of staff representing the full organisation. From the initial periods of the pandemic this group met daily then formed into a smaller group which meets weekly with a focus on business continuity workforce recovery and continued home working support. There was also a larger resilience meeting of Directors and Heads of Departments to share decisions and information which originally met weekly but has since moved to fortnightly. These meetings have remained constant throughout the year and have now become ingrained in the organisation as it continues to navigate its way through the pandemic.

VisitScotland has attended the Scottish Business resilience network which is designed for all public bodies to work together better on resilience strategies, training, workshops and best practice. From the information shared, it became clear that VisitScotland was performing well in all the key areas of resilience. This is also reflective of the staff survey results where the feedback was 97% positive about how the organisation has responded to the pandemic.

The work carried out over the last few years to deliver on our Corporate IT strategy, which was to move to Cloud based collaborative systems and provide mobile devices, enabled

staff to transition very quickly to work from home. This work undertaken by the IT, Finance, Procurement and HR teams has allowed for the creation of a digital workplace which was already paying dividends pre pandemic but was essential in allowing the organisation to operate in an efficient and effective manner during the pandemic. This work has provided modern systems, improved collaboration and improved digital resilience.

Supporting colleagues and the organisation as a whole through the 'stay at home' phase has been critical to VisitScotland's business continuity planning. This support has included the provision of home working equipment, new arrangements to support effective working including 'quiet hour' and 'stepping away', and amends to key policies. For example:

- We created a new area on our intranet site with hints and tips on wellbeing. This section of the site also provided regular updates regarding changes to guidance
- We introduced a Parents Support group to ensure that colleagues home-schooling or balancing childcare with working from home could share experiences and get the support they needed
- We supplied equipment, both IT and office, to support the working from home environment
- We encouraged check-ins with staff across the business to support the wellbeing of staff regardless of their personal circumstances
- We asked for employees' views via two staff surveys
- We provided support and training to make the best use possible of Microsoft Teams, allowing us to chat, call, meet and collaborate on ideas

Last year, the HR team set up a Staff Consultation Group, working with PCS union and representatives from across the whole business. This group has helped to shape the policies and approaches throughout this period.

All of this activity enabled the organisation to not only continue to operate during the pandemic but to successfully deliver the new Business Support funds when we are asked to by the Scottish Government.

## BUSINESS FUNDS ADMINISTERED TO SUPPORT SCOTLAND'S TOURISM AND EVENTS INDUSTRY

In late 2020, in addition to funds launched and administered earlier in the year, the Scottish Government announced that tourism and events businesses across Scotland were to benefit from a £104.3m funding package, with an additional £25m announced in February 2021. VisitScotland was asked to deliver £73m of this funding.

From December 2020, we moved our focus from our core activity to focus on the delivery of 14 funds, redeploying more than 230 staff to ensure that help was delivered to businesses as quickly as possible.

### PROCESS

We set up a programme steering group consisting of all the Directors, Head of Human Resources and Head of Finance. Each fund was managed as a project with a dedicated project manager, project owner and support teams. The support teams included business analysts, system developers and testers, core criteria assessors, and mailbox support. Subject matter experts, including legal and finance, provided support to all of the individual funds.

The organisation established a clearly defined process from start to finish to ensure the appropriate controls were built in at every stage to mitigate against the risk of potential fraud.

A real-time internal audit programme ran throughout December 2020 to March 2021 on the fund criteria setting, assessment and appeals processes to ensure that any recommendations that were made could be actioned in real time for the next fund being undertaken. Four audits, were completed during this time, with no significant recommendations made.

The internal auditors process noted: *“VisitScotland has established robust and effective controls to ensure that funds administered to the tourism and events sector on behalf of Scottish Government are subject to consistent assessment against pre-defined eligibility criteria.”*

## SECTOR COLLABORATION

We consulted extensively with industry and sector groups in the design and criteria setting phase of the fund to ensure that the right support was delivered to the businesses and individuals most in need. Every fund was brought together with significant input from these groups, listening to feedback and identifying potential issues.

In addition to the work of STERG, VisitScotland helped establish the Event Industry Advisory Group. Funding support for Scotland's events sector has been critical to its survival, following feedback on the plight of the industry through workshops, supply chain surveys, and the ongoing work of the EIAG.

For tourism and events businesses, we shared information through STERG and EIAG with the Scottish Government, to highlight where further sectors or business types might have fallen through the cracks.

This collaborative approach resulted in guidance being adapted to be as inclusive as possible, with the introduction of new strands of funding for the Day Tour sector and hostels that had not been eligible for the first strand of funding.

Where possible, an industry partner was included in the appeals panel for each fund to provide their unique sector experience to the activity and for Destination and Sector funds we also had external representation on decision making panels.

The internal auditors noted: *“As part of the process of agreeing eligibility criteria for both funds, VisitScotland established regular communication and engagement with key industry stakeholders. We also evidenced examples of feedback being provided by those stakeholders, and subsequently reflected within the eligibility criteria.”*

## FUNDS DELIVERED

All 2020-2021 funds were launched and closed to new applications by 31 March 2021 and over £50m was paid out by that date. This supported over 3,850 businesses throughout the period.

### FUNDS DELIVERED BY VISITSCOTLAND | 2020:

In May 2020, the £515,000 **Tourism Destination and Sector Support Fund** was opened to all destination and sector groups with a membership base made up of entirely, or predominantly, tourism businesses. Successful applicants could be awarded up to 50% of their membership income under threat due to coronavirus. This fund came directly from VisitScotland's own core budget.

In August 2020, the £5.07m (final value) **Event Industry Support Fund** was launched to directly support the events supply chain. In January 2021, additional funding was added to provide top-up payments along with establishing a second iteration of the fund, the Event Industry Support Fund 2, for new applicants after lockdown restrictions delayed the restart of the industry.

In August 2020, the £1m **Self Catering Fund** was made available for businesses who did not receive any support via other funds as a result of the pandemic, offering grants of up to £10,000. This fund was developed with the Association of Scottish Self Caterers (ASSC).

In November 2020, the £2.75m **Scotland's Events Recovery Fund**, was established to help Scotland's events sector plan and deliver events through to the end of 2021, providing support as the industry responded and adapted to the effects of COVID-19. The fund replaced EventScotland's National and Beacon funding programmes on an interim basis, as well as integrating both

Scotland's Winter Festivals and the Scottish Clans and Historical Figures events funds. In the six months after it launched, the extremely popular fund awarded nearly £1.8m to 159 events, with an additional number of applications currently being assessed. This is a record number of awards given by EventScotland across all its funds in any one year.

In December 2020, the **Pivotal Event Businesses Fund** was set up to provide grants from £25,000 up to £150,000 for event businesses whose primary role as organisers, suppliers, contractors and venues is critical to the survival of the events sector in Scotland, and upon whom the wider events industry and supply chain are most reliant for their own business and operations. Funding was prioritised towards those businesses (106 in total) that were able to evidence and demonstrate they play a pivotal role across the events industry in Scotland and were in financial difficulty as a direct result of COVID-19.

### FUNDS DELIVERED BY VISITSCOTLAND | 2021:

The £4m **Marine and Outdoor Tourism Restart Fund** provided grants of up to £15,000 per company to responsible tourism operators providing sustainable outdoor related activity to visitors on land and in the marine environment. The fund was developed in collaboration with sector bodies Wild Scotland and Sail Scotland.

The £10m **Visitor Attractions Support Fund** provided grants of up to £50,000 to visitor attractions with an annual turnover above £10,000 to help keep attractions in business while government restrictions remained in place. The fund was developed in collaboration with the Association of Scottish Visitor Attractions (ASVA).

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The £15m **Tour Operators Fund** provided grants across two distinct strands, one aimed at inbound operators and the other at day tour operators, to support a range of businesses in the tour operator sector. The fund was developed in collaboration with the Scottish Tourism Alliance, the Scottish Destination Management Association, the Scottish Incoming Golf Tour Operators Association, UK Inbound and the Scottish Independent Tour Operators Association.

The £3m **Tour Guides Fund** provided grants of up to £5,000 to help keep tour guides operating while restrictions remained in place and support them to prepare to operate as restrictions eased. The fund was developed in collaboration with the Scottish Tourist Guides Association (STGA).

The £10m **Scotland Coach Operators Fund** provided grants across two distinct strands, to support those businesses operating the newest vehicle fleet while restrictions remained in place. The fund was developed in collaboration with the Confederation of Passenger Transport.

The £2.8m **Hostel Fund** provided grants across two distinct strands, to support hostels of different sizes. The fund was developed in collaboration with Scottish Independent Hostels, Hostelling Scotland and Independent Hostels UK.

The £1m **Country Sports Fund** supported the country sports sector, including sporting agencies, guided sporting services, land-based sporting businesses and fishing charter operators. The fund was developed in collaboration with the Scottish Country Sports Tourism Group and the British Association for Shooting and Conservation.

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The £1.4m **Sector & Destination Operational and Market Readiness Fund** provided grants of up to £50,000 to established Scottish Tourism Sector Groups and Destination Organisations to support them in their core operational functions and ensure organisations were in a position to actively promote Scotland when restrictions were lifted.

The £1m **Campervan and Motorhome Fund** supported campervan and motorhome rental businesses to continue operating while restrictions were still in place and to support them to prepare to operate. The fund was developed in collaboration with the Campervan and Motorhome Professional Association (CaMPA).



## CASE STUDY

### Scotland's Events Recovery Fund helps sustain Granite Noir in 2021

When COVID-19 restrictions pushed its festival online, Granite Noir, Scotland's crime writing festival embraced the move and used its funding from Scotland's Events Industry Support Fund to deliver a high quality digital programme for its strong and loyal audience, while offering unprecedented opportunities for new audiences to dip a toe in the festival's murky crime waters.

The programme continued to offer a diverse mix of Scottish and international authors with audiences able to join both live and pre-recorded author conversations, panel discussions, creative workshops and events for young people.

Granite Noir is also deeply rooted in place and it retained a sense of the festival's home – Aberdeen and the North East of Scotland – through images of location and landmarks as well as including the stories, history and heritage of the region in their programming.

The biggest positive difference for Granite Noir going digital was the opportunity to broaden its audience base. Over the festival weekend it had 14,000 views from 52 countries for 12 events and this has continued to rise through on-demand views. It reached people who had previously been unable to attend due to distance or personal circumstances.

A relatively new festival, the funding through Scotland's Events Recovery Fund helped sustain Granite Noir for another year with the organisers highlighting that without it there would have been no festival in 2021.

**Jane Spiers, Chief Executive of Aberdeen Performing Arts, said :**

*“There was never any doubt there would be a Granite Noir 2021. Going digital is an exciting new format, the chance to stage things a little differently and to make new connections. It lets our audiences know we are still here for them and it is much more than just keeping the seat warm. We have been genuinely taken aback at the response. Huge thanks to Aberdeen City Council, Creative Scotland and EventScotland for supporting the festival this year. We wouldn't be here without you.”*

## CORPORATE COMMUNICATIONS

Effective communication has been at the heart of our response to the pandemic. Whether supporting the industry with advice on funding streams, clarifying the guidelines, or keeping staff up to date, corporate communications has been central to activity.

As soon as COVID-19 hit, the organisation implemented the crisis communications plan as part of our business continuity process. At the centre of our communications strategy was excellent planning and collaboration – working with internal and external stakeholders to ensure that we helped as many businesses as possible.

Our focus was squarely set on supporting the industry through this crisis. Our industry website, [visitscotland.org](https://visitscotland.org), became the central point for all information and updates, with more than 1.4 million views of COVID-19 content and more than 2 million views across all site content.

All our other channels, including our weekly Tourism Insider e-newsletter, LinkedIn, Twitter and Facebook, pointed to [visitscotland.org](https://visitscotland.org) to ensure consistency.

We sent out 40 separate COVID-19 Tourism Insider e-newsletters to 13,000 businesses and stakeholders. The highest open rate was 51% and the highest clickthrough 40%. This compares to an average pre-pandemic rate of 38% with click-throughs at 7%. A further 30 topic-specific e-newsletters were sent to industry (topics included COVID-19 survey, funds and government announcements).

We communicated access to the funding streams we delivered on behalf of the Scottish Government, guiding businesses to the right fund for them and reassuring them that we were pulling out all the stops to get funding progressed and paid as quickly as possible.

We used LinkedIn to successfully target tourism businesses, posting 246 blogs and stories, resulting in over 1.1 million impressions, 3,695 shares and an average engagement of 5.27%. We've gained more than 11,000 new followers in this time and are well on our way to reaching a new milestone of 40,000 followers.

The team also ran more than 40 webinars related to COVID-19, reaching more than 12,000 people.

Our press team secured some 3,500 pieces of press coverage, with a reach of 388 million. Our Twitter engagement was 6.3 million for the year as it fast became one of the key channels for getting news out quickly.

We supported businesses to restart safely after the first and second lockdowns, with information on the We're Good to Go Scheme, Scottish Government guidelines and the excellent job the industry had done to get up and running again. Results include around 9,000 businesses signing up for the We're Good to Go Scheme and more than 65,000 views of [visitscotland.org](https://visitscotland.org) content.

## CASE STUDY

[visitscotland.org](https://visitscotland.org)

[Visitscotland.org](https://visitscotland.org), our [Visitscotland.org](https://visitscotland.org), our corporate website and digital hub for the industry, has played a critical role throughout the COVID-19 pandemic in keeping tourism businesses abreast of the latest advice, guidance and support available at an extremely difficult time.

The content team published the site's first COVID-19 page on 5 February 2020, more than a month before the UK's first lockdown announcement, and since this date almost 450 pages of content and 300 news articles related to COVID-19 have been published on the site.

Throughout 2020/21, COVID-19 content on the site was continuously reviewed, updated, and expanded in response to the industry's changing needs. A dedicated COVID-19 advice hub was created to host our core advice material and we introduced a site-wide COVID-19 banner to provide direct access.

This resulted in a year-on-year increase in page views of more than 200% (1 April 2020 – 31 March 2021 compared with 1 April 2019 – 31 March 2020) and new users increasing by 120%, with the COVID-19 advice hub consistently the most popular section on the site, with more than 1.4 million page views in total over this period.

The launch of our 'Get Tourism Ready' campaign to support businesses to safely reopen resulted in particularly high traffic throughout June and July 2020, with more than 48,000 views of this page alone over these two months.

The site then recorded its highest ever traffic on 23 September 2020, with more than 15,000 unique page views on one day, when we communicated new restrictions from the Scottish Government.

Traffic spiked again at the start of 2021 when we launched the new funding programmes, administered on behalf of the Scottish Government.

From January to March 2021 we saw more than 160,000 views of the funding section on the site and the organisation received more than 5,000 applications to these funds via newly developed digital forms on the site. By the end of March, more than £50m of funding had been distributed to businesses in need through these funds.

[Visitscotland.org](https://visitscotland.org) continues to serve as the digital hub for industry with all our communication pointing to its wealth of information. We're focused on the recovery of the industry and will work with, and support, businesses to ensure we rebuild this vital part of Scotland's economy.

## MARKETING: DREAM NOW, TRAVEL LATER

As the UK responded to the global pandemic and the nationwide lockdown came into force in March 2020, VisitScotland had to mobilise quickly to formulate a new strategic approach along the 4 Rs: Respond, Reset, Restart and Recover. After we actioned on the immediate challenge of cancelling campaigns, we set about keeping Scotland top of mind for our visitors. Our 'Absence makes the heart grow fonder' video was produced by the inhouse team in two weeks and distributed across email, social and partner networks. Further virtual content followed, including Sketching Scotland and Stargazing tutorials which were tapping into the first lockdown zeitgeist to take on new skills.

Plans were put in place so we would be able to react quickly as restrictions eased. In June 2020, we were able to start promoting day visits again. Mindful of sensitivities around some communities not being ready to welcome visitors, whilst other tourism businesses were eager to restart, we developed a hyper localised campaign to encourage Scots to visit attractions in their own backyard. To maximise flexibility, we set up social media activity with 40 different advertisements across Scotland, enabling us to rapidly target the right geographies and audiences.

In our international markets, keeping Scotland front of mind was key, so that when travel re-starts we can capitalise on the pent-up demand for international travel. More information about our work engaging with international and domestic markets can be found on pages 25-28.

## VISITOR MANAGEMENT

As COVID-19 restrictions were lifted last year, 2020 witnessed a massive increase in domestic visitors to rural and coastal areas with a resultant increase in pressure placed upon our communities, facilities and infrastructure.

Although only a minority of visitors were involved, anti-social behaviour was widely reported in the media and by community groups. Many local communities felt unprepared to deal with this increase in visitors and many of the new home-grown audiences were unaware of general guidance around responsible visitor behaviours and the Scottish Outdoor Access Code. In many parts of the country, community sentiment towards visitors hardened.

A Steering Group was created to develop a Scotland-wide strategy and coordinated approach to tackle some of these issues and educate and encourage audiences to enjoy our countryside responsibly. Chaired by VisitScotland, the group includes NatureScot, Cairngorms National Park Authority, Loch Lomond & The Trossachs National Park, Forestry & Land Scotland, Highland Council, Police Scotland and Transport Scotland.

Three workstreams with subgroups were identified to cover Education and Marketing (chaired by VisitScotland), Investment and Infrastructure, and Prevention, Regulation & Reassurance – bringing together regional and national partners. The workstreams are supported by an Operational Co-ordination Group chaired by NatureScot, which in turn feeds into the Strategy Steering Group.

VisitScotland leads the marketing and communications activity on visitor management to raise awareness about the need to respect the communities people visit, protect wildlife and responsibly enjoy each destination.

Through a multi-agency approach, working with 12 different marketing and communications teams, our goal was to ensure that people #RespectProtectEnjoy the countryside. The hashtag has been used 11,760 times on Twitter, 1,420 times on Instagram and 238 times on Facebook across corporate and consumer channels, with the launch post on @VisitScotNews securing 72,700 impressions.

## CASE STUDY

### Responsible Tourism Campaign

A collaborative responsible tourism campaign launched on 22 March 2021 with the prime objective of encouraging visitors to enjoy our outdoors and attractions in the most responsible way and 'care for Scotland'; a theme threaded through the work of the Visitor Management Education & Marketing Group.

This co-ordinated effort delivered a combined plan of responsible tourism activity which supported our strategic objectives and commitment to the industry whilst showcasing the diverse and wide range of outdoor and responsible Scottish tourism products and experiences.

Target markets included the primary audience of Scots - older teens/young adults, families and all Scots thinking of day trip/overnights; for further phases we will seek to expand to the secondary audience of rest of UK and, when the time is right, to the tertiary audience of international visitors - EU short-haul in the first instance.

The key message of the campaign was **Scotland, yours to enjoy. All of ours to care for.**

As part of the campaign, a visitor promise was promoted across VisitScotland's channels, accessed here <https://www.visitscotland.com/responsible-tourism-promise> whilst a bespoke landing page and hero film to introduce the **Scotland, yours to enjoy. All of ours to care for** key message went live here as part of the campaign launch - <https://www.visitscotland.com/about/responsible-tourism>

A strong multi touchpoint schedule of media showcasing the campaign included radio, out of home and social distribution including channels like Teads, Tik Tok, YouTube and Facebook; whilst national partners helped us distribute the message wider across their channels.

## INFORMATION

The iCentre network closed in line with COVID-19 restrictions in mid-March 2020. We worked closely with our colleagues across the organisation to ensure that we would be ready to reopen when restrictions were eased off. During the closures, the team worked on our Knowledge Hub, dealt with online customer enquiries through a Messenger service, and provided advice and guidance to Shop Local suppliers as well as project support for other activity.

In December 2020, the iCentres again had to close their doors and teams once again supported a range of projects and information provision through other channels. iCentre staff also worked with other colleagues across the organisation to ensure that the funds were administered efficiently.



## EVENTS

Lockdown quickly required the organisation to respond to the needs of the industry with much of the initial first few weeks focusing on the provision of immediate guidance to the sector through the creation of a dedicated COVID-19 section on [eventscotland.org](https://www.eventscotland.org) and one-to-one advice.

In April and May 2020, the organisation recognised it was vital to gather insight on the immediate issues facing the sector including event organisers, local authorities, venues and the supply chain. More than 120 representatives from across the sector attended 21 virtual consultation forums. Several recurring concerns including income streams, supply chain, insurance and workforce were reinforced across the workshops – all of which was shared with the Scottish Government to help form the basis of a sustainable Recovery Plan.

Two online surveys targeting the event industry supply chain were also carried out across June and December 2020 to gather vital information on the ongoing impact of COVID-19 on businesses working in the sector. Workstreams within the events directorate were also established as a result of the information gathered covering funding, advice and guidance, virtual events and supporting the events supply chain. Funding support for Scotland's events sector has been critical to its survival. £31.5 million of COVID-19 support has been injected into the events sector. VisitScotland's events directorate has delivered this funding across three distinct funds (pages 15-16 for more information).

## EVENT INDUSTRY ADVISORY GROUP (EIAG)

The consultation forums also reinforced the urgent need for an industry-wide body to provide a co-ordinated voice during the national response and recovery planning. This led to the establishment of the EIAG in May 2020 chaired by Peter Duthie, Chief Executive of the Scottish Event Campus (SEC).

The group comprises senior members from across the industry representing a range of events including professional sport, music, culture and business, as well as event organisers, venues, local authorities and the supply chain. It has also focused its efforts on a number of key workstream areas including; Funding, Health & Wellbeing Economy, Hygiene & Physical Distancing Requirements, Communication & Public Mood, Innovation & Good Practice and Engagement with Government.

## RESUMPTION OF EVENTS AND GATEWAY EVENTS

The events directorate has, through its own work and collaboration as a member of the EIAG, continually represented the views of the sector with both Ministers and the Scottish Government in relation to the Strategic Framework and the ongoing development of plans and attendance numbers for the return of events in Scotland.

In addition, EventScotland and the Scottish Government worked on delivery of a Gateway Process to enable a small number of flagship international business, sport and cultural events to take place in Summer 2021.

# Building a visitor-shaped destination brand

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VisitScotland inspires a life-long love affair with Scotland by building long-term relationships with potential visitors. We achieve this by developing a strong and appealing national brand, supported by a set of innovative digital channels that ensure the continued growth of the visitor economy.

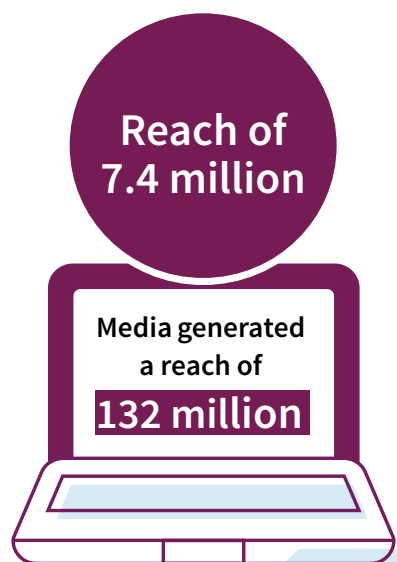
Through this pillar we work closely with industry and regional partners and mobilise the expansion of information, inspiration and advice to visitors. This helps to ensure that tourism is spread across our country, benefitting our communities, whether they be in cities, towns or rural locations.

We also secure and deliver unique and inspirational sporting, cultural and business events which showcase our industry's and country's talents and enhance our global reputation as the perfect stage for events.

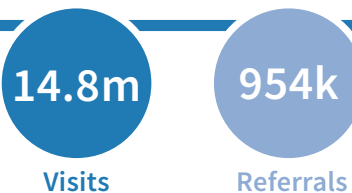
# Pillar One

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## St Andrew Day Campaign



## visitscotland.com



## #Hametowntourist



# Building a visitor-shaped destination brand

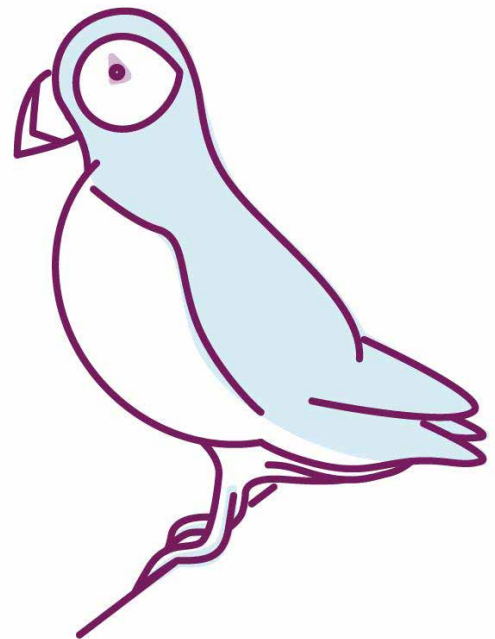
## MARKETING

Our key guiding principles when marketing Scotland as pandemic restrictions started to ease were as follows:

- Help Scottish tourism recover as quickly as possible in a responsible way
- Mobilise an agile approach to encourage visits from those markets recovering earliest
- Prioritise value recovery over volume
- Showcase the diverse and wide range of Only in Scotland experiences / outdoor and responsible Scottish tourism products
- Inspire visitors to support communities and love local by experiencing, shopping, eating and drinking locally on their travels

Crucially, our response was driven by insights, both in relation to consumer trends and traveller sentiment and behaviour. VisitScotland's insights department collaborated with the other national tourist boards to introduce regularly carried out tracking research. Firstly, this focused on residents within the UK, our domestic market, with an extra analysis on residents in Scotland. Later in the year, research was started focusing on international markets. Both these research projects are continuing to run and provide insight into people's sentiments and intentions to take trips. This was supported by a range of secondary research and social listening to provide both input to the published market intelligence reports and to help activity planning. All of our research was promptly published on VisitScotland.org, providing an important resource for other organisations and businesses.

Across all markets, providing inspirational and engaging content to keep Scotland top of mind was key. Working closely with industry and sector groups, we highlighted special and unique experiences in Scotland. Our engagement with the agritourism sector is one example of this effective collaborative activity.





## CASE STUDY

### Agritourism

A dedicated VisitScotland cross directorate team, which included Visitor Marketing, Insights, Corporate Communications and Industry and Destination Development, has been working closely with sectoral lead, Caroline Miller. This supported the development of the agritourism sector in Scotland and offered fresh content to keep prospective visitors interested while travel was not possible.

The primary focus was on development and delivery of new content, social media campaigns such as the hugely successful Lambathon campaign with Go Rural. The Lambathon campaign was a series of Facebook Live broadcasts hosted by farmers keen to share their experiences of spring lambing. Their authentic virtual content took the outdoors indoors during unprecedented times - a welcome relief for many missing Scotland's great outdoors - and offered viewers inspiring insights into Scotland's unique experiences and the amazing settings they take place in. In 2020 more than 10,000 households tuned in to watch live online tours of Scotland's farms during lockdown. Many of those watching lived outside Scotland, with strong representation from other UK countries, the USA, Canada and Europe.

In addition, improving search engine optimisation for agritourism and the development of new content on visitscotland.com related to four strands: Staying, Tours, Food & Drink Experiences and buying local produce on Working Farms. Our Insights commenced work on a Growth Tracker for AgriTourism and our Engagement team focused on creation of new product development and identifying new pipeline businesses in this sector towards internationalisation.

## DOMESTIC

The reopening of Scottish tourism was announced for mid-July 2020 and we launched a major campaign in Scotland across TV, radio and digital to encourage people to holiday in Scotland. Additionally, highly targeted Sky TV, digital and paid social advertising in England allowed us to promote where it was safe to do so. Due to our cities being severely hit by the pandemic, extra support was given to support city breaks and promoting the outdoor city spaces.

As a result, at least 4.5 million Scots (over 80% of the population) were exposed to this campaign activity; and we saw a marked uplift (to 34%) of new Scots opening our emails with a significant increase of our non-follower reach on social channels.

## EUROPE

Throughout 2020 we saw European visitor demand quickly rise once borders were opening again over the summer period and visitors were able to enter Scotland. With restrictions tightening again afterwards and a pent-up demand, we wanted to ensure that we kept raising awareness of Scotland as a welcoming and easy-to-sell destination, reassure and inspire tour operators and tourism professionals in our key European markets to offer and ultimately convert Scotland in 2021/22. Besides the launch of a Prepare for Scotland consumer video campaign, we set up content partnerships with key travel trade publishers across Germany, France and the Netherlands with the distribution of our new B2B video, bespoke newsletter content, advertorials and display ads.

Complementing this activity, we provided a range of Destination Training webinars and attended several travel trade events across the year to keep on inspiring the travel trade and making sure Scotland was being kept top of mind as a destination to visit when time was right.

## USA

Keeping Scotland top of mind was a key priority in the US. We wanted to ensure any cancelled vacations to Scotland were rebooked for 2021 and encourage a switch to a future Scotland holiday for those with flexible travel credits. We shared our 'Absence' video with TV network NBC in April, and due to the strength of our relationship it was aired around New York, and across the year, the half hour Scotland special programmes we produced in partnership with NBC were re-aired.

Additionally, we ramped up our Scotland content provision with key tour operators and agents, providing Destination Training webinars and Scotland video, images, and content for them to inspire their clients. This activity has resulted in huge pent-up demand for Scotland, with many operators reporting clients are ready to visit as soon as restrictions are lifted. Q4 saw consumer campaign investment, launching our 'prepare for Scotland' video distribution activity across Pinterest and YouTube, timed to coincide with the release of Men in Kilts on Starz. Other activity included a content partnership with luxury publication Afar and inspiration editorial around responsible tourism and unique experiences.

## EMERGING MARKETS - CHINA & AUSTRALIA

In China, our consumer channels grew through good storytelling, participation in global campaigns and successfully livestreaming from five locations in Scotland. The livestreaming events earned us the position of top-ranking Weibo account for travel destinations in September 2020 and across the year the average views on our Weibo posts were almost 4 million, with an average engagement rate of just over 5% - punching well above our weight. Our commitment to growing our presence in market even in difficult times, means Scotland was named 'Most Desirable Destination in 2021' by Witrip monthly travel magazine.

In Australia, we focused on travel trade webinars to keep Scotland front of mind. We worked with VisitBritain to share fascinating tales of historic Edinburgh to travel trade through Mercat Tours' storytellers, and also the Great Britain Mini-Series on the Destination Webinars platform. This was promoted to over 67,000 travel trade contacts and picked-up by media. We are building our network through a paid campaign, partnering with KarryOn, Travel Daily, Travel Weekly and LinkedIn. We are also working closely with our partners at VisitBritain in India and the GCC to push Scotland content out through their platforms.

## CASE STUDY

### Expedia partnership

As we planned for marketing activity once UK travel restrictions eased, we wanted to complement our core marketing activity with an online travel agency partner where many people would be looking to book their UK staycation. Procured through Carat under the Scottish Government media buying contract, Expedia offered a proposal that shared timely and detailed insights on search and booking behaviours, so we could make informed decisions; marketing activity that was flexible, allowing us to target different regions that were potentially easing restrictions at different times; and two pronged promotional activity – 1) to raise awareness and broaden knowledge of what people could enjoy on a holiday to Scotland and 2) drive bookings for businesses.

The activity launched at the end of July – initially targeting Scots, and then extending to selected regions of England and Ireland, who were searching for a UK break outwith Scotland. Recognising the popularity of rural locations, this phase 1 activity over the summer specifically highlighted Scotland's cities – given more detail about what could be enjoyed in the cities and outdoor spaces.

As we moved into autumn and phase 2 of the partnership, we launched a 'mini Scotland' hub within the Expedia platform. Eight themes were highlighted: Iconic City Breaks, Scenic City Escapes, Off the grid, Ultimate Natural Playground, Culture Vultures, Taste of Scotland and two regional upweights (supported by funding from these regions): South of Scotland and Ayrshire & Arran. The hub included highlights for the theme, video content and inspirational imagery, and links to accommodation searches. At the end of October, the hub was refreshed with Winter content; and again, with Spring content at the beginning of March. The hub was advertised across the Expedia and Hotels.com platforms, and off site, targeting people that had shown an interest in UK breaks. As restrictions tightened again during the autumn, we were also able to adjust targeting to people searching for breaks in the future, i.e. once restrictions were expected to have eased.

The partnership has proven to be very successful in terms of the insight and data that Expedia has shared with us to inform decision making; flexibility to adjust activity as restrictions tightened and eased; and campaign activity giving an average uplift in bookings for Scotland of over 40%.

## DIGITAL PLATFORMS

- **VisitScotland.com:** The site was visited 14.8 million times during 20/21, a fall of 32% from the previous year. Traffic returned to normal levels over the summer driven by a 30%+ increase in domestic visitors between July and October. The site made 954k referrals to individual businesses during 20/21, a fall of 42% from the previous year. Domestic visitors stayed slightly more resilient, falling 26% year on year.
- **Cookie banner:** In January we implemented a cookie consent banner asking site visitors to opt-in before cookies were used, including those used to anonymously track how they're using the website. A great response of 81% of users are accepting cookies allowing important insight into behavioural trends to be sustained.
- **#HameTownTourist:** As Scotland prepared to move out of lockdown last year we worked with Scottish influencers across the country to engage with their online communities in a conversation about staying local while getting out to support businesses in their area that have suffered as a result of this pandemic. This was a collaboration between corporate and consumer teams that achieved 202,000 followers with 267,160 impressions.
- **Facebook Messenger:** Since August 16k people visiting the visitScotland.com site have used a Facebook Messenger pop-up to ask VisitScotland questions about holiday planning. A Facebook account isn't required to use.

## CASE STUDY

### Marketing Automation

Processing the huge wealth of information available to holiday planners is one of the toughest tasks and least enjoyable in the process. To make trip planning easier and more fun we began engaging with our customers via our new Marketing Automation platform, which allows us to listen and respond to the needs of individual customers. Since June, people who start visiting visitScotland.com or start engaging with our social media may shortly afterwards see an ad asking if they'd like to stay updated via email. Those that do are asked a couple of key questions which immediately changes the type of information we start sending them. Before the switch new subscribers typically waited up to 2 weeks for their first email – this has now fallen to 15 minutes. Throughout the year we've added new ways to make our engagement with our customers as efficient and useful as possible. With the user's permission, we can now tweak the content in the emails we send to be more relevant to what they've been recently researching on visitScotland.com. At the point it becomes necessary, we can also ask the customer specific questions to make much more radical changes to how we help them plan their visit. In the coming year, users who want a personalised experience will start seeing the website respond to the trip they're planning, using artificial intelligence to do some of the heavy lifting in processing the available information.

## SCOTLAND IS NOW - BRAND SCOTLAND CAMPAIGNS

### SCOTLAND WINTER FESTIVALS SUPPORT

During the winter months, VisitScotland delivered a comprehensive programme of promotional activities in support of Scottish Government-led campaigns around St Andrew's Day and Burns Night, both domestically and internationally.

The St Andrew's Day campaign focused on the [Kindness video](#), placing emphasis on reaching out to others within communities, particularly in light of challenges of the COVID-19 pandemic. Burns Night activity, including events supported through Scotland's Events Recovery Fund, encouraged people to celebrate virtually and safely at home, and to post on social media their own virtual Burns toasts from around the world.

We supported the St Andrews Day activity with a campaign through the Teads digital platform, achieving 19% over the target number of views. For Burns Night we secured the participation of Outlander star Sam Heughan to lead the global virtual toast and undertook a proactive PR campaign to secure media coverage.

Collateral and messaging supporting both campaigns was shared through VisitScotland's owned channels and distributed to a variety of partners for sharing via their channels. These included local authorities, DMOs, transport, heritage, cultural and diaspora partners.

The St Andrews Day campaign achieved a reach of 7.4 million people, with the support of 85 domestic partners and 950 international partners, while media coverage generated around Burns Night achieved a reach of almost 132 million people across Scotland, Europe and North America.

## EU EXIT & PREPARE FOR SCOTLAND CAMPAIGN

In the wake of pandemic and at the end of the Brexit transition period, the Brand Scotland team launched their Scotland is Here campaign which was building on the previous (2019) Scotland is Open activity. The campaign aimed to present Scotland as a brilliant prospect, with a progressive outlook and strengthen its reputation as a welcoming, outward-looking nation connected to the world, and to showcase Scotland's values and its approach for a fair and green recovery on the world stage. The video campaign performed well across the channels and the recent research evaluation has shown we are continuing to build on the positive perception of Scotland within the European markets.

To capitalise on the Brand Scotland EU Exit activity, VisitScotland launched the "Prepare for Scotland" campaign at the start of March 2021 by going live in 5 European markets: France and Germany, Spain, Italy and the Netherlands. The campaign's objectives were to distribute our lead videos (1 and 2) by inviting our European audiences to keep Scotland in mind, dreaming about their next trip and prepared for when the time comes to travel again.

In a crowded competitor environment, we aimed to maintain awareness about Scotland in our EU markets. Investment on YouTube allowed us to run Brand Lift Study (BLS), which helps measuring the impact of our campaign and gather insights in markets. The campaign exceeded all forecasts and proved to be very cost efficient across all channels. On YouTube, the Brand Lift Study showed a good uplift across all countries, with the Netherlands seeing the largest lift of 11% overall, with a particular uplift in the younger age categories.

## CONSUMER PR

The Consumer PR team works with travel and lifestyle media across the globe year-round, to place inspiring destination coverage for Scotland.

Despite 'normal' tactics being severely restricted, our key contacts have relevant, responsible story ideas for Scotland and this is reflected in our award-winning activity and quality coverage being generated.

Telling the right story, to the right audience, at the right time is essential to achieving cut-through in a noisy media market and this has never been truer than when all destinations are competing for those first return visitors. A prime example of capturing the message for the mood of the moment was our Coo Cam campaign, in partnership with GoPro.

## CASE STUDY

### Swap your blues for coos!

Almost a year into travel restrictions, the challenge was to continue supporting industry with activity to highlight destination Scotland and keep it front of mind for international consumers, but to avoid contributing to 'virtual fatigue'. Message positioning was everything - enter the gorgeous Highland coo!

We launched our first ever 'Coo Cam' in association with GoPro to cut through the noise and gain quality positive destination coverage in A-list titles against the backdrop of Covid-19 and other world events and continue to drive social engagement through creation of impactful content. This also allowed us to position the VisitScotland brand as thoughtful, receptive and, most importantly, human by offering a story that conveyed Scotland's sense of humour and warmth during a really difficult time. The partnership with GoPro also allowed us to extend and enhance the reach and impact of the campaign and lay the groundwork for future activity.

We created a user guide and sent out the GoPro equipment to agri-tourism partners - Kitchen Coos & Ewes and Swanston Farm - to capture footage themselves. We curated a 30-second edit of the best moments to optimise content for social, email and visitscotland.com and launched on Tuesday 12 January with a fully integrated comms programme. A press release and video footage was released to global media and a Coo Cam social edit went live across all VisitScotland social channels (including in-language channels). The footage was shared with travel trade partners and to our consumer database via email newsletters - sent to more than 1.2 million recipients. GoPro engaged with all content and featured live on their Instagram stories- with a bespoke coo edit to feature on their channels in spring.

Such was the success of the campaign, that we created a very special Chinese New Year edit to celebrate the Year of the Ox (or Year of the Coo as we have called it) in February and a brand new baby coo cam in April to celebrate Scotland Week.

We achieved more than 40 pieces of top-quality coverage with reach of over 23 million. Global coverage highlights include Travel + Leisure, The Australian, Matador, Lonely Planet, Sina and more. Across VisitScotland's Global social channels (Twitter, Facebook and Instagram) the original coo cam has had over 146,000 views and had a reach of over 593,000. The Chinese New Year Coo Cam had over 24,000 views.



## GOLF EVENTS PROGRAMME

Like all sports around the world, golf was hit hard by the COVID-19 pandemic with global tours coming to an immediate halt in the first half of 2020 and Major Championships either postponed or cancelled altogether.

However, despite the significant challenges posed by travel restrictions, Scotland lived up to its reputation as the Home of Golf by hosting four world-class elite tour events across both the men's and women's game.

Underlining Scotland's commitment to equality, the Aberdeen Standard Investments Ladies Scottish Open in August at The Renaissance Golf Club in East Lothian was the first female tour event to take place outside of the US since lockdowns began across the globe, providing a vital playing opportunity and welcome media profile for the competitors. It was followed by the AIG Women's Open at Royal Troon in Ayrshire, the first women's major to be played in 2020, meaning back-to-back women's events in Scotland during a time when no other elite-level women's golf was being supported.

Although both events took place behind-closed-doors with players and officials operating in bio-secure bubbles, they afforded an opportunity to showcase Scotland and women's golf on a global stage when there was still little sport being broadcast. Their staging was a triumph of partnership efforts between IMG and The R&A as organisers of the events and The Scottish Government, VisitScotland and public health officials to ensure they could be held safely.

In October, elite-level men's golf returned to Scotland with the Aberdeen Standard Investments Scottish Open at The Renaissance Golf Club in East Lothian, originally scheduled for July but pushed back to form part of the European Tour's Autumn swing which also featured a newly-created Scottish Championship at Fairmont St Andrews.

Like the women's events, both were held behind closed doors with co-operation between the European Tour, Scottish Government, VisitScotland and public health officials pivotal to the development of comprehensive delivery plans to mitigate risk.

Such was the appetite for live sport, the Aberdeen Standard Investments Scottish Open delivered significant media profile for Scotland becoming the most-watched European Tour event on Sky Sports since records began and more than 40 million impressions across social media.

As well as global media coverage to keep Scotland front of mind as a golf tourism destination, Scotland's portfolio of golf events also delivered powerful moments for good across sport and society, supporting official charities such as the East Lothian Foodbank and the Scottish Association of Mental Health (SAMH) and key initiatives such as health & wellbeing, public safety messaging and recognising NHS workers and other key frontline staff.

## BUSINESS EVENTS

In the absence of any face-to-face client activity or trade shows since 2019, VisitScotland Business Events has focused on providing platforms for key strategic venues and businesses in Scotland to keep in front of their UK, European and Global audiences using our national brand. This has taken the form of presence at virtual platforms operated by IBTM, IMEX, NorthStar, Smart Meetings and other business events specialists. A typical platform would be delivered in the format of individual meetings conducted over video conference with up to 150 pre-qualified clients, as well as industry-specific education sessions and experiential networking sessions that hosted on numerous occasions by VSBE.

This activity has been essential in keeping the pipeline open and dialogue continuing, whilst recognising the challenges of furlough which has seen personnel at the client and venue end temporarily absent with VisitScotland filling the gap.

The past year has seen further crystallisation and recalibration of the Business Events Policy-Driven Model (PDM) which aligns our pursuit of business events with the UN's Sustainable Development Goals and Scotland's National Performance Framework. The PDM has evolved into a recovery programme for 2022-2025, simultaneously playing a key role in Scotland's policy delivery out to 2030 and driving economic and social change to all parts of Scotland.

## JOURNEY TO CHANGE

VisitScotland Business Events launched its latest campaign in March 2021 to an online audience of over 400 stakeholders, partners and clients around the world. The Journey to Change campaign showcases how business events can help tackle some of the world's biggest challenges, including climate change, equality, eradicating poverty, and sustainable cities.

Over the past year, we have redefined what business events can and do contribute to society and their importance in the recovery process. Journey to Change is aligned with the United Nations 17 Sustainable Development Goals and champions the ambitions of Scotland through the National Performance Framework with specific messaging to the global business events community.

The highly successful launch has been followed by significant global press coverage, encouraging digital results and international acclaim as a forward thinking, industry first initiative.

## INTERNATIONAL EVENTS PROGRAMME

Despite the pandemic causing the cancellation of many events and festivals in Scotland, through innovation and creativity, a number of Scotland's signature events were able to use their funding support through the International Events Programme to develop different models of delivery. This ensured they maintained their profile on the international stage while staying connected to their audiences. Events included Baxters Loch Ness Marathon, Edinburgh Art Festival, Edinburgh International Festival, Edinburgh's Hogmanay, and Glasgow Film Festival.

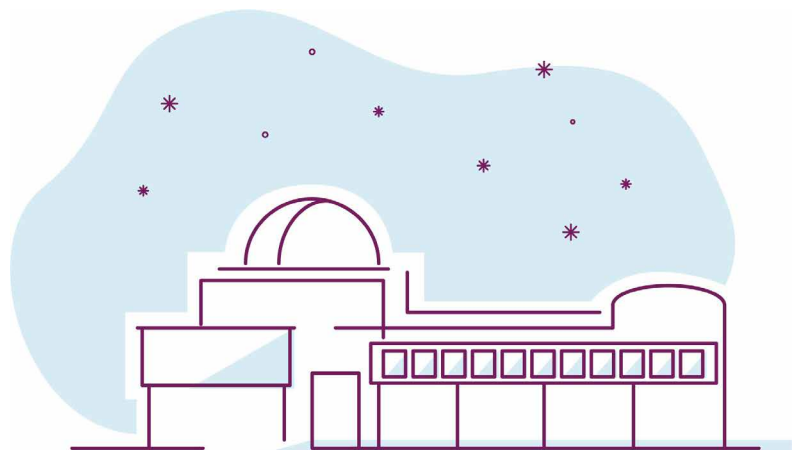
Many events moved to an online format, whilst some were able to adopt hybrid models. Edinburgh Art Festival offered a selection of online screenings and live performances on their website, alongside a small number of projects that appeared in public sites around the city. The delivery of this unique programme of work allowed the festival to encourage artists, city-wide organisations and importantly, their audiences, to come together during these challenging times.

The Edinburgh International Festival created a mainly digital programme under the concept of “My Light Shines On” based around the idea of the ghost light that is left on in theatres after performances. The festival worked with a number of major Scottish artists and companies to create original content and installations, including using its funding to collaborate with Scottish lighting designers Kate Bonney and Simon Hayes of Lightworks to create a mesmeric show across the city skyline on what would have been the Festival’s opening night.

Edinburgh’s first virtual Hogmanay kicked off with a stunning rainbow flare tribute of thanks to key workers for their efforts in 2020 with Edinburgh Castle as the backdrop. The moment was followed by a three-part film, titled Fare Well which brought together the words of Scots Makar Jackie Kay, the music of NiteWorks, the voices of acclaimed Scottish talent including David Tennant and pioneering drone technology to create the UK’s largest swarm drone display.

Organisers of the Baxters Loch Ness Marathon and Festival of Running focused on their successful Runners Café taking it online with series of Q&As. They also encouraged runners to celebrate what would have been race day by sharing photos of their Sunday run while mascot Nessie ran the marathon route, sharing video clips and photos of the spectacular Loch Ness scenery on social media along the way.

Even though we were unable to attend events and festivals in their original guise over the last 12 months, through the International Programme events and festivals were still able to stay front of mind and engage audiences on a wide scale while supporting the performers, artists and suppliers that are so important to the sector’s survival.



# Investing in Scotland's tourism and events communities

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VisitScotland provides leadership in creating Scotland's high-quality tourism product and visitor experience. Through this pillar we work to draw together investment that enables destinations, business owners and sector specialists to invest in internationalisation.

We also provide leadership in the creation of total quality destinations, which includes the provision of high-quality information to visitors where and when they need it, and in a format that meets their needs.

By working together we're boosting the reputation of Scotland's tourism and events

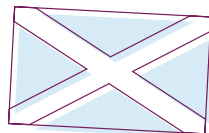
industry as a valuable contributor to Scotland's economy, as a career of choice and as an industry that creates a set of experiences that enrich the lives of visitors and residents alike.

As part of this pillar we support industry partners in key strategic areas of insight, customer experience, events, marketing and digital expansion. On the latter we support businesses to develop the digital skills they need to adopt and deliver digital business practices.

Finally, we work with the industry to ensure social and economic benefits are shared across the country.

# Pillar Two

## Travel Trade Events



participated in **12** virtual events

**300** Scottish Businesses

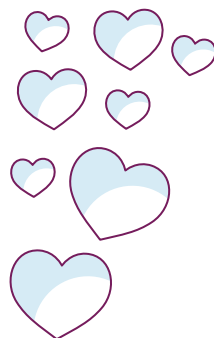
**5,500** Engagements

## Scotland Loves Local

**200**  
Industry offers

**5,281**  
page views

Media activity reach of  
**132**  
million



## Rural Tourism Infrastructure Fund

**£6 million**

awarded to

**26**  
projects

from  
**11**  
local authority areas



# Investing in Scotland's tourism and event communities

## SCOTLAND LOVES LOCAL

Our Love Local campaign launched on 1 December 2020 as a call to arms tactical initiative to rally around our industry at a time when they needed it most and to encourage visitors to discover what's on their doorstep - to think, experience and buy local.

VisitScotland teams leveraged cross-disciplinary expertise and resources to deliver a shareable campaign, creating awareness and tactical messages around buying local. This activity was the precursor transition piece to our responsible and prepare campaigns to lay down an invite when the time is right to come and live like a local Only in Scotland.

Nearly 200 industry offers were secured for this activity showcased through our owned channels whilst daily advent themes (24) including Afternoon Teas, High Street Heroes and Virtual Adventures raised awareness on doorstep inspiration and call to actions through voucher sales.

Our evaluation of this activity showed Food and Drink was one of the strongest resonators across channels and the Scotland at Night asset was one of the strongest performers on organic social. Over the 4-week activity wave; our campaign page secured 5,281-page views / 2,973 unique page views whilst our paid media activity with News Scotland and Bauer radio reached 1.3 million and 2.15 million people respectively. Across our PR activity we secured 73 items of coverage with a reach of 1.47 million people.

## INTERMEDIARY MARKETING

The focus of VisitScotland's intermediary marketing activity shifted through 2020/21 to support businesses in addressing the challenges posed by the pandemic. Travel intermediaries with no bookings to manage were anxious to keep clients interested and we provided information and digital assets to help them encourage their audiences to dream about Scotland.

With experienced tour operator staff furloughed or staffing consolidated and reduced, product buyers' knowledge of Scotland built up over years was in danger of being lost; the VisitScotland team provided information and modelled itineraries based on available, bookable product to make it easy for tour operators to quickly lift and sell Scotland as soon as they were ready to. Tour operators round the globe moved to rationalise their offering, focusing on best seller tours, but also those encompassing more rural destinations and perceived safer spaces. The VisitScotland team provided support in identifying replacement product for those no longer available and advising on the reassurance of incorporating Quality Assured and 'We're Good to Go' recognised products and experiences.

B2B travel trade events and workshop platforms all went digital in 2020/21. We participated in 12 virtual travel trade events, securing participation for around 300 Scottish tourism businesses joining us and together undertook 5,500 business engagements, our own new Scotland Reconnect 2020 event being a key driver of these business opportunities.



## CASE STUDY

### Scotland Reconnect 2020

When in the spring of 2020 the emerging pandemic meant that our annual flagship VisitScotland Expo travel trade fair had to be cancelled, our intermediary marketing, events and IT teams worked to deliver an alternative. Much of the focus of the organisation necessarily turned to immediate support for businesses, but clear also, was the need to support planning, product development and contracting to ensure bookings for 2021, 2022 and beyond.

In November 2020 VisitScotland launched Scotland Reconnect 2020, the organisation's first ever digital business to business workshop event and made the opportunity free to attend for trade-ready businesses. 257 Scottish tourism businesses took part to meet virtually with 265 travel intermediary 'buyers', tour operators and wholesalers from 23 countries, from the UK, Germany and Sweden to the USA, Australia and the Gulf Cooperation Council, covering countries including the United Arab Emirates. The platform developed supported some 5,000 business engagements as well as virtual experiences from Glengoyne Distillery, Mercat Tours and The Scotch Whisky Experience and round table panel sessions discussing current issues facing the industry such as the impact of Brexit, global trends and responsible travel. Feedback from participants was overwhelmingly positive which led the way to a second Scotland Reconnect event taking place in April 2021.

## PAN-MARKET SPOTLIGHT DURING COVID

As the pandemic unfolded, our extensive network of contacts at tour operators and airlines around the world proved invaluable. Through these direct relationships, we were able to gather on the ground insight into the developing situation to inform our own decision making and share information with the Scottish industry and stakeholders back home.

Through our relationships with Chinese intermediaries we had an early understanding of the evolving situation from January 2020. The team moved into support and inform mode as the pandemic unfolded. Two-way communication was key. Providing information about status of Scottish tourism businesses to our intermediary and airline partners and providing market updates to our Scottish stakeholders and businesses.

From May – July 2020 a weekly market intelligence report was completed giving updates about the global situation as well as specific information from each of our core markets. For our intermediary partners, we gave them ongoing updates around possible re-openings and signposted them to update on international travel and air corridors. This report was shared through our industry communications channels, where insights for key markets continue to be updated frequently.

We also took the opportunity to increase our destination training activity for intermediary partners in our key markets – extending the inspirational 'Welcome to Scotland' webinar activity to relevant themes – luxury, responsible travel, ancestry, unique experiences, etc. Additionally, recognising the anticipated changes in how people are likely to purchase international travel in the near future, we increased our activity amongst travel advisors – developing a programme of communications, and further tailoring the information we send to them – including marketing content to help them sell Scotland to their clients, as well as information on Scottish tourism businesses.

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## MARKET HIGHLIGHTS

### EUROPE

With our B2B campaign in France, Germany, and the Netherlands we wanted to raise awareness of Scotland as a welcoming destination and to reassure and inspire trade in to convert Scotland in 2021/22. This campaign included content partnerships with key travel trade publishers & LinkedIn and used the new B2B video developed by our inhouse team.

### NORTH AMERICA & AUSTRALIA

We targeted activity to recruit more travel advisors and a new programme of communication was launched to help them inspire their clients to visit Scotland. NorthStar activity reached 770 pre-qualified luxury travel advisors in US & Canada, whilst activity in Australia secured new travel advisor leads.

A promotion in North America with TravelZoo featuring 8 tour operators offering vacations from Autumn 2021 onwards has generated 13k referrals to our partners, alongside an array of direct bookings for Scotland products.

### CHINA

A new official WeChat account launched specifically for intermediaries and subscriber growth campaign with trade media partner Travel Link Daily has led to 400 subscribers in the first four months.

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## ROUTE DEVELOPMENT

### AVIATION

Air passenger numbers in Scotland in 2020 fell to their lowest since 1995. After 10 years of significant growth, some predictions are suggesting that it could take five years for Scotland's airports to regain levels of capacity seen in 2019. Tightening restrictions then the introduction of hotel quarantine for international travellers arriving in Scotland meant that our focus had to turn from the immediate provision of support for new and extending routes, to focus on how the rebuilding of Scotland's access network could support key market ambitions and a green recovery. Working with SDI and Transport Scotland we continue to provide airlines and airports with insights and marketing support to encourage the return and new entry of routes

We work with aviation partners to provide destination training webinars for their agents, updating them with new content about Scotland and reasons to visit, and providing support to them to promote routes into Scotland to their customers. Most airlines are reporting anecdotal pent-up demand and anticipating return of direct routes as international travel returns.

### CRUISE

For Scotland's cruise tourism industry, we worked with the Scottish Government and enterprise agency colleagues through 2020 to generate insights which can support recovery planning for the sector. Findings of a major research project conducted by ekosgen were presented to industry in December 2020 at an event hosted by Cabinet Secretary Fergus Ewing for the 100+ stakeholders who contributed as consultees on the study. The study highlights the opportunity for Scotland to develop a responsible cruise industry for the 21st century.

## RESPONSIBLE TOURISM

VisitScotland aims to play a lead role in the development of responsible tourism practices, making Scotland one of the most economically, environmentally, and socially sustainable destinations in the world. We are taking direct action on issues under our control in our own operations (see Sustainability section, p64), as well as encouraging and supporting responsible tourism development through influencing and collaborating with industry, communities, destinations, visitors, and strategic partners. Much of the activity is driven by VisitScotland's cross-departmental Responsible Tourism group, established in late 2019.

Our key areas of focus to realise a more responsible tourism in Scotland are:

- tackling climate change through a transition to a low carbon economy
- ensuring tourism in Scotland is inclusive of all and supports thriving communities
- encouraging the protection and considerate enjoyment of Scotland's natural and cultural heritage.

## CLIMATE CHANGE

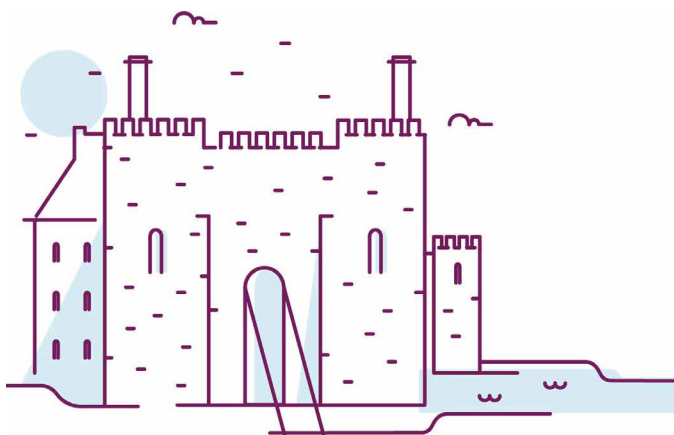
In November 2020, VisitScotland joined Wild Scotland and Sail Scotland to step up the country's commitment to responsible tourism and tackling climate change, by becoming the first national tourism organisation in the world to sign up to the 'Tourism Declares a Climate Emergency' initiative. This is particularly relevant with the 26th UN Climate Change Conference (COP26) being hosted in Glasgow in November 2021. This globally significant event provides a unique opportunity to promote Scotland as a low carbon responsible tourism destination, inspire and engage the tourism and events industry and visitors to drive action towards a low carbon future. In late March, the Scottish Government announced a funding package for the tourism recovery plan, including a project to support the industry's transition to NetZero.

VisitScotland works closely with a wide range of partners, such as Zero Waste Scotland, Energy Saving Trust, Keep Scotland Beautiful, and Green Tourism, who are offering a wide range of advice and support to industry to become more sustainable

## PROTECTING COMMUNITIES

To ensure that tourism supports and benefits communities across Scotland, our marketing activity promotes strong geographical and seasonal spread, encouraging visitors to stay longer, visit all year round and explore more of what Scotland has to offer. During the summer months, there were some negative impacts from high visitor numbers, inappropriate disposal of waste, and disruption for some local communities.

In late March VisitScotland's responsible tourism campaign launched, encouraging visitors to be considerate of the impact that visits can have on the landscapes, wildlife and communities that Scotland is famed for.



## INCLUSIVE TOURISM

The priority this year during the height of the pandemic was to raise awareness of the concerns of disabled people, senior travellers, and families with young children in participating in tourism once restrictions were lifted. Working alongside three charities, Tourism for All, Euan's Guide and the Edinburgh & Lothians Carer's Centre – VOCAL, these target groups were asked specific questions about making day visits and overnight stays. Data and feedback from all three surveys were used to compile advice on what additional support and reassurance businesses could offer to potential customers. A webinar delivered to 80 ASVA members focused on what simple but effective measures could be put in place to welcome people back. Working with partners such as PurpleTuesday, Euan's Guide and industry groups we encouraged 151 additional businesses to produce an accessibility guide detailing their access facilities and hygiene safety measures.

A series of free-to-use training videos produced by PurpleTuesday providing tips on a range of topics from how to make your website accessible to sharing tips for front-line staff on how to welcome disabled customers was also made available on our corporate website.

## RURAL TOURISM INFRASTRUCTURE FUND

The Rural Tourism Infrastructure Fund (RTIF) awarded more than £6m to 26 projects in 2020/21 from 11 Local Authority and National Park areas, many achieving successful grant awards for the first time. RTIF also awarded a further 26 Project Design Grants as part of an innovative programme of funding to facilitate project design and planning.

RTIF was established by the Scottish Government and the fund is managed by VisitScotland on its behalf. RTIF supports collaborative projects that focus on improving the visitor experience in rural parts of Scotland that are facing immediate and damaging pressures on their infrastructure, or negative impacts on communities due to significant increases in visitor numbers. £12m of grant funding has been awarded to 58 projects across rural Scotland since the start of the Fund in 2018.

The pressure on local infrastructure has become more evident in many areas of Scotland following the COVID-19 outbreak and the subsequent relaxation of the national lockdown restrictions in summer 2020, emphasising the continuing need for good visitor infrastructure. RTIF supports the work and ambition of the new national Visitor Management Steering Group.

Round four of RTIF, launched in March 2021, will support the delivery of many of the Infrastructure needs identified by the Visitor Management Steering Group where these meet the RTIF objectives and criteria, providing long term sustainable solutions and lowering carbon outputs.

## CASE STUDY

Rural Tourism Infrastructure Fund  
– Round 2 – West Loch Lomond,

Loch Lomond & Trossachs National Park Authority - Total Cost £713,222, RTIF Support 281,000

The West Loch Lomond project was designed to ease visitor pressure at Luss, by expanding and improving the toilet and visitor facilities further up the West side of Loch Lomond at Tarbet and Inveruglas. As well as some improvements at Luss toilets to facilitate access to the toilets by wheelchair users and baby buggies, there were improvements to the car parks at Inveruglas and Tarbet to include Electric Vehicle charge points at Inveruglas, the installation of a campervan waste disposal point at Tarbet and new smart refuse bins at both sites.

The refurbished toilets at Inveruglas now include a fully accessible 24-hour access toilet and a new Parent and Child facility. At Tarbet, the toilets were completely refurbished and as well as a new, larger accessible toilet within the complex, the facility now features a separate fully accessible 24-hour access toilet.

All facilities were open to the public in 2020 and the National Park Authority reported very positive feedback from visitors and local businesses with features such as the motorhome waste facility at Tarbet having an immediate impact with less waste being deposited irresponsibly in the area.

## INFORMATION

All 26 iCentres were opened from mid July 2020 onwards and remained operational until Christmas 2020. In that timeframe we saw 144,000 visitors from domestic and international markets. The iCentre teams provided information on what was available for visitors and how to access attractions and tours, whilst making the experience welcoming and inspirational for our visitors in difficult circumstances. Our retail and ticketing activities were affected by the decline in visitor numbers.

Our COVID-19 protocols worked well over the time we were open, and our risk management processes ensured that the safety of visitors and staff was always considered.

## ICENTRE IMPROVEMENTS

After the second national lockdown in December 2020, behind the scenes we started planning for a reopening in Spring 2021, which was an easier undertaking this time round, as all procedures were agreed and could be readily implemented.

With colleagues in Facilities, Finance, IT, Procurement and Marketing a tender was submitted for a new Electronic Point of Sale (EPoS) system. Our new system will give us a more flexible and future proof platform for our retail and ticketing operations and will also enable us to collect customer data for our marketing activities.

We have used the last lockdown to work on improvements to a number of iCentre sites:

- Aviemore iCentre was completely refurbished in March – the work undertaken includes a new shop front, revised front of house layout and improved back office facilities for our staff. A key consideration here is ensuring the Cairngorms National Park is well represented and we worked with colleagues in the Park to ensure the appropriate imagery and messaging is displayed. The new space is bright, contemporary and delivers a fantastic customer experience.
- In Brodick we improved the exterior by installing new timber cladding and signage. The visitor experience has been enhanced internally with new retail fixtures and fittings, graphics, and digital signage.
- In Aberfoyle we have created new and enhanced facilities for our staff by developing new back office and meeting spaces.
- St Andrews iCentre was also upgraded internally with new heating, internal signage, graphics and the installation of a digital screen where we can share some of our UGC and digital assets.

Our iKnow programme has been paused for 2020/21 and we are now looking towards starting the programme up for Summer 2021, in the first instance providing support to local businesses through our What's Open newsletter.



## THEMED YEARS – YEAR OF COASTS AND WATERS 20/21

The Events Industry Development team leads our Themed Years programme, working in co-ordination with multiple internal and external partners. In May 2020, as part of industry recovery, it was agreed that Scotland's Year of Coasts and Waters 2020 (YCW) would flow into 2021. Discussions commenced with all supported YCW 2020 event organisers to rescope and reshape the events programme, and planned marketing and partnership activity was rescheduled.

Despite the challenges of COVID-19, our industry partners and event organisers proved resilient, with some event organisers using technology to connect with audiences and we saw supported events such as RowAround Scotland, Nevis Ensemble and Edinburgh Science Festival create innovative, online offerings across 2020/21. The enthusiasm from industry continued to be demonstrated through the creation of a range of YCW20/21 themed activity including NatureScot's 'Plunge In' fund and 2021 calendar, Historic Environment Scotland's [Splash Back project](#) and [Scotland's Coasts](#) exhibition, RSPB's [Nature of Scotland](#) awards and Marine Conservation Society's [BBC Springwatch blog](#).

Throughout 2020/21 we continued to shine a spotlight on the industry with the 'Day in the Life' series of monthly features focusing on those who work within a coasts and waters setting or industry. A new series of YCW case studies was published in December providing practical examples of destinations, businesses and organisations who have used the Themed Year opportunity to their advantage to inspire, engage and enhance the visitor experience.

VisitScotland continued to showcase the theme across its own channels including e-newsletters, social media and website content which continued to deliver strong engagement, particularly the blog posts on [Best Fish and Chip shops](#) (95k page views) and [Best Seafood Shacks](#) (48k page views). Phase two of the digital content partnership with National Geographic celebrating our vibrant YCW20/21 themed natural and cultural heritage went live in March 2021, reaching audiences across UK, France, Germany and Netherlands.

The Themed Years team continue to work with the supported and partner programme events, engage with existing and new industry partners and plan inspiring marketing activity to ensure Scotland's Year of Coasts and Waters fulfils its potential in 2021.

Looking ahead to 2022, after consultation with key partners the Scottish Government has confirmed that Scotland's Year of Stories will take place as originally planned. The programme of activity will be designed to support the nation's tourism and events sectors, playing an important part in post-COVID-19 recovery.



## FESTIVAL UK\* 2022

Festival UK\* 2022 (\*working title) is a new UK-wide festival of creativity and innovation being delivered in partnership across all four nations. It consists of 10 diverse large-scale projects exploring an incredible range of imaginative ideas and perspectives combining Science, Technology, Engineering, Arts and Mathematics, designed to engage audiences in their millions.

VisitScotland is the strategic delivery body for Scotland for Festival UK\* 2022, as appointed by the Scottish Government and will be responsible for directly commissioning and managing Scotland's contribution to the Festival.

In September and October 2020, an open call was sent across all four nations inviting scientists, technologists, engineers, artists, and mathematicians to form Creative Teams and apply to take part in a funded R&D programme to develop project ideas for the Festival. Fourteen Scottish teams comprising of 122 organisations and individuals applied to take part. The selection of the two Scottish teams that went forward into the innovative R&D programme, and the final team to be commissioned for the Festival, was made by VisitScotland with support from a panel of Scottish industry experts following a rigorous assessment process.

Scotland's commission, entitled 'Dandelion', takes a unique approach to community growing celebrating music, future food technology and sustainable festivals, demonstrating the power of collective action in the largest 'grow your own' project of modern times. This exciting collaboration with the next generation of creatives and activists will inspire positive change by harnessing the creativity, passion and enthusiasm of schools and communities across Scotland, the UK and beyond, empowering hundreds of thousands of people to grow and share food and music.

Scotland's team is a collaboration between festival organisers, freelancers, cultural directors, inventive technical and production experts, renowned earth scientists and dedicated specialists in sustainability, youth and community engagement. Drawn from a wide range of organisations and specialisms from all parts of the country, the team has found a common vision to initiate and support the genuine societal change people crave after more than a year of social isolation.

## SECURING BUSINESS EVENTS FOR THE FUTURE

Throughout the pandemic, the pipeline for future business events with lead times of up to six years did not cease completely, VisitScotland continued to work to secure major future conferences for Scotland.

Countdown Summit, powered by TED and Future Stewards, 12-15 October 2021, will gather global leaders in Edinburgh in October 2021 to unveil imaginative and scalable solutions to turn the tide on climate change and create a healthier and more equitable world for all. TED and Future Stewards launched the Countdown initiative via a live virtual event in October 2020 with talks and performances by Pope Francis, Prince William, Christiana Figueres and Al Gore as well as scientists, activists, artists, schools and leaders from business and government. Countdown is a direct result of the EICC and VisitScotland's successful hosting of TEDSummit in 2019.

VisitScotland secured the C&IT Festival of Forums for Scotland in Summer 2022, which will bring in 170 buyers from the UK market with a combined annual events budget of £3.5bn. Traditionally four separate forums, this is the first time that all forums will be held at one time in one location. Over the course of four days there will be educational sessions, 1:1 business meetings and networking with core content built around #JourneyToChange. Along with the buyers there will be 80

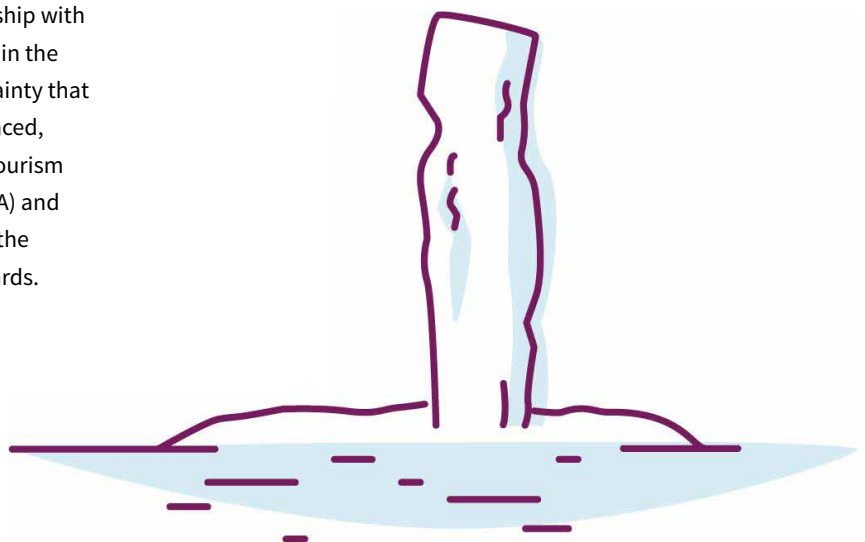
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suppliers both from the UK and internationally who will take part. This will be important in rebuilding the business events industry in Scotland along with extensive regional spread with post forum educational trips.

The International Water Congress (IWC) will see thousands of leading water security professionals come to Scotland in 2024 and create an opportunity to develop legacy linkages between the IWA, the Scottish Government and Scotland's wider research and innovation networks. The 7,000 delegates will come from organisations as diverse as water engineering firms, national and supra-national government agencies, investment and development banks, global water charities, data analysts, global water utilisation NGO's, academic and research institutions. The event was secured by SEC, Glasgow Convention Bureau and VisitScotland Business Events with support from the Scottish Government.

### SCOTTISH THISTLES

Dubbed Scotland's tourism Oscars, the Thistles is delivered by the VisitScotland Events Industry Development team in partnership with an industry panel to help to raise the standard of excellence in the tourism industry. Due to the continued pressure and uncertainty that Scotland's tourism, hospitality and events industries have faced, VisitScotland, in collaboration with Highlands and Islands Tourism Awards (HITA), Aberdeen City & Shire Tourism Awards (ACSTA) and the industry panel took the difficult decision to cancel both the 2020/21 and the 2021/22 programme of Scottish Thistle Awards.



# Facilitating innovation and embracing change in a global digital economy

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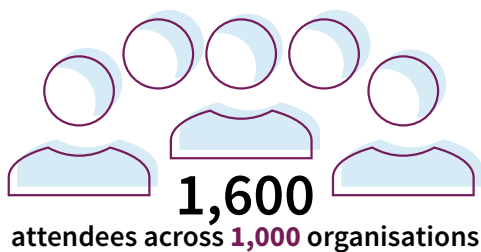
VisitScotland drives innovation across the industry by providing insight on trends and development, and through the creation of leading digital platforms used by our skilled industry to create more business opportunities.

Our collaboration with, and empowerment of, industry innovators is bringing new technology and ideas to the fore, which enhances the visitor journey and experience. We are also supporting businesses by providing intelligence and insight and, by drawing together data sources, enabling informed strategic investment decisions.

All of this enables businesses and destinations, to develop Scotland's tourism offer.

# Pillar Three

## Digital skills support

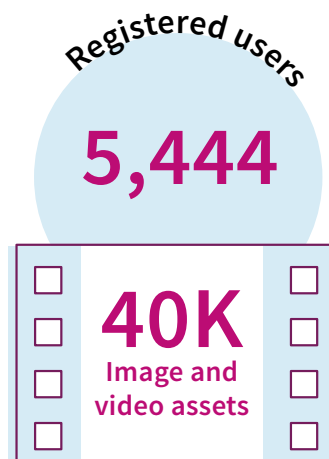


**10**  
Tourism focused  
online workshops

**300**  
requests for  
digital reviews

Toolkit  
developed  
and published on  
[visitscotland.org](https://visitscotland.org)

## Digital Media Library



# Facilitating innovation and embracing change in a global digital economy

## EVENTS

### GROWTH FUND

Due to COVID-19, the decision was made by the Growth Fund Panel in March 2020 to pause the fund and it has remained so to allow VisitScotland to develop wider recovery funds across the Visitor Economy.

Despite being paused, the Growth Fund Team worked closely with the 10 existing supported groups throughout the year to ensure that any planned activity was aligned with VisitScotland's strategy and any COVID-19 restrictions.

In order to ensure the sector continues to be supported, a £3m VisitScotland Destination & Sector Marketing Fund was announced by Scottish Government in March 2021.

### EVENTS PIVOT DURING PANDEMIC

The COVID-19 outbreak led to a flood of cancellations and postponements from events across the country. Some event organisers decided to adapt their in-person events into digital experiences to help mitigate the void, which was felt by the industry, and audiences alike.

VisitScotland responded to the impacts of the pandemic by establishing a new fund, the Scottish Events Recovery Fund which was aimed at specifically supporting the sector during this challenging period, including the delivery of digital and hybrid events. Funding was given to help enable organisers to make that switch, and to enhance their digital programming, and capabilities.

Over the course of this period, the organisation funded a diverse range of events: art, film, book and music festivals, Highland Games, and sport events. Events embraced new technology and innovation to create engaging experiences for their remote audiences. These included live streamed Q&As

with directors, and actors as part of Ed Film Fest at Home; Small Halls Big Cèilidh which invited the world to take part; a celebrity-led virtual Big Burns Supper; and Edinburgh's Hogmanay 2020 drone swarm which illuminated the Scottish skies with narration by David Tennant.

As the pandemic progressed, many organisers quickly realised the value and potential of hosting virtual events as a crucial way of staying connected to existing audiences, but also reaching new global audiences, and generating revenue.

Organisers unanimously said the response to their digital events had been positive, and they will use what they have learnt to complement live events in the future. Successful highlights included Granite Noir which generated 14,000 views from 52 countries, Wigtown Book Festival received £28,000 in donations; Ed Film Fest at Home generated 1.4 million Facebook impressions, Baxters Loch Ness Marathon's overall social media reach was 129,000, with a total engagement of 8,000, and Edinburgh's Hogmanay viewing figures reached more than 6.5 million. Additionally, several organisers remarked on the accessibility and sustainability benefits of virtual events, and that online content could be used to attract people to live events.

Scotland took centre stage at Host City 2020. The conference, going virtual for the first time, shed fresh light on how rights holders and organising committees have adapted throughout the pandemic, both in the UK and globally. Over 800 delegates tuned in to listen to the 100-plus speakers at the largest annual meeting of cities and sports, business and cultural events.

Throughout this evolution, event organisers and partners that the EventScotland team worked with, were open about the challenges, and opportunities that came with navigating this new digital landscape. Their valuable and insightful contributions provided the framework for a series of case studies and webinars all hosted on a dedicated web page on VisitScotland.org.



## CASE STUDY

### Highland Games go virtual

In 2020, a year like no other, Scotland's most renowned Highland Games went digital, giving audiences the chance to watch, and celebrate Scottish and Celtic culture from the comfort of their own homes. Viewers from every corner of the world were treated to a virtual Games feast during August and September which included Highland dancing, Heavies, historical highlights, ceilidhs, piping, and a range of world-wide performances.

VisitScotland provided a range of support from funding through to promotional opportunities to ensure not only their successful delivery but also to raise their profile to audiences near and far.

First up, was The Stirling Highland Games which celebrated 150 years of the games with a virtual programme called 'The Best of Stirling with Stirling Highland Games' on the 15 August. The programme featured a #FlingItAtHome competition, virtual Heritage Tours, and VisitScotland's latest Tour Guide Tales podcasts featuring Stirlingshire. The Games reported a staggering 74% increase in countries reached, 4,221 engagements, and generated 35,945 video views, a significant spike as their 2019 event attracted an audience of 5,435.

On the 27-29 August audiences tuned into Cowal Highland Gathering to enjoy three days of online entertainment

including exclusive interviews, global performances; highlights of the 126-year-old event, a virtual 5k walk/ run, and the chance to enjoy a dram with their Ceilidh band. Their video: 'To Cowal, with love', was viewed nearly 95,000 times (three times what the organisers would have expected for their live stream on a good year), and was shared 1,000 times over the weekend. 13% of visits to their website were from the USA alone, followed by Canada, then Australia. Their Facebook page also reached 1,275,877 and achieved over 163,000 interactions.

On 12 September viewers watched The Braemar Royal Highland Gathering, and enjoyed a jam-packed, and traditional programme of competitions and events including heavy athletics, piping, highland dancing, track and hill racing as well as a tug of war. The results were huge, within 48 hours they had 225k views of the films created - that equates to filling the Braemar Gathering at full capacity 12.5 times over. The Royal Household backed the Games both in a visit to their filming day and on #virtualhighlandgames day. They shared images and encouraged followers to participate in the event on their social media feeds.

The digital editions were a huge success, providing much needed entertainment, connection, and inspiration during the pandemic, while also ensuring that the popularity of the Games, and their traditions, continue to grow at home and overseas.

## DIGITAL MEDIA LIBRARY

Our Digital Media Library was launched in October 2018 and contains a broad range of high-resolution images from across Scotland. Since then we have supported thousands of businesses by providing digital assets for their own promotions.

As of the end of this reporting period we have 5,444 registered users and approximately 40,000 image and video assets. Businesses specialising in the visitor market and promoting tourism in Scotland can apply for access to our Digital Media Library. Once businesses have signed up they can access and download images and video footage, free of charge, for promotion of Scotland as a visitor destination. They can also upload their own imagery for use in VS content.

Examples of use by our partners are: Edinburgh Tourism Action Group (ETAG) combined their own suite of images with additional content from the VS DML to support content themes for 2021 paid marketing activity in their Forever Edinburgh campaign. This included around 60 images accessed and downloaded through the DML. Glasgow Life sourced and supplied 50 City of Music specific images to increase assets available for a joint project on the UNESCO trail. These are now available to stakeholders centrally in one location for the project through the DML.

## DIGITAL SKILLS SUPPORT

The importance of digital skills was brought into sharp focus for many businesses by COVID-19 disruption, with the need to communicate more effectively with customers online, use new platforms to digitally manage compulsory bookings and visitor flows on re-opening. Our collaboration with Business Gateway and Digital Boost used insights gathered through our engagement early in the pandemic with businesses to inform a brand-new partnership programme.

This included 10 tourism-focused online workshops, including our VisitScotland Digital Fundamentals which resulted in requests for digital reviews to be undertaken with over 300 tourism businesses. This first wave of the partnership programme generated 1,600 attendees from 1,000 organisations. A toolkit was developed and published on VisitScotland.org to support the procurement of web booking, channel management and OTA distribution. Year-on-year levels of online booking supported by visitor attractions and experiences has increased from 13.8% to 21% as the pandemic accelerated the shift to digital.

## INSIGHTS

VisitScotland's insights department delivered core support to colleagues, partners and stakeholders. This included digital analytics, social listening and CCRM data support for marketing, CCRM tech development, input to the Responsible Tourism activities, a survey of visitors during the open period, tracking Brexit impacts, economic measurement and the sharing of insights and trends through publications, webinars and presentations.

## CASE STUDY

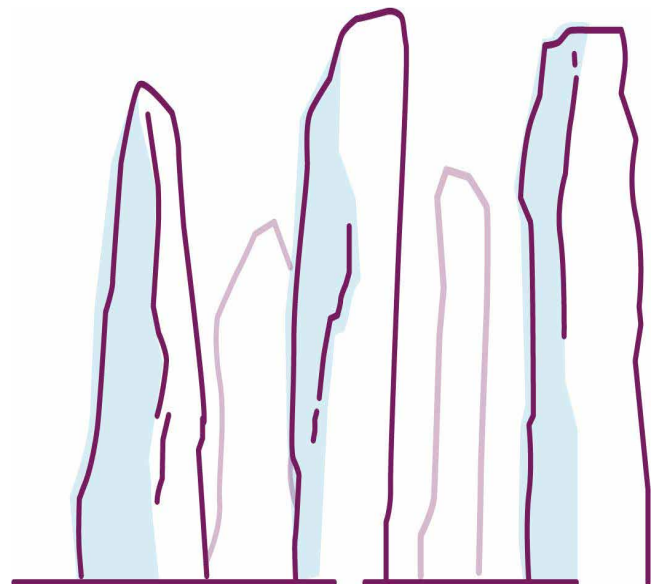
### Tourism and the film and creative industries

Extensive research shows one in five visitors now come to Scotland having been inspired by locations they have seen on film or TV. Our partnerships with major distributors and broadcasters such as Sony Pictures Entertainment, Universal Pictures, Studio Canal and Netflix have resulted in extensive and successful PR and marketing campaigns. These not only inspire visitors, but also act as valuable marketing tools for Scotland's regions and tourism partners to help promote the locations featured and associated activities.

Throughout the recent lockdown periods, the demand for quality film and TV was extremely high and saw a wide range of feature films as well as nature, travel and factual documentaries broadcast in the UK and internationally. In a period when our message to potential visitors was "dream now, travel later" these productions helped keep Scotland top of mind when visiting Scotland wasn't possible.

As a result of halted film and TV production in Scotland and the growing interest amongst the UK public of exploring more of their own country once able to travel again, a brand new initiative was developed across the tourism, heritage and the production sectors.

Access Scotland was created as a collaborative project with Screen Scotland, VisitScotland, Historic Environment Scotland, NatureScot and the National Trust for Scotland. It is the first venture of its kind and aims to create further factual programming ideas for Scottish based production companies, with a view to international sales. This will create opportunities for the screen industries in Scotland and deliver high quality broadcast content which will showcase the best of Scotland to audiences in the UK and internationally.



# Enabling VisitScotland: good to great to world class

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This supporting pillar of the Strategic Framework focuses on the ambition to continue to enhance our reputation as a world leading national tourism organisation. Through digital transformation in the way we work and do business and the way we promote Scotland to visitors, through to the way we support the industry and develop our insight and research in a way that contributes to growth in the visitor economy, we are well into our journey to move from good to great to world class.

Our people are key stakeholders in the creation of a world class organisation. They are our most valuable asset, with each and every employee having a voice and the power to make a real difference. This fact is the central premise of Our People Strategy.

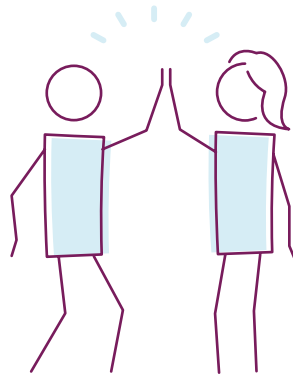
# Pillar Four

## Staff Surveys

Engagement  
**78%**

**97%**

Positive feedback in response to pandemic



## Business

**Weekly** messages to staff from Chairman and CEO

New business unit established for 2023 Cycling World Championships

Staff redeployed

**230**

# Enabling VisitScotland: good to great to world class

## SUPPORTING OUR PEOPLE

The COVID-19 pandemic transformed our human resource services throughout 2020/21. Our office-based employees transitioned to a fully functioning home-based operation while our iCentre workforce remained responsive and adaptive to the changing guidance related to customer facing services.

Our human resources team focused on what the organisation needed to continue to deliver the commitments set out in our strategic framework and what our people wanted and required to support them at work and on a personal level throughout the pandemic. Taking care to support all our employees, we recognised the range of challenges that they faced - from living alone, the inability to be with family, parents with young children, home schooling and those with caring responsibilities to those with a range of physical and mental health concerns. Responding quickly and pragmatically to the ever-changing external environment and translating it to what it meant for our staff became the daily norm.

## ATTRACTING AND NURTURING TALENT

While we briefly paused recruitment in March 2021, the need to attract new employees to fill key vacancies and the need to nurture and develop the existing workforce remained. We worked closely with LinkedIn and agencies to fill vacancies. Our recruitment, onboarding and induction processes moved online, utilising video conferencing technology. We recognised very quickly our workforce could be geographically dispersed and made the decision to advertise more job roles Scotland-wide, spreading the opportunities across our network and attracting candidates from urban and rural communities across the country.

Our staff development activities continued but moved online with an increase in e-learning and virtual classroom offerings to meet and fulfil the development needs of the individual and the business.

## INCLUSION, DIVERSITY AND WELLBEING

We have set about creating an environment that not only fosters excellence, but also provides stronger support for our workforce, which weaves into our benefits such as employee support and a safe return to work programme, as well as promoting mindfulness and looking after the health and wellbeing of our people.

Enhancing our already robust equality and diversity activities, we created a new equality charter with commitments from across the business. Staff support groups including LGBTI+, the inclusive network alliance (previously the disability group), a carers group, the dyslexia and dyspraxia group and a newly formed parents group helped to engage staff and address collective and individual needs.

Supporting the wellbeing of staff became critical, whether that was simply sharing hints and tips or encouraging participation in health programmes including our newly formed partnership with 'Headspace', an app offering guided meditation, mindfulness and content to aid sleep. Together these provided all staff with access to a range of content to support their needs.



## ENGAGING WITH OUR EMPLOYEES

Understanding the views of our employees and measuring their engagement levels is important at any time, but it becomes crucial during times of a crisis. We conducted two staff surveys during 2020 to gain an insight and understand how employees felt about the support they were receiving and what more we could do. Engagement levels soared reaching 78%, an increase of 6 percentage points compared to the previous year. Their feedback has helped shape the way we operate now and will operate in the future with an increased appetite for hybrid working, the opportunity to be more sustainable in the way we work and the ability to use technology to enhance communication and teamwork all highlighted.

## REDEPLOYMENT

Whilst many staff were able to continue in their existing roles, a redeployment programme allowed the movement of staff across the organisation to help where workloads increased and decreased. In the administration and management of the industry support funds we redeployed over 230 staff from January to March 2021, many of whom were iCentre staff and industry facing staff who were unable to continue in their roles due to lockdown restrictions.

## 2023 CYCLING WORLD CHAMPIONSHIPS LIMITED

VisitScotland will provide all corporate services to our new subsidiary under a Service Level Agreement throughout its life. In this year that involved our Finance, Procurement, IT, Facilities, Legal and HR teams supporting the new subsidiary in largely start up activities.

This involved work such as establishing the company and governance rules including appointing external and internal auditors, developing and implementing in our Oracle ERP

system the subsidiary company, undertaking procurements and establishing procurement processes, sourcing and fitting out an office for staff and providing IT support and system access to all staff.

Additionally the human resource team supported the needs of the newly formed subsidiary including the appointment of a Chief Executive Officer, Directors and the wider team as well as the appointment of Non-Executive Directors.

The VisitScotland team will continue to provide HR support for this hugely exciting event in 2023.

## INTERNAL COMMUNICATIONS

When lockdown first hit, staff were our first consideration and getting information out to them through our various channels was important to ensure they felt supported in their transition to working from home.

A weekly message from our Chairman and CEO ran alongside catch-up meetings allowing staff to ask the boss any questions they wanted. These sessions proved to be very popular and 110 staff appreciated the opportunity to meet the CEO in person yet virtually. Some 500 stories and 150 all-staff emails were sent out and we held our first all-staff webinar via Teams.

Our staff adjusted really quickly to working from home and we supported this by ensuring they were kept up to date with developments through clear communications and daily stories on our intranet, the Hub, and through our internal social channel Yammer. A Friday catch-up of all the things that had happened that week became a regular feature, written with warmth and wit, and staff feedback was very positive.

Communications was singled out in our staff survey for keeping spirits high and informing and motivating staff during the lockdown.

# 2023 UCI Cycling World Championships

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Throughout 2020/21 a lot of work has been undertaken to establish a strong foundation to host, manage, organise and promote the Championships since the Scottish Ministers entered into a Long Form Agreement, which sets out the respective rights and obligations of both the host and the event owner, with the Union Cycliste Internationale (UCI) on 25 November 2019 for the benefit of itself and the other Principal Funders – Glasgow City Council and UK Sport, as well as Host Partners VisitScotland, and British Cycling.

Following the signing of the agreement, the Scottish Ministers delegated its rights and responsibilities under the Long Form Agreement to VisitScotland, with the organisation establishing its wholly owned subsidiary in February 2020, 2023 Cycling World Championships Limited, to plan and deliver the event.

Planning and delivery for the event will be the responsibility of 2023 Cycling World Championships Limited. As the sole member, VisitScotland will ensure appropriate governance arrangements and controls are in place, with the VisitScotland Board accountable for the performance of 2023 Cycling World Championships Limited (2023 Cycling Worlds) in accordance with the Governance Framework Agreement between Scottish Government and VisitScotland. VisitScotland will also contribute to the events vision and ambition.

A number of key milestones were reached during the past 12 months including appointments to the Board and Executive. Following the first meeting of the Board on 24 June 2020, nominated directors from the Principal Funders and Host Partners – Scottish Government, Glasgow City Council and Glasgow Life, UK Sport, VisitScotland, sportscotland, and British Cycling - were appointed.



In September 2020, following an open recruitment process, five Non-Executive Directors were appointed to the Board along with one co-opted board member. This was then followed by the establishment of the 2023 Cycling World Championships Limited Worlds' Audit and Risk Committee in October 2020, chaired by the Senior Independent Director.

Trudy Lindblade was appointed the Chief Executive in October 2020 following a global search, taking over from Interim Director. Following her appointment, the key focus was to move the event from project initiation to delivery phase, which took effect in January 2021. Recruitment of the four executive Director roles was completed in January 2021 with a further six employees brought onboard by the end of financial year.

In January 2021, 2023 Cycling World Championships Limited signed the first of the Principal Funders agreement with UK Sport, followed quickly with the Glasgow City Council agreement in March 2021. A Services Agreement between VisitScotland and 2023 Cycling World Championships Limited also came into formal effect on 1 April 2021.

In November 2019, as part of the LFA, the Joint Partnership Committee (JPC) was established to deliver the innovative 'one partnership team' approach for the sponsorship rights for the Championships. Made up of equal representation from 2023 Cycling World Championships Limited and the UCI, the JPC's priority was to appoint a sponsorship sales agency and develop a single set of innovative packages for global sponsors. Following an extensive procurement process, Inside Edge were appointed in January 2021 as the event's exclusive international sponsorship sales agency.

This collaboration between the UCI and the 2023 Cycling Worlds team continued with the development and delivery of the ambitious brand identity for the event which was launched in March 2021 along with the 2023 Cycling Worlds' digital channels.

From the outset, the 2023 UCI Cycling World Championships have been putting its policy ambitions for cycling in Scotland at the centre of its strategy and decision-making to inspire more people to ride bikes and to utilise this unique opportunity to be a catalyst for positive change. Key policy areas include cycling tourism, cycling participation, world-class cycle sport, cycling as transport and cycling industry. Initial work has commenced on the organisation's equality, diversity and inclusion framework and the event's sustainability strategy.

Overall, the 2023 Cycling Worlds team have achieved a number of critical key milestones over 2020/21, despite the challenges presented by the pandemic, with strong foundations now in place as the event moves forward at pace towards 2021/2022.

UCI President David Lappartient said: *The 2023 UCI Cycling World Championships will bring together, for the first time in the history of our sport, several thousand athletes from different disciplines and five continents in an unprecedented celebration of cycling in Glasgow and across Scotland. The event logo and visual identity we are unveiling today illustrates the excellence and universality of the UCI World Championships combined with the expertise, hospitality and vision of our hosts. This unique event will leave a lasting legacy in Scotland for generations to come and will make history in the UCI and our sport in all its forms – competition, leisure and transport.*

*The 2023 UCI Cycling World Championships present an historic first for the sport and it is an honour that Scotland has been tasked with delivering them. We know from experience from working on the biggest sporting events in the country that these Championships will truly make a difference to the communities involved and this is a key moment in engaging with them."*

## CASE STUDY

*Ambitious brand identity designed to be a lasting symbol of cycling in Scotland*

On 19 March 2021, the ambitious brand identity for 2023 UCI Cycling World Championships was unveiled to the world.

Seamlessly combining the professionalism and credibility of the Union Cycliste Internationale (UCI) with the warm, friendly welcome of Glasgow and Scotland, the brand identity for this prestigious new event was developed in collaboration between the UCI, the 2023 Cycling Worlds Marketing and Communications team, and Glasgow design agency Stand.

At the heart of the brand identity is the ‘squiggly bike’ – the host identity, which has been designed to encompass a feeling of playfulness, inclusivity, and positivity. The host identity will act as a lasting symbol of the event and what it aims to achieve for communities right across the country.

It also incorporates the prestigious UCI rainbow in its design, which is a first for a UCI World Championships. This will remain in place after the event, with the UCI providing approval for the ongoing use of the rainbow colours in support of the event’s wide-ranging policy ambitions to develop cycling in Scotland.

The people of Scotland can take the ‘squiggly bike’ to their hearts as a lasting inspiration to celebrate the power of the bike long after 2023.

To launch the brand identity a 30-second brand video was rolled out across the 2023 Cycling Worlds Twitter and LinkedIn accounts. It generated more than 8,000 views on LinkedIn with an engagement rate of 6.4%, while on Twitter it was viewed 8,500 times, with 88,000 impressions.

The video was also used to launch the 2023 Cycling Worlds Instagram and Facebook accounts and received high engagement for brand new channels with 831 views, and 2,600 video reach on Facebook, and 566 views and 601 reach on Instagram.

A new website was also launched with the main aim of getting those keen to find out more about the event and its ambition to sign up to be part of the journey. The website had 1,750 users, with 430 subscribing to the 2023 Cycling Worlds’ email, a subscription rate of 25%. The subscription or opt-in rate is well in excess of the global average opt-in percentage, which is between 0.50% and 1.40%. The launch also received six pieces of online coverage with an estimated 705,000 online readership, 6.82k estimated coverage views and 132 social shares.



# Key performance indicators

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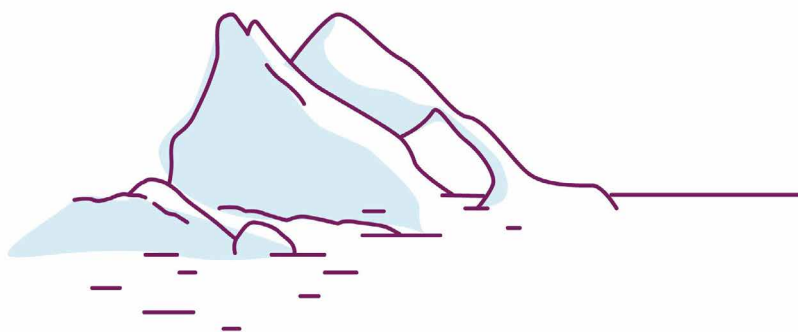
VisitScotland's success in delivering sustained benefits to the Scottish economy is supported by a number of performance measures.

## Economic Performance

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 - the monetary value of all economic activity related to or associated with an intervention.
- Net economic impact (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.

VisitScotland was a key contributor to the achievement of the 2020 industry strategy. Following this, our focus as an organisation moved to making a meaningful contribution towards the ambition of the national strategy, Scotland Outlook 2030. However, as a result of the pandemic, the organisation pivoted its focus to support the industry by delivering the Covid business support funds summarised in pages 11-21 of this report. The impacts of the pandemic have meant that there was no measurable economic impact for the year in relation to our core activity.





VisitScotland Interventions	2020/21	2020/21	2020/21	2020/21	2019/20	2019/20	2019/20	2019/20
	GEA	NEI	GVA	FTE	GEA	NEI	GVA	FTE
	£m	£m	£m		£m	£m	£m	
International Consumer Marketing – Short Haul/Europe (Jan– Dec)	N/A	N/A	N/A	N/A	176.2	14	9.1	208
International Consumer Marketing – Long Haul (Jan – Dec)	N/A	N/A	N/A	N/A	110.1	8.8	5.7	132
Rest of UK & Ireland Consumer Marketing (Mar– Feb)	N/A	N/A	N/A	N/A	215.6	20	13	296
Scotland Consumer Marketing (Mar– Feb)	N/A	N/A	N/A	N/A	160.9	1.2	0.7	17
International Programme	N/A	N/A	N/A	N/A	157.8	80.1	48	1,597
National Bid Fund	N/A	N/A	N/A	N/A	50	30	14.7	389
Route Development	N/A	N/A	N/A	N/A	48.8	18.8	13	295
Quality Assurance	N/A	N/A	N/A	N/A	413.6	9.1	6.3	142

The table above includes the most significant activities in relation to economic impact for 2019/20. These activities show no measurable economic impact for 2020/21 which highlights the devastating impact of the pandemic on the industry. Looking forward, we will focus on recovery activity ensuring responsible tourism is at the heart of everything we do, in line with Scotland Outlook 2030. When it is possible to do so, we will return to reporting our activities against the agreed indicators highlighted above (GEA, NEI, GVA and FTE). In addition to this, we will include measurement and reporting on carbon as we work towards the Scottish Government’s target of reducing our carbon emissions by 75% by 2030 to reach net zero by 2045.

# Key policy objective

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## NATIONAL POLICY CONTEXT

VisitScotland provides a significant contribution to Scottish Government's economic development objectives. This section demonstrates how VisitScotland contributes to:

- The National Outcomes in Scotland's National Performance Framework as set out in Scotland's Wellbeing – Delivering the National Outcomes
- The Scottish Government's Economic Strategy

## SCOTLAND'S WELLBEING – DELIVERING THE NATIONAL OUTCOMES (2020/21)

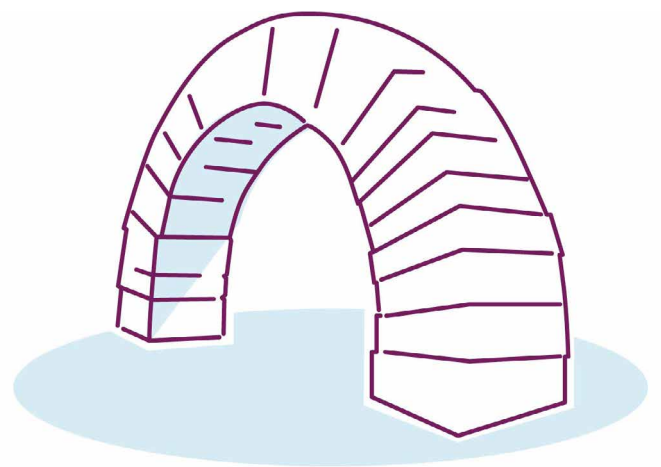
Scotland's National Performance Framework (NPF) sets out the following overall purpose and vision for Scotland:

**Our 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..*

**Our 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 .*

Scottish Government recognises that in light of COVID-19, it is increasingly important to be guided by the vision and values of Scotland's NPF and the UN Sustainable Development Goals. Short term solutions to the crisis are steered by the longer-term vision in the NPF.

The NPF identifies broad National Outcomes that reinforce the purpose and provides measures on how Scotland can assess progress. Although the work of VisitScotland has been affected enormously by the pandemic, contribution to the NPF has still been made in key areas:



NPF National Outcome	VisitScotland Contribution	Scale of contribution
<p><b>Economy</b> We have a globally competitive, entrepreneurial, inclusive and sustainable economy</p>	<p>Under normal circumstances VisitScotland supports a range of activity that delivers additional and sustainable economic impact and directly supports tourism related jobs and jobs throughout the wider economy through supply chain purchases and household spending. The focus this year has been to deliver Scottish Government funding to support the sector. This included administering an initial £104.3m funding package to support tourism and events businesses across Scotland. This was followed by an additional £25m announced in February 2021. This work (along with furlough support) has helped safeguard the vast majority of tourism related jobs and businesses in 2020 and 2021. Please see ‘Funds delivered by VisitScotland’ on Pages 15 and 16 for a more comprehensive account of each fund <sup>1</sup>.</p> <p>Campaigns have also encouraged domestic visitors to support businesses across Scotland, when restrictions have allowed, while internationally VisitScotland have worked to keep Scotland front of mind, ensuring tourism spend recovers when international travel can resume.</p>	Strong contribution
<p><b>International</b> We are open connected and make a positive contribution internationally</p>	<p>The NPF states Scotland has a strong international reputation, ranking 16th out of 50 countries. Although in person activity has been completely cut back during the pandemic VisitScotland has retained its position on the global stage. VisitScotland has continued to stay globally contacted through a range of activities, through PR and marketing opportunities, virtual events showcasing Scotland and B2B activity with intermediaries. Working toward 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. VisitScotland actively engages with a wide range of audiences with an International focus, including other Team Scotland Partners such as Scottish Government, Scottish Development International (SDI) and VisitBritain; the international travel trade; Associations; other National Tourism Organisations; and academia, alumni and Diaspora networks. During the pandemic this has continued with VisitScotland continuing to collaborate with an array of key partners on the international stage.</p>	Strong contribution
<p><b>Poverty</b> We tackle poverty by sharing opportunities, wealth and power more equally</p>	<p>VisitScotland adapts to promote areas addressing challenges such as low tourism numbers experienced by Scotland’s cities during the pandemic. Through relationships with organisations such as Euan’s Guide, Tourism for All and Purple Tuesday we have developed an accessible tourism programme of advice and information for industry and consumers. This includes addressing the specific concerns of disabled people, senior travellers and families with young children, as the pandemic restrictions eased. In 2020/21 we also worked towards the launch of the ScotSpirit holiday voucher scheme to create a more socially sustainable and inclusive tourism industry while supporting recovery. This scheme is directly targeted at allow unpaid carers and low income families. VisitScotland is a Scottish Living Wage employer. During 2020/21 VisitScotland administered 18 Covid Business Support funds to help safeguard businesses and jobs in the industry. These funds were designed in consultation with industry and ensured that financial packages went to businesses facing hardship due to the pandemic.</p>	Growing contribution

<sup>1</sup> The scale of contribution has been determined by VisitScotland’s economist based on available evidence as at August 2021. The scale provides an indication of VisitScotland’s contribution (negligible; growing; moderate and strong) and is not based on a technical scoring approach. The assessed contribution has however been reviewed and approved by VisitScotland’s Board and Leadership Group.

<sup>2</sup> <https://scottishlivingwage.org/>

NPF National Outcome	VisitScotland Contribution	Scale of contribution
	<p>Significantly the new £25 million tourism recovery programme<sup>3</sup> includes projects that aim to improve social inclusion, wellbeing and promote equal employment opportunities.</p> <p>The ‘ScotSpirit Holiday Voucher programme’ will deliver a holiday voucher programme to low income families and unpaid Carers in Scotland. This will provide relief to some of the most vulnerable groups in society, while also supporting the tourism industry. Similarly, the ‘Days Out incentive scheme’ will also help to make day trips more affordable as well as providing a range of other benefits.</p>	
<p><b>Fair Work &amp; Business</b> We have thriving and innovative businesses, with quality jobs and fair work for everyone</p>	<p>VisitScotland is helping to grow Scotland’s business base and 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. Working with the Enterprise Agencies, Business Gateway and other partners VisitScotland is supporting the drive towards digital capability within the tourism industry. This has been accelerated during the pandemic as more businesses seek to improve their digital skills. Innovation has also come to the fore with businesses pivoting and adapting to new ways of working.</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 have been important during the pandemic, as people increasingly look to take a holiday for their own mental wellbeing<sup>4</sup>. The hosting and promotion of sporting events such as Golf and Cycling, including the UCI Cycling World Championships in 2023, raise the profile of an active lifestyle. These ultimately aim to increase participation in healthy activities among Scottish 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.</p>	<p>Strong 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. The organisation was the first NTO to join Tourism Declares a Climate Emergency (Nov 2020)<sup>5</sup> and has committed to publishing a Climate Action Plan aligned to this. Two Working Groups (one internal and one external) have driven VisitScotland’s efforts in this area. Highlighting responsible and sustainable tourism messaging to consumers is complemented by encouraging businesses to drive a responsible, green recovery. The industry-focused Net Zero Pathway project drives this.</p>	<p>Growing contribution</p>

3 <https://www.visitscotland.org/supporting-your-business/advice/coronavirus/sterg/tourism-recovery-programme#days>

4 <https://www.visitscotland.org/binaries/content/assets/dot-org/pdf/research-papers/about-our-visitors/insights-emotional-benefits.pdf>

5 <https://www.visitscotland.org/news/2020/tourism-declares>

NPF National Outcome	VisitScotland Contribution	Scale of contribution
<p><b>Culture</b> 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 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, including through the recovery funds. Activity includes working toward VisitScotland's 2019-2022 Gaelic Language Plan, supporting industry to use Gaelic as an attractor for visitors.</p>	<p>Strong contribution</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. 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.' 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>Growing contribution</p>
<p><b>Children</b> We grow up loved, safe and respected so that we realise our full potential</p>	<p>Through our People Strategy which 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. Measures were put in place during the pandemic to adopt a flexible approach to enable parents to manage both work and childcare duties. Newly introduced hybrid working will also support parental care.</p> <p>Festival UK 2022<sup>6</sup>, a new UK-wide festival of creativity and innovation that aims to stimulate widespread interest in Science, Technology, Engineering, Arts and Mathematics projects. EventScotland is the strategic delivery body for Scotland for Festival UK* 2022. Scotland's Dandelion project<sup>7</sup> 'will harness the creativity, passion and enthusiasm of schools and communities across Scotland, providing an engaging and practical route for each of us to do something positive for our own lives, our communities and the environment.'</p>	<p>Growing contribution</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. VisitScotland is proud to be recognised by Investors in Young People as an exemplar of best practice.</p> <p>Festival UK 2022<sup>8</sup>, (also see 'Children' above) will provide a wide range of educational and community-based projects that aim to stimulate interest in STEM and Art projects throughout society. EventScotland is the strategic delivery body for Scotland's contribution.</p>	<p>Growing contribution</p>

6 <https://www.visitscotland.org/events/funding/festivaluk-2022>

7 <https://www.visitscotland.org/about-us/what-we-do/events/major-upcoming-events/dandelion>

8 <https://www.visitscotland.org/events/funding/festivaluk-2022>

# Sustainability

The Scottish Government has set ambitious climate change targets: to reduce Scotland's greenhouse gas (carbon emissions) by 80% by 2050, with an interim reduction of 42% by 2020, against a 2008/09 baseline.

VisitScotland has aligned its operational activities to meet its obligations under The Climate Change (Scotland) Act 2009 and works through the Sustainable Scotland Network in the ongoing development of its Carbon Management Plan (progress to date - see overleaf).

VisitScotland also supports the work of Zero Waste Scotland and is working with all our sites to reduce waste and increase recycling. During 2020/21 we reduced our overall waste by 90%.

Sustainability continues to be a key consideration for iCentres with each having a Green Champion. Our aim is to achieve Gold status for all sites by the end of the summer once the new online assessment tool is available.

## 38%

of offices and information centres  
certified under the

**Business Scheme**  
at Gold standard level

## 56%

at Silver standard level

## POSITIVE CHANGES

There was no business travel during 2020/21, due to the exceptional year we experienced, which made the largest impact on our overall carbon emission reductions during the period.

We envisage many of these positive changes will continue to all or some degree beyond the pandemic. Some of the key activities include:

- Teams meetings - at the start of 2020, we were just embracing the new Teams technology but with the pandemic and home working, this has become the preferred way of calling/meeting.
- Processes and procedures moved online - our HR activities are now paperless and our learning and development activities moved to virtual classroom settings or utilised eLearning packages, making it more inclusive for staff to attend regardless of their location.
- Zero international travel - this allowed our Marketing teams to work with new and alternative technologies for key events and stakeholder meetings, proving sustainable long term activities, with fewer regular trips replaced with "bigger" annual or biannual trips as needed.
- Commuting - our commuting to contractual base offices has been minimal over the past year, and we were introduced to the concept of a hybrid working model. This and the creation of a new policy will drive how we work in the future and contribute to working in a more responsible manner; this will be implemented for our return to office working and will reduce our commuting carbon emissions.



**CO<sub>2</sub> EQUIVALENT 20/21\***

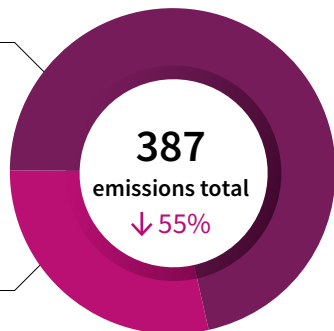
Target: 1,686

379

**Buildings**  
Energy, Waste, Water

7

**Transport**



\*Please note that this year has been exceptional past years due to the pandemic, therefore the figures for 2020/21 reflect the limited activities during this time.

**CO<sub>2</sub> EQUIVALENT 19/20**

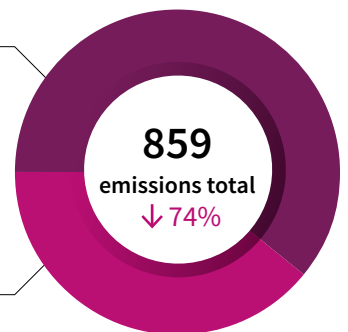
Target: 1,774

524

**Buildings**  
Energy, Waste, Water

335

**Transport**



**CO<sub>2</sub> EQUIVALENT 18/19**

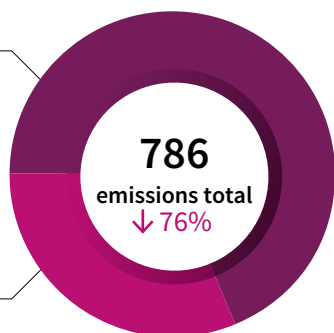
Target: 1,867

541

**Buildings**  
Energy, Waste, Water

245

**Transport**

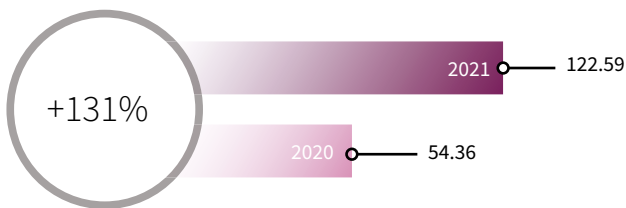


# Financial position

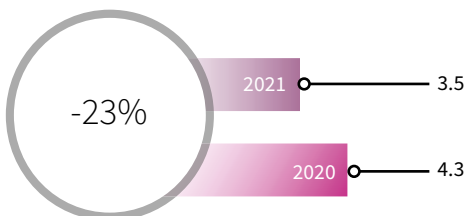
On 28 February VisitScotland established a wholly owned subsidiary, 2023 Cycling World Championships to plan and deliver the inaugural event (pages 56-59). In line with this, full group accounts have been prepared for VisitScotland Group which include transactions for 2023 Cycling World Championships Limited. Additional information regarding the transactions of the subsidiary company have been included in Note 2 - Segmental Reporting on page 109.

## GROUP INCOME

### RDEL cash resource\* (£m)



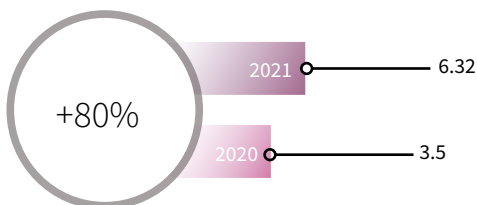
### Retail, commercial, and other income (£m)\*\*



\* The increase in RDEL was in relation to ringfenced Covid business support funding.

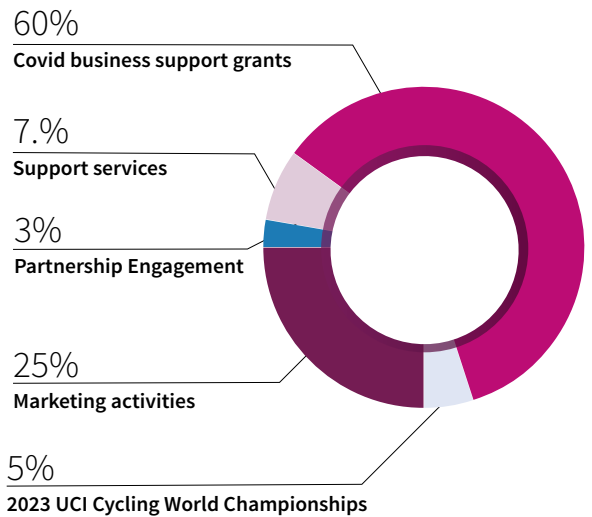
\*\* See Page 110

## CDEL CAPITAL (£M)

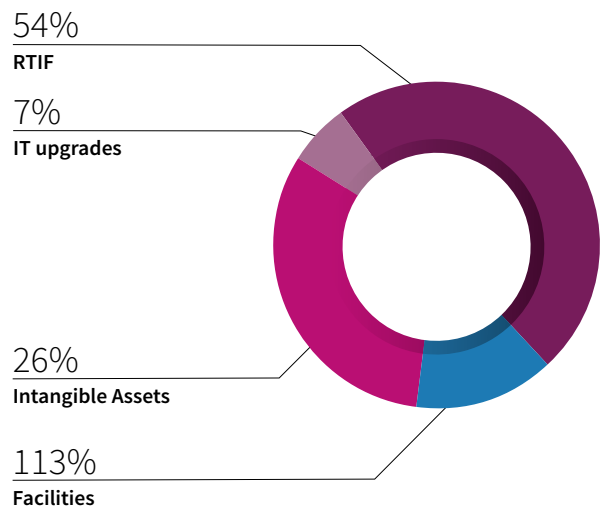


RDEL = Revenue Departmental Expenditure Limit  
 CDEL = Capital Departmental Expenditure Limit  
 There was no capital spend in 20/21 for 2023 Cycling World Championships Limited

## GROUP SPEND BY CATEGORY



## VISITSCOTLAND SPEND BY CATEGORY (CDEL)



## GRANT IN AID

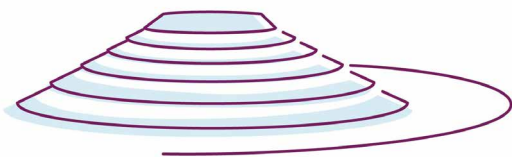
The Resource Budget is provided to cover capital (“CDEL”) and revenue expenditure (on an accruals basis) (“RDEL”), and also ‘non-cash’ costs including depreciation, impairment, etc. The Resource Budget is supplemented by the generation of retail and commercial income, local authority funding, and other 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”).

## GROUP OUTTURN

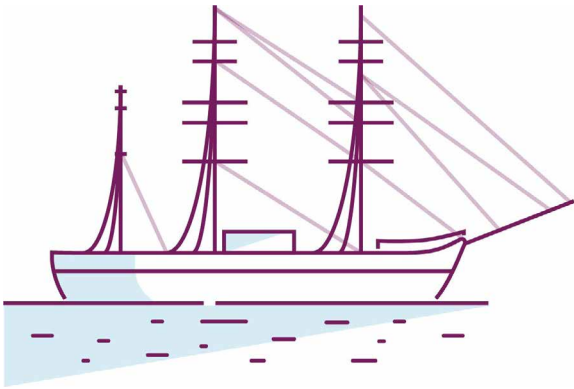
	2021	2021	2021	2021
	VS	CWC	Consol Adj*	Group
Marketing activities	33.91	-	-	33.91
Partnership engagement	4.26	-	-	4.26
Support services	8.85	-	-	8.85
Covid Business Support Grants	77.72	-	-	77.72
2023 UCI Cycling World Championships	3.60	4.40	(3.60)	4.40
<b>Total operating expenditure</b>	<b>128.34</b>	<b>4.40</b>	<b>(3.60)</b>	<b>129.14</b>
Less: Non cash	(1.50)	-	-	(1.50)
Less: Provision AME	(0.10)	-	-	(0.10)
Less: non cash RDEL	(0.19)	-	-	(0.19)
Less: Capital Grants	(3.42)	-	-	(3.42)
Operating income	(0.54)	(0.8)	-	(1.34)
<b>Net operating expenditure</b>	<b>122.59</b>	<b>3.60</b>	<b>(3.60)</b>	<b>122.59</b>
<b>Funded by: Grant in aid</b>	<b>122.59</b>	<b>3.60</b>	<b>(3.60)</b>	<b>122.59</b>

\* Consolidation adjustments - adjustments that need to be made in the process of consolidation of group accounts (to eliminate intra-group transactions)



# Financial position

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## RESOURCE OUTTURN

### 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 Culture, Tourism and Major Events. For 2020/21 this core revenue grant amounted to £122.59m (2020: £54.36m). This included £3.6m (2020 : £2m) received for 2023 Cycling World Championships Limited

Covid Business support expenditure amounts to £77.72m which represented 60% of gross expenditure for the year.

### RETAIL, COMMERCIAL, AND OTHER INCOME

The supplementary income generated, comprising of Retail, Commercial, and Other Income amounted to £0.54m for VisitScotland, a reduction of £3.76m. This reduction was due to the impacts of the pandemic on revenue generating activity, including waiving of QA fees and closure of icentres.

A total of £6.6m was received in year for 2023 UCI Cycling World Championships. Of this, £3.6m was received as Grant in Aid and a further £800k was the funding agreements for both Glasgow City Council and UK Sport.

Further analysis of areas of income and expenditure can be found in Notes 3 to 6 of these financial statements.

## CASH CAPITAL EXPENDITURE

The core capital expenditure 'cash budget' is also funded from Grant-in-Aid, and for 2020/21 this grant amounted to £6.32m (2020: £3.5m). Following in year adjustments, and capital disposals, expenditure was in line with budget.

The main capital projects for 20/21 were:

- Refurbishment of Aviemore iCentre
- Rural Tourism Infrastructure Fund
- IT hard ware and computer equipment upgrades
- Redevelopment of visitScotland.com
- Glasgow local office move

## 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 2021/22 for both VisitScotland and 2023 Cycling World Championships Limited 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 1 April 2020 and 31 March 2021 shows that VisitScotland Group paid 85% of valid invoices received within 10 working days (2020: 91%).

*Malcolm Roughead*

**Malcolm Roughead OBE**

Chief Executive  
VisitScotland

09 December 2021

# Accountability Report

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## 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

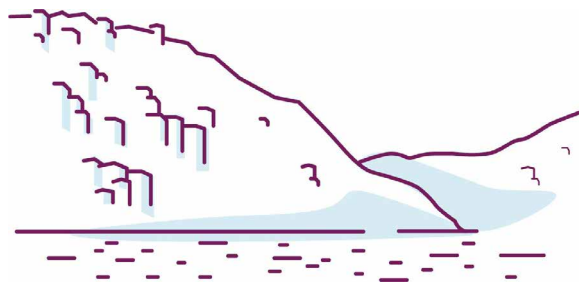
All Board Members work to the high standards of conduct outlined in The Ethical Standards in Public Life (Scotland) Act 2000. Each Board member also records publicly details of company directorships and other significant interests held on their Register of Interests.

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 Financial Statements, 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 2017 was Audit Scotland. The Auditor General has confirmed that, as a result of Covid-19, this appointment has been extended for an additional year.

The fees payable for audit services provided by the appointed auditors in the year to 31 March 2021 were £75,380 (2020: £71,750). There were no fees payable to Audit Scotland for non-audit work during the year (2020: £ 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 94 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 (FReM) 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 FReM 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 Financial Statements, are fair, balanced and understandable, and
- ii. I take personal responsibility for the Annual Report and Financial Statements and the judgements required for determining that they are fair, balanced and understandable.

# The Board

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## 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. They 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:



**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 5-star hotel manager. He has also served as non-executive director on several public company boards.



**Caroline Roxburgh**

Caroline is chair of the Audit and Risk Committee. She is a Chartered Accountant, a former partner at PwC, and a Non-Executive Director on other boards including Edinburgh International Festival and Royal Conservatoire of Scotland. Caroline has over 30 years' business experience advising boards in a range of industry sectors.



**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). She recently retired from her executive role as Vice Principal at the University of Glasgow where she was active in building links to among others Canada, USA and China. Over the last few months she has been active working remotely with organisations to plan how to deal with the present and plan for a sustainable future.



**Dr Keith Nicholson**

Keith is a former internationally acclaimed professor with appointments worldwide, including in a UN-funded Institute in New Zealand. He is an award-winning company director and a leading expert in Scotland on Cyber Security and is a member of the Scottish Government's National Cyber Resilience Leaders Board.



**Stephen Hagan**

Stephen is a Civil Engineer graduate from Edinburgh University. He was the spokesperson for Development, Economy and Sustainability with The Convention of Local Authorities (CoSLA) from 2012-2017. He is presently a Non-Executive Director with David MacBrayne Limited.

Stephen brings an abundance of experience of partnership working with the public, private and third sectors along with strong leadership skills.



**Rebecca Brooks**

Rebecca Brooks is Managing Director of Abbey UK, and a director/owner of the Abbey Group.

Rebecca has worked in international inbound tourism since 2001. She is also a non-Executive Director of the Scottish Tourism alliance and a non-Executive director UK In-bound. Rebecca is also a former chair of the SDMA. Rebecca is a member of the Scottish government appointed Tourism Recovery Taskforce in response to the Covid-19 pandemic.



**Catherine Craig**

Cathy is the Commercial Director of Entrepreneurial Scotland. She is an experienced Director who has worked across a number of disciplines and industries. Cathy has been involved in tourism development for the last six years within Scotland and has a track record of improving visitor numbers as well as developing visitor experiences at both Calmac Ferries and Scotrail. Voted one of Scotland's top 100 women in Tourism 2017, Cathy plays an active role in the promotion of destinations and individuals within the industry.



**Steven Walker**

Steven is currently Executive Chair at Blazing Griffin, a Scottish digital entertainment company. He is a former Managing Director 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.



# Governance Statement

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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 & 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 & 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 Finance, and myself, attend these meetings.

### REMUNERATION COMMITTEE

During 2020/21 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 2020/21, and the individual attendance by Board and committee members.

<sup>1</sup> Attended one Audit and Risk Committee as a Board member.

(A) Audit and Risk Committee member

(B) Board Member

	Board (8)	Audit and Risk Committee (4)
Lord Thurso (B)	8	<sup>1</sup> 1
Professor Anne Anderson (A) (B)	8	4
Rebecca Brooks (B)	8	-
Catherine Craig (A) (B)	6	3
Stephen Hagan (B)	8	<sup>1</sup> 1
Dr Keith Nicholson (A) (B)	8	3
Caroline Roxburgh (A) (B)	8	4
Steven Walker (B)	8	<sup>1</sup> 1

## THE LEADERSHIP GROUP

### RESPONSIBILITIES

VisitScotland's leadership group is in place to actively support and develop talent for the future across the organisation. 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. Members of the Leadership Group who held office during the year were as follows:

As Accountable Officer, I am responsible for reviewing the effectiveness of the systems of risk management

Name	Position
Malcolm Roughead	Chief Executive
Vicki Miller	Director of Marketing and Digital
Ken Neilson	Director of Corporate Services
Paul Bush	Director of Events
Riddell Graham	Director of Industry Destination Development
Barbara Clark	Head of Corporate Communications
Robbie Clyde	Head of EventScotland
Michelle Lavery	Head of Finance
Lynn Jack	Head of Human Resources
Mike Slack	Head of IT
Susan Dickie	Head of Insights
Ken Massie	Head of Regional Leadership and Development

and internal control. The systems are based on ongoing processes designed to identify the principal risks to the achievement of VisitScotland's policies, aims and objectives; to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically.

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 2021, and up to the date of approval of the annual report and financial statements.

No significant changes were made to governance processes as a result of Covid-19. However, Management have increased the frequency of key meetings such as the Leadership Group, Business Continuity Group and Risk Management Committee.

## RISK MANAGEMENT AND CONTROL

The Board has overall responsibility for VisitScotland's risk management Strategy and Framework.

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. As a result, 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, reported to the Leadership Group, reported at each Audit & Risk Committee meeting, and regularly reported to 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 in to day-to-day working practices, and the use of sub-risk registers (which cover specific matters in greater detail).

## KEY RISKS FACING THE ORGANISATION

VisitScotland categorise risk by four levels, which are, very high; high; medium; and low. All risks in VisitScotland's risk registers are tracked throughout the year, and the table below highlights the most significant risks at the end of last year through to March 2021. These risks remain the most significant to the organisation as at 31 March 2021.

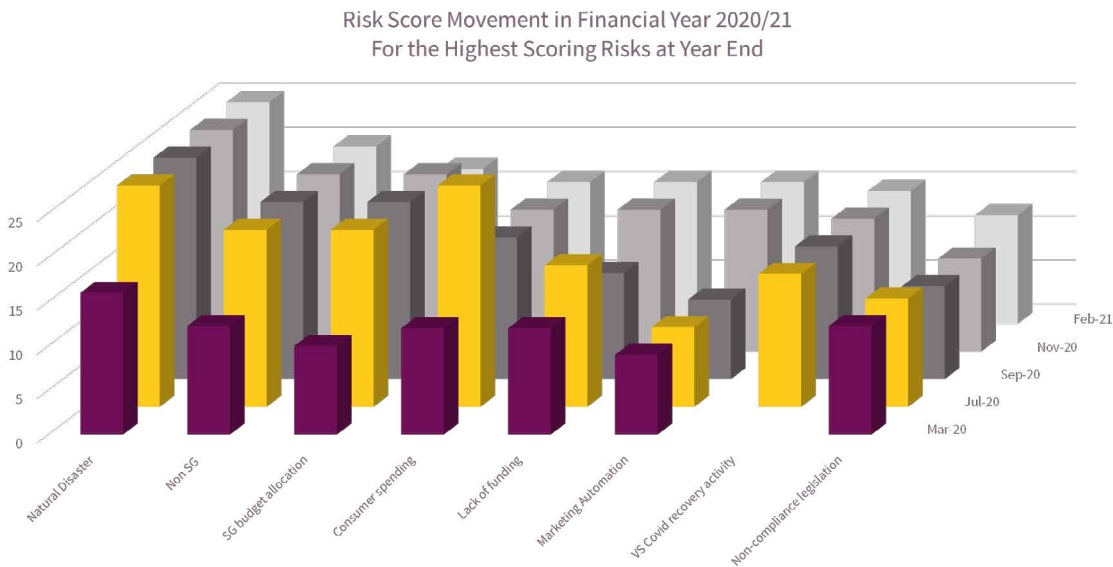
VisitScotland also maintains risk registers for all significant projects.



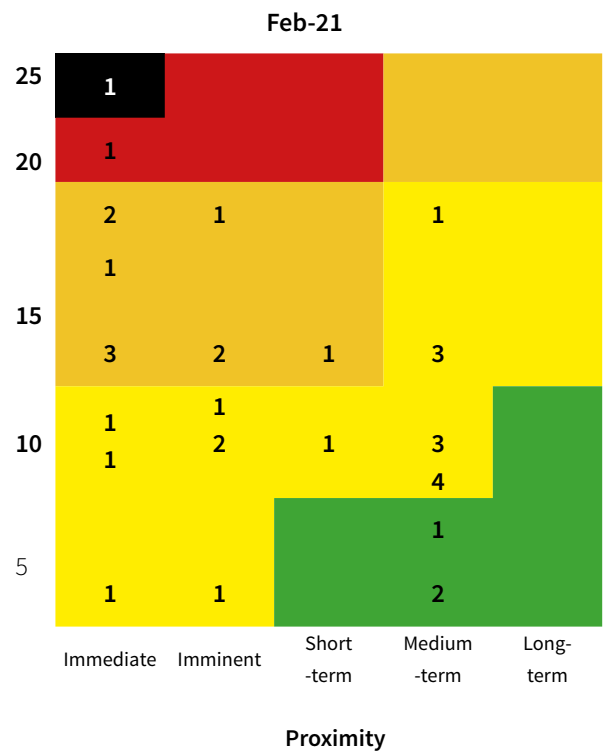
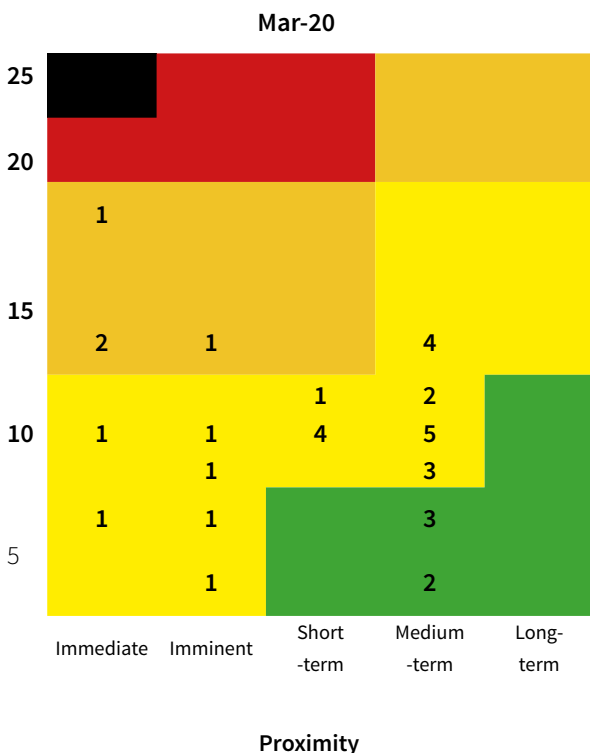
Due to the current situation with Covid-19, which has affected all areas of VisitScotland operations, there have been, and continue to be, a considerable number of mitigating actions in place across all departments to manage the effects of the pandemic. In order to capture this work and the change to normal working practices, Management determined that two new Covid-focused risks would represent all the work that is ongoing across the business, both internally and externally.

Management and the Risk Management Committee ensure ongoing review and update of the Corporate Risk Register and its detail, to ensure the profile of each risk is accurately reflected and scored proportionately.

As a result of the impacts that the pandemic has had on the tourism and events industry during 2020/21, we have seen a significant rise in the number of risk scored in both the "high" and "very high" category. The chart below provides an overview of risk score and proximity movements throughout the year for the organisation's highest scoring risks



The charts below show the movement in risk proximity across VisitScotland's corporate risk register between March 2020 and February 2021. The two charts show that, over the course of the year, the corporate risks have moved to being more immediate and higher scoring.



The tables below summarises all risks categorised as "very high" or "high" at 31 March 2021:

Risk	RAG
There is a risk of natural disaster, along the lines of foot and mouth, or a pandemic. i.e. "EBOLA", "Bird flu", or an act of terrorism, etc.	Very High
There is a risk that Non SG grant income generation plans are not sufficient to support any changes in SG grant which would result in VS activities requiring to be re-examined and activities dropped/delayed or reduced in scale.	Very High
There is a risk that VS do not make the case for tourism in the SG budget rounds and that a reduced SG budget allocation will mean that VS activities will require to be re-examined and activities dropped/delayed or reduced in scale.	
There is a risk that macro-economic matters, such as a major constitutional change, austerity, inflation and exchange rate fluctuations, changes to consumer income and spending, impact negatively on the visitor economy.	High
There is a risk of a lack of funding resources within the Industry, with lower investment in tourism and spending on related infrastructure.	
There is a risk that VisitScotland doesn't play an active role in the recovery of Tourism post Covid-19 or show leadership to the Industry, supporting with planning for the future.	
There is a risk of non-compliance with legislation due to inadequate data or records management.	
The Tourism 2020 Strategy ambition of growing tourism revenues by £1bn by 2020 from a base line of £4.5bn will not be achieved.	
There is a risk that airlines will be unable to sustain or acquire direct flights to Scotland, and/ or links to London.	
There is an on-going risk that we are unable to maintain a highly credible reputation for the organisation.	
There is a risk that failing to work in new ways to comply with regulations and legislation such as GDPR, State Aid, Procurement, Community Empowerment and others, will hamper VS in achieving its core aims, and thereby impact negatively on VS strategy and reputation.	
There is a Cyber security risk to the organisation. Effective cyber resilience reduces the risk of cyber attacks, and protects organisations and individuals from the unauthorised exploitation of systems, networks and technologies.	
There is a risk that VisitScotland does not attract staff / new talent and retain key skills across the organisation.	
There is a risk that VisitScotland fails to maintain it's operational effectiveness in the internal environment during the period of working from home, due to the impact of external factors affecting normal working practices, staff connectivity, and our ability to perform business as usual activities.	
There is a risk that large deficits are created in the BTB and LGPS Pension Scheme through a lack of strong Government covenant and reducing membership, resulting in higher contributions.	

## INFORMATION AND DATA SECURITY

VisitScotland has in place a range of systems and measures which ensure that information held by the organisation and held by third parties on behalf of the organisation is secure. The Data Governance and Security Group monitors and controls the organisation's overall legal and regulatory compliance concerning the release of data from the organisation.

In addition, VisitScotland has implemented Scottish Government guidance on data security and information risk through the creation of an Information Asset Register, an Information Risk Register, utilisation of risk assessments and awareness training for staff.

The Scottish Government have implemented a Cyber Resilience Action Plan, it aims to ensure that Scotland's public bodies work towards becoming exemplars of cyber resilience. VisitScotland have implemented the common baseline cyber security standards and gained Cyber Essentials certification, as well as adhering to best practice guidelines on a risk-based and proportionate basis. Cyber security standards continue to develop and VisitScotland have 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. 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.

VisitScotland closely monitor data protection legislation through the Data Governance and Security Group 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 have been no data security incidents which have required reporting to the ICO.

## FRAUD, CORRUPTION AND BRIBERY

VisitScotland subscribes to the principles outlined in the Scottish National Fraud Initiative (NFI). We include data on our staff as part of the NFI exercise.

We produce annual reports on fraud and bribery. These are considered by the audit committee and this forms part of the annual assurance process. The 2020/21 report confirms that there were no material instances of fraud or bribery identified or detected in VisitScotland this year.

## ASSESSMENT OF EFFECTIVENESS OF INTERNAL CONTROL AND RISK MANAGEMENT

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 & 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 & RISK COMMITTEE

The Audit & Risk Committee reviews the reports from both internal and external auditors. In addition, they 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 2020/21, 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.

For 2020/21 the overall conclusion of the independent internal auditor in respect of the areas reviewed was:

“In our opinion VisitScotland has a framework of controls in place that provides reasonable assurance regarding the organisation's governance framework, internal controls, effective and efficient achievement of objectives and the management of key risks”.

#### STATUTORY EXTERNAL AUDIT

During the year Audit Scotland conducted an interim and year-end audit. Audit Scotland have given unqualified audit opinions on the financial statements for the year ended 31 March 2021 and on the regularity of transactions reflected in the financial statements.

#### 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 20/21 that controls have been, and are, working well within VisitScotland, and that there are no significant matters arising which would require to be raised.

*Malcolm Roughead*

**Malcolm Roughead OBE**

Chief Executive

VisitScotland

09 December 2021

# The Remuneration and Staff Report

## 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 is 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"). His annual pay award and non-consolidated performance payments of up to 10% of base salary are 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, and non-consolidated performance payments of up to 10% of base salary, 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 period is 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 2020/21 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.

	2021	2020
<b>Board Members' Remuneration</b>	<b>£'000</b>	<b>£'000</b>
Lord Thurso	35-40	35-40
Professor Anne Anderson	5-10	5-10
Rebecca Brooks	5-10	5-10
Catherine Craig	5-10	5-10
Stephen Hagan	5-10	5-10
Dr Keith Nicholson	5-10	5-10
Caroline Roxburgh	10-15	5-10
Steven Walker	5-10	0-5

## Leadership group remuneration

This section is subject to audit.

		20/21	20/21	20/21	20/21	20/21
		Salary	Car Allowance	Non-cash benefits (b)	Pension Benefit (c)	Total
		£'000	£'000	£	£'000	£'000
Malcolm Roughead (a)	Chief Executive	155-160		7,000	49	210-215
Ken Neilson	Director of Corporate Services	110-115		5,200	39	150-155
Paul Bush	Director of Events	105-110	5-10	100	-	110-115
Riddell Graham	Director of Industry Destination Development	100-105	5-10	100	109	215-220
Vicki Miller	Director of Marketing and Digital	100-105		7,200	50	155-160
Ken Massie	Head of Regional Leadership and Development	75-80		100	27	100-105
Lynn Jack	Head of HR	75-80		100	43	120-125
Susan Dickie	Head of Insights	75-80		100	47	120-125
Michelle Lavery	Head of Finance	70-75		100	27	95-100
Barbara Clark	Head of Communications	75-80		100	35	110-115
Mike Slack	Head of IT	75-80		100	36	110-115
Robbie Clyde	Head of EventScotland	75-80		100	23	100-105
		19/20	19/20	19/20	19/20	19/20
		Salary	Car Allowance	Non-cash benefits (b)	Pension Benefit (c)	Total
		£'000	£'000	£	£'000	£'000
Malcolm Roughead (a)	Chief Executive	150-155		6,400	0	155-160
Ken Neilson	Director of Corporate Services	105-110		4,500	30	140-145
Paul Bush	Director of Events	100-105	5-10	100	13	120-125
Riddell Graham	Director of Industry Destination Development	95-100	5-10	100	85	185-190
Vicki Miller	Director of Marketing and Digital	95-100		6,400	59	160-165
Ken Massie	Head of Regional Leadership and Development	75-80		100	24	100-105
Lynn Jack	Head of HR	70-75		100	32	105-110
Susan Dickie	Head of Insights	70-75		100	34	105-110
Michelle Lavery	Head of Finance	65-70		100	22	85-90
Barbara Clark	Head of Communications	75-80		100	23	95-100
Mike Slack	Head of IT	70-75		100	30	100-105
Robbie Clyde	Head of EventScotland	75-80		100	24	100-105



## Pension entitlements

(a) From 1.4.14, Malcolm Roughead no longer contributes to the BTB Pension Scheme, nor any other VS scheme

(b) Non-cash benefits disclosed to the nearest £100

(c) The value of pension benefits accrued during 2020/21 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.

Additional Notes: No performance pay or bonuses were paid or payable during 2020/21  
Non-cash benefits (Benefits in Kind) disclosed to the nearest £100

In accordance with the Scottish Government's pay policy, the Chief Executive and the Leadership Group members received a pay increase in 2020/21, in line with Scottish Government's pay policy but did not receive any bonus award.

This section is subject to audit.

		Accrued pension	Real increase in annual pension note (d)	Opening CETV	Closing CETV note(b)	CETV: Increase net of members' contributions note (c) & (e)
		£'000	£'000	£'000	£'000	£'000
<b>Leadership Group</b>						
Malcolm Roughead	Chief Executive	35-40	0-2.5	1,059	1,072	8
Ken Neilson	Director of Corporate Services	30-35	0-2.5	861	929	59
Paul Bush (f)	Director of Events	0-5	0-2.5	1,064	-	-
Riddell Graham	Director of Industry Destination Development	75-80	5-7.5	2,217	2,328	100
Vicki Miller	Director of Marketing and Digital	20-25	2.5-5	391	478	79
Ken Massie	Head of Regional Leadership and Development	10-15	0-2.5	227	262	30
Lynn Jack	Head of HR	20-25	0-2.5	435	526	84
Susan Dickie	Head of Insights	25-30	0-2.5	687	804	109
Michelle Lavery	Head of Finance	5-10	0-2.5	72	101	25
Barbara Clark	Head of Communications	25-30	0-2.5	768	885	110
Mike Slack	Head of IT	15-20	0-2.5	270	314	40
Robbie Clyde	Head of EventScotland	0-5	0-2.5	39	64	21

As at 31 March 2020		Accrued pension	Real increase in annual pension	Opening CETV	Closing CETV	CETV: Increase net of members' contributions note (c) & (e)
Executive Director		£'000	£'000	£'000	£'000	£'000
Malcolm Roughead	Chief Executive	30-35	0-2.5	1,151	1,059	(112)
Ken Neilson	Director of Corporate Services	25-30	0-2.5	864	861	(24)
Paul Bush	Director of Events	35-40	0-2.5	1,213	1,064	(172)
Riddell Graham	Director of Industry Destination Development	70-75	2.5-5	2,256	2,217	(77)
Vicki Miller	Director of Marketing and Digital	20-25	2.5-5	398	391	(18)
Ken Massie	Head of Regional Leadership and Development	10-15	0-2.5	200	227	(1)
Lynn Jack	Head of HR	15-20	0-2.5	483	435	(59)
Susan Dickie	Head of Insights	20-25	0-2.5	715	687	(43)
Michelle Lavery	Head of Finance	5-10	0-2.5	78	72	(11)
Barbara Clark	Head of Communications	25-30	0-2.5	881	768	(61)
Mike Slack	Head of IT	10-15	0-2.5	266	270	(5)
Robbie Clyde	Head of EventScotland	0-5	0-2.5	17	39	(18)

## 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 Chairmen, and a provision has been made for this in these financial statements (Note 21).

## 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.

20/21

19/20

restated

## FAIR PAY DISCLOSURE

The highest paid member of the Leadership Group was the Chief Executive. His annualised salary before Pension benefits was 5.38 times the £30,216 median earnings of the organisation's work-force in 2020-21 (2019/20: 5.38 x £29,293).

The Median Total Remuneration calculation continues to be impacted by adoption of the living wage recommendations.

Highest-Paid Director's Salary	£160k-£165k	£155k-£160k
Median Total remuneration	£30,216	£29,293
Ratio	5.38	5.38

## STAFF NUMBERS AND COSTS

	VS		CWC	
	2020/21 £'000	2019/20 £'000	2020/21 £'000	2019/20 £'000
Salaries	17,357	17,725	508	31
Social security costs	1,778	1,745	48	3
Voluntary severance - in year	22	129	-	-
Provision - McCloud*	-	(73)	-	-
Pension costs - current service	6,174	6,183	21	1
<b>Total Staff Costs</b>	<b>25,331</b>	<b>25,709</b>	<b>577</b>	<b>35</b>
Agency fees in respect of temporary staff, included above	204	293	-	-

See also note 3 to the accounts.

\*See note 21

## STAFF COMPOSITION

	VS FTE	VS FTE	CWC FTE	CWC FTE
	(at 31/3/21)	(at 31/3/20)	(at 31/3/21)	(at 31/3/20)
Leadership Group	12.0	12.0	5.4	0.00
<b>Operational and support staff:</b>				
Directors	5.0	5.0	4.0	0.00
Heads of department	16.0	15.0	2.0	0.00
All other staff (including Seasonal and Youth Employment Schemes)	476.7	498.7	6.6	0.00
Fixed term contract (including Seasonal & Youth Employment Schemes)	31.7	58.0	12.6	0.00
Fixed term contract (excluding Seasonal & Youth Employment Schemes)	22.7	23.5	-	0.00
<b>Total FTE</b>	<b>497.7</b>	<b>518.7</b>	<b>12.6</b>	<b>0.00</b>
<b>Total average number of full-time equivalents</b>	<b>510.5</b>	<b>533.6</b>	<b>6.2</b>	<b>0.00</b>

## SICKNESS ABSENCE DATA AND EMPLOYMENT STATISTICS

	VS 2020/21	VS 2019/20	CWC 20/21	CWC 19/20
Staff Turnover	2.96%	10.56%	0%	-
Sickness Absence	0.94%	2.12%	0%	-
Sickness Absence days/person	2.46	5.52	0%	-
Male:Female Ratio – Total Workforce	34:66	33:67	46:54	-
Male:Female Ratio – Board Members	50:50	55:45	50:50	-
Male:Female Ratio – Leadership Group	58:42	58:42	50:50	-
Male:Female Ratio – Heads of Department	37.5:62.5	40:60	0:100	-
Staff Salary range (excluding Leadership Group)	£18k-£80k	£18k-£80k	£18k - £61k	-

## EQUALITY AND DIVERSITY

Equality and inclusion are integral drivers of our function as a service provider to both tourism businesses and visitors, and our own commitment as an employer, and we strive to mainstream the delivery of equality & diversity throughout our organisation. Enhancing access to tourism in Scotland, promoting the social and economic benefits of fostering good relations within the tourism industry and between tourism businesses and visitors, and supporting positive opportunities for the sector, are key features of each of our strategies.

Our dedicated Equality Outcomes outline the focus of our work towards meeting our duties as a public authority under the general equality duty of the Equality Act 2010, which are:

- To have due regard, in the exercise of our functions,
- The need to eliminate discrimination,
- Advance equality of opportunity and foster good relations.

To promote this, VisitScotland have a new Equality, Diversity & Inclusion working group, which is led by the Head of Brand and Content, demonstrating our drive towards mainstreaming equality, and several members of the group are taking the lead for various parts of mainstreaming that equality & inclusion into our core business. We have recently developed a new Equality Charter, and we will be launching that soon with depts making pledges to meet the actions in the Charter.

Inclusive Tourism is now part of our Responsible Tourism team and is leading on promoting accessibility & inclusion to our industry and stakeholders across Scotland, along with social sustainability with local communities and partners.

VisitScotland's new Equality Mainstreaming Report 2021-25 entitled "Our People, Committed to Transformation and Resilience" has been created to demonstrate VisitScotland's new Equality Outcomes 2021-2025 and explain how they meet the general duty and apply to those in the protected characteristics groups. It also reports on all our health & wellbeing work that we have done over the period of home working and lockdowns, providing support and information to all our staff.

We continue to support our staff via our staff network support groups Parents Support Group, Carers support group, as well as the LGBTI+, and the Inclusive Network Alliance, a group for all staff including those with hidden disabilities, neurodiverse conditions, and long-term health conditions. This autumn we will Launch a new Women's network group. VisitScotland have attained level 2 in the DWP Disability Confident Scheme and are currently working towards Disability level 3 which is Disability Leader.

As part of our overall equality strategy in VisitScotland we have committed to progressing our equality work with a real emphasis on "inclusion without exception" We believe in being progressive in VisitScotland, we are committed to making all our staff no matter what their age, disability, gender, sexuality etc., feel included in the mainstream of what we do.

The Report also provides further details of the consultation and collaborative work we have and will conduct with external and internal groups for each equality outcome. We greatly value our internal staff for their knowledge, expertise and insight but working with external stakeholders for specific projects is vital to the work we do. This is especially relevant in our accessible and inclusive tourism field, the results of which can be measured by the increased spend of the disabled and older market in Scotland over the last 10 years

Our ethos in VisitScotland is that equality and diversity is not just those covered in law, it includes everyone. The approach we take to addressing our equality outcomes is focused on fulfilling our duties under the public sector equality duty. Our equalities agenda is dynamic and is continually developed and added to in line with the activities of the organisation.

The Report also includes our new Equal Pay report and information on occupational segregation. The gender pay gap for the organisation as a whole now stands at 16.1% (Down from 21.1% in 2019 and from 25.9% in 2017) based on the average total female Full Time Equivalent (FTE) Pay.

However, it is important to note that this figure is skewed to an extent by the imbalance of the female to male staff ratio in the organisation. Despite having little or no pay gap in most of our grades the weighting of females in the lower grades, where most staff are employed, potentially amplifies the overall pay gap from where it would be if the gender split of the organisation was closer to 50/50.

As an organisation, we recognise that successfully meeting our general equality duty is not only about working towards specific equality outcomes, but about ensuring that the needs of the organisation are an integral part of our business function.

Our Equality vision is founded on the fact that harnessing differences will create a productive environment in which everyone feels valued and their talents are being recognised, through which our business and organisational goals are being met.

The full Equality and Diversity Mainstreaming report "Our People, Committed to Transformation & Resilience" April 2020 -2025 and detailed analysis, together with the actions the organisation is taking, can be found at

[www.visitscotland.org/about-us/our-policies/equality](http://www.visitscotland.org/about-us/our-policies/equality)

## 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** 5

**Full-time equivalent employee number** 5

Percentage of time spent on facility time	No. of Employees
0%	-
1% - 50%	5
51% -99%	-
100%	-
<b>Percentage of total paybill spent on facility time</b>	0.003%
<b>Total cost of time</b>	£681

## EXPENDITURE ON CONSULTANCY

	2020/21	2019/20
Consultancy	7,128	5,427

## EXIT PACKAGES

### 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 1 member of staff in 20/21 at a total cost of £22k (£130k in 19/20).

	2020/21	2019/20
£0 - £20,000	0	1
£20,001 - £40,000	1	0
£40,001 - £60,000	0	0
£60,001 - £80,000	0	2
£80,001 - £120,000*	0	0
<b>Total number of exit packages</b>	1	3

There were no compulsory redundancies (2020: None)

*Malcolm Roughead*

**Malcolm Roughead OBE**  
Chief Executive, VisitScotland  
09 December 2021



# 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 2020/21 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 69.

## 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 24 to the Financial Statements.

## STATEMENT OF LOSSES AND SPECIAL PAYMENTS

Losses: None during 2020/21 (2019/20: None) other than trade debts written off during the year (see Note 22 to the Financial Statements)

Special Payments: Voluntary severance paid in year amounted to £22k (£130k in 19/20) (see exit packages note). These were the only special payments made during the year.

## FEES AND CHARGES INCOME

	2021	2020
	£'000	£'000
<b>Retail Sales</b>		
Product Income	107	2,627
Cost of Sales	(73)	(1,261)
Gross Profit	34	1,366
GP percentage	32%	52%
<b>Business Promotion and Advertising income</b>		
Exhibitions and Promotional advertising	117	1,131
Joint Promotional Campaigns	-	717
	117	1,848
<b>Quality Assurance</b>		
Award Scheme Fees	-	53
Less: Direct Costs of Service	609	1,061
Net Cost of Service Delivery	(609)	(1,008)

- 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
- V VisitScotland charges a nominal fee based on the size of the establishment and the number of rooms. For 20/21 QA fees were not charged as the service was not provided.

**Malcolm Roughead OBE**  
Chief Executive, VisitScotland

*Malcolm Roughead*

09 December 2021

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## 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 2021 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 a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2020/21 Government Financial Reporting Manual (the 2020/21 FReM).

In my opinion the accompanying financial statements:

- give a true and fair view 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 of the state of the body and its group's affairs as at 31 March 2021 and of its net operating expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2020/21 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.

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#### 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 20 January 2021. The period of total appointment is one year. 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 body's ability 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.

### Risks of material misstatement

I report in a separate Annual Audit Report, available from the Audit Scotland website, 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 body's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

### 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 economic 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:

- obtaining an understanding of the applicable legal and regulatory framework and how the body is complying with that framework;
- identifying which laws and regulations are significant in the context of the body;
- assessing 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.

## REPORT 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 to detect material misstatements in the financial statements in respect of irregularities, 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 part 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 part of the Remuneration and Staff Report has 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.

### Statutory other information

The Accountable Officer is responsible for the statutory other information in the annual report and accounts. The statutory other information comprises the Performance Report and the Accountability Report excluding the audited part of the Remuneration and Staff Report.

My responsibility is to read all the statutory other information and, in doing so, consider whether the statutory other information is materially inconsistent with the financial statements or my knowledge obtained in 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 statutory 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 statutory 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 part 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 120 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.



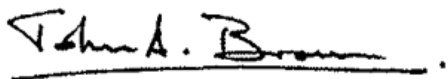
Carole Grant CPFA  
Audit Director  
Audit Scotland  
4th Floor, South Suite  
Athenaeum Building  
8 Nelson Mandela Place  
Glasgow,  
G2 1BT  
9 December 2021

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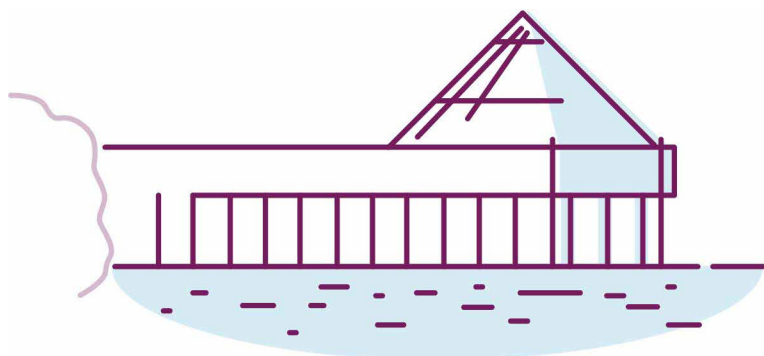
#### DIRECTION BY THE SCOTTISH MINISTERS

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 2021

		<b>Group</b>	Restated	<b>VisitScotland</b>	
	<b>Notes</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Resource Expenditure</b>					
Marketing activities		33,905	47,294	33,905	47,294
Partnership engagement		4,261	4,516	4,261	4,516
Support services		8,850	8,467	8,850	8,467
Covid Business Support Grants		77,718	-	77,718	-
2023 UCI Cycling World Championships		4,400	2,000	3,600	2,000
		129,134	62,277	128,334	62,277
<b>Non-Resource Expenditure</b>					
Pension Costs - IAS 19 adjustments	19.2	2,287	3,308	2,287	3,308
<b>Gross expenditure</b>	3, 4	131,421	65,585	130,621	65,585
<b>Income</b>					
Retail and commercial	5	(151)	(3,565)	(151)	(3,565)
Other income	6	(387)	(729)	(387)	(729)
2023 UCI Cycling World Championships		(800)	-	-	-
<b>Net expenditure</b>		130,083	61,291	130,083	61,291
Finance costs	7	5	10	5	10
Finance income		-	-	-	-
<b>Net operating expenditure before taxation</b>		130,088	61,301	130,088	61,301
Net operating expenditure		130,088	61,301	130,088	61,301
<b>Other Comprehensive Expenditure/(Income)</b>					
Net actuarial (surplus)/deficit on valuation of retirement benefit schemes	19.2	6,174	(6,909)	6,174	(6,909)
(Surplus)/deficit arising on revaluation of property, plant and equipment		(108)	-	(108)	-
Balance on revaluation reserve arising on lease disposal		-	(660)	-	(660)
<b>Total other comprehensive expenditure</b>		6,066	(7,569)	6,066	(7,569)
<b>Total comprehensive net expenditure</b>		136,154	53,732	136,154	53,732

## VisitScotland and Group statement of financial position as at 31 March 2021

	Notes	Group		VisitScotland	
		2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Assets</b>					
<b>Non-Current</b>					
Tangible fixed assets	9	4,708	4,256	4,708	4,256
Intangible assets	8	2,960	1,920	2,960	1,920
<b>Total non current assets</b>		<b>7,668</b>	<b>6,176</b>	<b>7,668</b>	<b>6,176</b>
<b>Current</b>					
Inventories	12	505	537	505	537
Trade and other receivables	13	3,517	1,496	1,892	1,496
Cash and cash equivalents	14	36,207	9,156	35,503	7,156
<b>Total current assets</b>		<b>40,229</b>	<b>11,189</b>	<b>37,900</b>	<b>9,189</b>
<b>Total Assets</b>		<b>47,897</b>	<b>17,365</b>	<b>45,568</b>	<b>15,365</b>
<b>Liabilities</b>					
<b>Current</b>					
Other borrowings	17	(55)	(94)	(55)	(94)
Trade and other payables	16	(43,620)	(14,310)	(41,291)	(12,310)
<b>Total current liabilities</b>		<b>(43,675)</b>	<b>(14,404)</b>	<b>(41,346)</b>	<b>(12,404)</b>
<b>Non current liabilities</b>					
Other borrowings	17	(51)	(106)	(51)	(106)
Provisions	21	(722)	(628)	(722)	(628)
Retirement benefit obligations	19.2	(35,165)	(26,704)	(35,165)	(26,704)
<b>Total non-current liabilities</b>		<b>(35,938)</b>	<b>(27,438)</b>	<b>(35,938)</b>	<b>(27,438)</b>
<b>Total Liabilities</b>		<b>(79,613)</b>	<b>(41,842)</b>	<b>(77,284)</b>	<b>(39,842)</b>
<b>Net Liabilities</b>		<b>(31,716)</b>	<b>(24,477)</b>	<b>(31,716)</b>	<b>(24,477)</b>
<b>Taxpayers' equity</b>					
General reserve		2,937	1,769	2,937	1,769
Pension reserve		(35,165)	(26,704)	(35,165)	(26,704)
Revaluation reserve		512	458	512	458
<b>Total Equity</b>		<b>(31,716)</b>	<b>(24,477)</b>	<b>(31,716)</b>	<b>(24,477)</b>

The Accountable officer authorised these financial statements for issue on 9 December 2021

Malcolm Roughead OBE  
Chief Executive, VisitScotland  
09 December 2021

*Malcolm Roughead*

The notes on pages 100 to 143 form part of these financial statements

## VisitScotland and Group cash flow statement year ending 31 March 2021

	Group		VisitScotland		
	Notes	2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Cash flows from operating activities</b>					
Net operating expenditure before taxation		130,088	61,301	130,088	61,301
<b>Items not involving the flow of cash</b>					
Depreciation of tangible fixed assets		(806)	(1,047)	(806)	(1,047)
Impairment of tangible fixed assets		-	(433)	-	(433)
Loss on disposal of assets		(61)	(219)	(61)	(219)
Amortisation of intangible fixed assets		(636)	(291)	(636)	(291)
Net pension service costs and return on assets		(2,287)	(3,308)	(2,287)	(3,308)
Miscellaneous		37	(1)	37	(1)
<b>Net financing costs</b>		(5)	(10)	(5)	(10)
<b>Movements in working capital</b>					
Increase/(Decrease) in inventories		(32)	(67)	(32)	(67)
(Decrease)/Increase in receivables		2,021	(933)	396	(833)
Decrease/(Increase) in payables		(29,310)	(2,815)	(28,981)	(915)
<b>Movements in provisions</b>					
(Increase)/Decrease in provisions		(94)	81	(94)	81
<b>Net cash flow from operations</b>		98,915	52,258	(97,619)	54,258
Interest paid		5	10	5	10
<b>Net cash outflow from operating activities</b>		98,920	52,268	97,624	54,268
<b>Cash flows from investing activities</b>					
Payments to acquire tangible fixed assets		1,229	716	1,229	716
Payments to acquire intangible fixed assets		1,676	1,105	1,676	1,105
<b>Net cash flows used in investing activities</b>		2,905	1,821	2,905	1,821
<b>Cash flows from financing activities</b>					
Grant-in-Aid from Scottish Government		(128,915)	(57,856)	(128,915)	(57,856)
Decrease in other borrowings- obligations under finance leases		39	332	39	332
Cash receipts to be reinvested					
<b>Net cash flows from financing activities</b>		(128,876)	(57,524)	(128,876)	(57,524)
<b>Net (increase)/decrease in cash and cash equivalents</b>		(27,051)	(3,435)	(28,347)	(1,435)
Cash and cash equivalents as at 1 April		9,156	5,721	7,156	5,721
<b>Cash and cash equivalents as at 31 March</b>		36,207	9,156	35,503	7,156



VisitScotland and Group statement of changes in taxpayers' equity  
for the year ended 31 March 2021

	<b>Group</b>			
	<b>General Reserve £'000</b>	<b>Pension Reserve £'000</b>	<b>Revaluation Reserve £'000</b>	<b>Total £'000</b>
<b>Balance at 1 April 2019</b>	1,246	(30,305)	1,151	(27,908)
<b>Net operating expenditure</b>	(61,301)	-	-	(61,301)
Transfer between reserves	3,308	(3,308)	-	-
Transfer on disposal	660	-	(660)	-
Movement in Revaluation Reserve on Revaluation	-	-	(33)	(33)
Net actuarial gains/(losses) in retirement benefit schemes	-	6,909	-	6,909
<b>Total recognised income and expense</b>	(57,333)	3,601	(693)	(54,425)
Grant in aid from Scottish Government	57,856	-	-	57,856
<b>Balance at 31 March 2020</b>	1,769	(26,704)	458	(24,477)
<b>Net operating expenditure</b>	(130,088)	-	-	(130,088)
Transfer between reserves	2,287	(2,287)	-	-
Transfer on disposal	54	-	(54)	-
Surplus/(deficit) arising on revaluation of property, plant and equipment	-	-	108	108
Net actuarial gains/(losses) in retirement benefit schemes	-	(6,174)	-	(6,174)
<b>Total recognised income and expense</b>	(127,747)	(8,461)	54	(136,154)
Grant in aid from Scottish Government	128,915	-	-	128,915
<b>Balance at 31 March 2021</b>	2,937	(35,165)	512	(31,716)

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

The notes on pages 100 to 143 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 2020/2021 Government Financial Reporting Manual (FReM) issued by the Scottish Government. The accounting policies contained in 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 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 2021 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 95.

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 £31.67m (2020: £24.48m net liability), arising from its obligations in respect of the inclusion of retirement benefit obligations 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 2021-22, 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 20.

## 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.

Grants-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 relating 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.

### COVID BUSINESS SUPPORT GRANTS

Expenditure is accounted for on an accruals basis. Grants payable or paid to third parties are recorded as expenditure in the period that the underlying event or activity giving rise to the grant occurs. Where necessary, obligations in respect of grant awards are recognised as liabilities. Goods and services expenditure is recognised in the period to which it relates.

## INVENTORIES

Inventories of saleable publications, retail and promotional items are stated at the lower of cost and net realisable value. Costs incurred in producing free issue brochures, and obtaining promotional items for which no selling price is charged, are written off to the statement of comprehensive net expenditure in the year of purchase.

## FOREIGN EXCHANGE

Assets and liabilities denominated in foreign currencies have been translated into Sterling equivalent values at the spot rate of exchange ruling at the date of the statement of financial position. Any exchange rate fluctuations are taken to the statement of comprehensive net expenditure.

## 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", after initial recognition, intangible assets are carried at their re-valued amounts, being their fair value at the date of the revaluation, less any subsequent accumulated amortisation, and any subsequent accumulated impairment losses, unless there is no active market for those assets, in which case the assets are carried at the lower of depreciated replacement cost and value in use for cash generating assets, and depreciated replacement cost for non-generating assets.

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 represent 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:

Information technology	2-4 years
Software licences	4-6 years
Web site development	1-6 years

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 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.

### LEASEHOLD PROPERTY - DESIGNATED AS FINANCE LEASES

Leasehold land is accounted for as an operating lease.

In respect of leasehold buildings, the subject of a finance lease, they are recognised at their fair value, or if lower, at the present value of the minimum lease payments, each determined at the inception of the lease.

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.

Subsequent valuations are undertaken on the basis of the fair value of VisitScotland's remaining heritable interest in the leased building, in the same way as owned property.

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

Upon early termination of a lease any surplus remaining in the revaluation reserve in respect of a leasehold building is transferred to the statement of comprehensive net expenditure in the year of termination.

### 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.

Cost 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 & 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.

### NON-CURRENT ASSETS HELD FOR SALE

Non-current assets are reviewed regularly to ensure that they continue to contribute positively to policy and business objectives. Assets that no longer provide the required level of contribution are considered for disposal by senior management.

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction, the asset is being actively marketed for sale, and a sale within a period of 12 months being highly probable.

Non-current assets held for sale are stated at the lower of carrying amount and fair value less costs of disposal.

Non-current assets held for sale are not depreciated, however, any impairment is charged to the statement of comprehensive net expenditure.

### LEASES

#### VISITSCOTLAND AS A LESSEE

Property, plant and equipment acquired through finance lease arrangements or long-term rental arrangements that transfer substantially all the risks and rewards incidental to ownership are capitalised.

They are recognised at their fair value at the inception of the lease, or if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a financing obligation. Lease payments are apportioned between finance charges and repayment of the finance lease obligation. Finance charges are charged directly to the statement of comprehensive net expenditure.

Contingent rentals are charged to the statement of comprehensive net expenditure in the period in which they are incurred.

Assets held under finance leases are depreciated over their expected useful lives, on the same basis as owned assets, or the term of the relevant lease, whichever is shorter.

Leasehold Property - Land and Buildings - in use on a peppercorn rent are deemed 'owned' by VisitScotland, and recorded at fair value in the statement of financial position, and depreciated over their useful lives or the term of the relevant lease, whichever is shorter.

Leases that do not transfer substantially all risks and rewards incidental to ownership are classified as operating leases. Rentals payable are charged to the statement of comprehensive net expenditure on a straight-line basis over the term of the relevant lease.

Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense on a straight-line basis over the lease term.

## 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.

## TAXATION

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive net expenditure except to the extent that it relates to items recognised directly in reserves. In this case, the tax is also recognised in reserves.

The current corporation tax charge is calculated on the basis of the tax laws enacted, or substantively enacted, at the balance sheet date, and adjustments for current taxes payable (receivable) for prior years.

VisitScotland is liable to corporation tax only on bank interest received at the rate under current legislation, enacted, or substantively enacted at the date of the statement of financial position.

## DEFERRED TAX

In accordance with IAS 12 'Income Taxes', full provision is made for tax assets and liabilities, arising from timing differences between recognition of gains and losses in the financial statements and their recognition in the tax computation.

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted, or substantively enacted, at the date of the statement of financial position. Deferred tax is measured on a non-discounted basis.

Deferred tax assets, including deferred tax assets for tax loss carry forward positions, and tax credit carry forward positions, are recognised only to the extent that it is probable that future taxable income will be available against which temporary differences, unused tax losses or unused tax credits can be utilised.

## 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.

### Judgments

Information about critical judgements in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is 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.

Additional information is disclosed in Notes 19.1 and 19.2.

## 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 assess 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.

#### 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.

An annual review takes place to consider losses in value (impairment) due to a change in the consumption of economic benefits.

#### 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 26).

#### EMPLOYEE BENEFITS

##### a. 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 providing benefits based on final pensionable pay, which 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.

**b. Short-term employee benefits**

A liability and an expense is 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 22 to the financial statements.

## ACCOUNTING STANDARDS ISSUED BUT NOT YET ADOPTED

All International Financial Reporting Standards, Interpretations and Amendments to published standards, effective at 31 March 2021, have been adopted, where applicable to VisitScotland.

There are a number of new accounting standards which have been issued, but have not yet been applied by VisitScotland in these financial statements. The standards that are considered relevant to VisitScotland and the anticipated impact on the financial statements are as follows:

### IFRS 16 – LEASES

Subject to EU adoption and Exposure Draft process this standard will be included in the FReM with effect from 22/23. The adoption of this standard will affect VisitScotland, as a lessee of property, vehicles and equipment. The new standard provides a single lessee accounting model, eliminating the distinction between operating and finance leases, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value.

The impact of the financial statements has been estimated as part of an exercise for Scottish Government. The estimated impact is:

CDEL - £6.3m on initial recognition

Ringfenced RDEL - £0.8m depreciation

## 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. Management have detailed expenditure of 2023 Cycling World Championships as a separate line in the statement of comprehensive net expenditure. A link has been provided to the company accounts to provide an additional breakdown of expenditure. The net expenditure within the Statement of comprehensive net expenditure is based on internal reporting. The group does not report on the split of balance sheet items internally.

## 3

### Staff costs (included within gross expenditure)

	Group		VisitScotland	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Salaries, Social Security & Voluntary Severance	19,734	19,599	19,157	19,564
Pension Costs - Current service	6,174	6,183	6,174	6,174
Provision (pension adjustment)	-	(73)	-	
<b>Total staff costs</b>	<b>25,908</b>	<b>25,709</b>	<b>25,331</b>	<b>25,738</b>

Further details on Total Staff Costs can be found within the Remuneration & Staff report (see page 83).

## 4

## Admin costs (included within gross expenditure)

	Group		VisitScotland	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Travel and hospitality	68	1,254	66	1,254
Property, information technology, and office expenses	5,728	5,085	5,722	5,085
Depreciation of tangible fixed assets	806	1,047	806	1,047
Amortisation of intangible assets	636	291	636	291
Impairment of tangible fixed assets	-	433	-	433
Net interest cost and return on pension assets	622	836	622	836
Loss on Sale of Property	61	219	61	219
Trade bad debts				
Written off	25	25	25	25
Increase/(decrease) in provision		74		74
(Decrease)/increase in past pension provision	-	(5)	-	(5)
(Decrease)/increase in dilapidations provision	94	(3)	94	(3)
(Decrease)/increase in Mccloud provision		(73)		(73)
<b>Total administration overheads</b>	<b>8,040</b>	<b>9,183</b>	<b>8,032</b>	<b>9,183</b>
<b>Administration overheads also includes:</b>				
Fees payable for the audit and assurance of these financial statements	85	73	75	72
<b>Total audit fees</b>	<b>85</b>	<b>73</b>	<b>75</b>	<b>72</b>



## 5

## Retail and commercial income

	Group		VisitScotland	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Retail</b>				
Products income	107	2,627	107	2,627
Cost of sales	(73)	(1,261)	(73)	(1,261)
Gross surplus	34	1,366	34	1,366
Other consumer income	-	25	-	25
	34	1,391	34	1,391
<b>Commercial</b>				
Business promotion and advertising	117	1,848	117	1,848
Quality assurance	-	53	-	53
Miscellaneous income	-	273	-	273
	117	2,174	117	2,174
<b>Total retail and commercial income</b>	<b>151</b>	<b>3,565</b>	<b>151</b>	<b>3,565</b>

## 6

## Other income

	Group		VisitScotland	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Local authority income	84	128	84	128
Other Funding	800	-	-	-
Sundry income	303	601	303	601
<b>Total other income</b>	<b>1,187</b>	<b>729</b>	<b>387</b>	<b>729</b>

## 7

## Finance Costs

	Group	
	2021 £'000	2020 £'000
<b>Finance Costs</b>		
Interest charge - finance lease obligations	5	10
<b>Total finance cost</b>	5	10
<b>Finance Income</b>		
Bank interest receivable(the amount received was under £250)		
<b>Total finance income</b>		
Net financing costs	5	10





## 8

### Intangible assets

GROUP	Development Costs £'000	Acquired Technology £'000	Software Licences £'000	Total £'000
At 1 April 2019	2,868	1,704	1,023	5,595
Additions	927	-	178	1,105
At 31 March 2020	3,795	1,704	1,201	6,700
At 1 April 2020	3,795	1,704	1,201	6,700
Additions	1,607	-	69	1,676
<b>At 31 March 2021</b>	<b>5,402</b>	<b>1,704</b>	<b>1,270</b>	<b>8,376</b>
<b>Amortisation</b>				
At 1 April 2019	2,393	1,319	777	4,489
Charge for the year	119	99	73	291
At 31 March 2020	2,512	1,418	850	4,780
At 1 April 2020	2,512	1,418	850	4,780
Charge for the year	416	99	121	636
<b>At 31 March 2021</b>	<b>2,928</b>	<b>1,517</b>	<b>971</b>	<b>5,416</b>
<b>Net book value</b>				
<b>At 31 March 2021</b>	<b>2,474</b>	<b>187</b>	<b>299</b>	<b>2,960</b>
At 31 March 2020	1,283	286	351	1,920
<b>Asset Financing</b>				
Owned/beneficially owned	2,474	187	299	2,960
Finance Lease	-	-	-	-
<b>Net book value At 31 March 2021</b>	<b>2,474</b>	<b>187</b>	<b>299</b>	<b>2,960</b>

## 9

### Non-current assets

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#### FREEHOLD PROPERTY

All Freehold Land & Buildings, and those held under beneficial ownership, were valued at 31 March 2021 by Graham & Sibbald - Chartered Surveyors, on a fair value basis as defined in the Valuation Standards 2014 (Red Book) issued by The Royal Institution of Chartered Surveyors.

#### LEASEHOLD FINANCE LEASE PROPERTY

All Finance Leashold properties were valued 31 March 2021 by Graham & Sibbald - Chartered Surveyors on a fair value basis with regard to the remaining heritage interest of VisitScotland.



GROUP	Assets Under Construction £'000	Land & buildings £'000	Leasehold improvements £'000	Fixtures, Fittings & Equipment £'000	Computer Equipment £'000	Vintage Railway Carriage £'000	Total £'000
<b>At cost or valuation</b>							
At 1 April 2019	800	1,900	5,707	4,803	3,190	497	16,897
Additions	-	4	501	-	211	-	716
Transfer	(800)	544	256	-	-	-	-
Revaluation	-	(640)	-	-	-	-	(640)
Disposals	-	(408)	-	-	(173)	-	(581)
<b>At 31 March 2020</b>	-	1,400	6,464	4,803	3,228	497	16,392
At April 1 2020	-	1,400	6,464	4,803	3,228	497	16,392
Additions	-	-	385	393	451	-	1,229
Transfer	-	-	-	-	-	-	-
Revaluation	-	21	-	-	-	-	21
Disposals	-	(109)	-	-	-	-	(109)
<b>At 31 March 2021</b>	-	1,312	6,849	5,196	3,679	497	17,533
<b>Depreciation</b>							
At 1 April 2019	-	-	4,520	4,703	2,180	220	11,623
Charge in the year	-	365	275	43	344	20	1,047
Transfer	-	-	-	-	-	-	-
Revaluation	-	(172)	-	-	-	-	(172)
On Disposal	-	(193)	-	-	(169)	-	(362)
At 31 March 2020	-	-	4,795	4,746	2,355	240	12,136
At April 1 2020	-	-	4,795	4,746	2,355	240	12,136
Charge for the year	-	117	262	23	384	20	806
Transfer	-	-	-	-	-	-	-
Revaluation	-	(87)	-	-	-	-	(87)
On Disposals	-	(30)	-	-	-	-	(30)
<b>At 31 March 2021</b>	-	-	5,057	4,769	2,739	260	12,825
<b>Net book value</b>							
<b>At 31 March 2021</b>	-	1,312	1,792	427	940	237	4,708
At 31 March 2020	-	1,400	1,669	57	873	257	4,256
<b>Asset Financing</b>							
Owned/beneficially owned	-	1,087	1,792	427	940	237	4,483
Finance Lease	-	225	-	-	-	-	225
<b>Net book value</b>	-	1,312	1,792	427	940	237	4,708
<b>At 31 March 2021</b>							

## 10 Prior Year Restatements

In 2020/2021 reporting of 2023 Cycling World Championships income and expenditure in the Statement of Net Comprehensive expenditure has been included as separate lines to enhance transparency with regards to transactions for the subsidiary company. In doing this, the 2019/20 figures have been adjusted to reflect the appropriate comparative figures.

Resource Expenditure	VS Group 2020 (original)	VS Group 2020 (restated)
Marketing activities	49,294	47,294
Partnership Engagement	4,516	4,516
Support Services	8,467	8,467
Covid Business Support Grants	-	-
2023 UCI Cycling World Championships	-	2,000
	62,277	62,277

In addition to the above, an adjustment has been identified of the median remuneration figure noted on page 86 of the report. This has been adjusted to include non-cash benefits as per the FReM

	VS Group 2020 (original)	VS Group 2020 (restated)
Highest Paid Director's Salary	£150k-£155k	£155k-£160k
Median Total Remuneration	£27,245	£29,293
Ratio	5.63	5.38

## 11

### VisitScotland Group Structure

#### SUBSIDIARY COMPANIES

VisitScotland has seven subsidiary companies. As at 31 March 2021, 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 2021 is £100 (2020: £100).

## 12

## Inventories

GROUP	2021 £'000	2020 £'000
Retail stock	505	537
<b>At 31 March</b>	<b>505</b>	<b>537</b>

## 13

## Trade and other receivables

	Group		VisitScotland	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Current</b>				
Trade receivables	2,350	952	600	952
less: Provision for impairment (see note 15)	(196)	(173)	(196)	(173)
Trade receivables - net	2,154	779	404	779
Prepayments	783	623	783	623
Accrued income	219	80	-	80
Other receivables	361	14	69	14
Inter-company	-	-	636	-
<b>At 31 March</b>	<b>3,517</b>	<b>1,496</b>	<b>1,892</b>	<b>1,496</b>

Trade and other receivables reported above include:

**Receivables - Public sector balances**

	Group		VisitScotland	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Current</b>				
Local Authorities	1,816	30	66	30
Other Central Government bodies	121	160	121	160
<b>At 31 March</b>	<b>1,937</b>	<b>190</b>	<b>187</b>	<b>190</b>

## 14

## Cash and cash equivalents

	Group		VisitScotland	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Balance at 1 April	9,156	5,721	7,156	5,721
Net change in cash and cash equivalent balances	27,051	3,435	28,347	1,435
<b>At 31 March</b>	<b>36,207</b>	<b>9,156</b>	<b>35,503</b>	<b>7,156</b>
<b>The balances at 31 March were held at:</b>				
Commercial banks and cash in hand	5,643	3,998	5,643	3,998
Government Banking Service	30,564	5,024	29,860	3,024
Capital receipts unapplied		134		134
<b>At 31 March</b>	<b>36,207</b>	<b>9,156</b>	<b>35,503</b>	<b>7,156</b>

There is a significant increase in the cash balance at 31 March 2021 in comparison to prior years due to the timing of Covid business support fund payments. These payments were subsequently disbursed over the course of April and May.

## 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 £'000	Total £'000
At 1 April 2019		
Utilised during year	(25)	(25)
Movement in Provision	99	99
<b>At 31 March 2020</b>	<b>173</b>	<b>173</b>
At 1 April 2020	173	173
Utilised during year	(25)	(25)
Movement in Provision	48	48
<b>At 31 March 2021</b>	<b>196</b>	<b>196</b>

Other than amounts due from subsidiary undertakings, receivables assessed as individually impaired were mainly as a result of various bed and breakfast, and hotel establishments, which went into administration, liquidation, etc.

## 16

## Trade and other payables

	Group		VisitScotland	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>a. Current</b>				
Trade payables	2,777	5,053	2,745	5,053
Social security and other taxes	577	404	504	404
Accruals*	34,049	7,918	32,525	5,918
Deferred income	3,370	145	1,170	145
Other payables	2,800	743	2,800	743
Inter-company	47	47	1,547	47
	43,620	14,310	41,291	12,310
Corporation tax				
<b>At 31 March</b>	<b>43,620</b>	<b>14,310</b>	<b>41,291</b>	<b>12,310</b>

\*There is a significant increase in the level of accruals at 31 March 2021 due to the accrual of business support fund payments that were paid out to businesses over the course of April and May.

	Group		VisitScotland	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>b. Public sector balances</b>				
Current				
Local Authorities	84	238	84	238
Other Central Government bodies	504	404	504	404
<b>At 31 March</b>	<b>588</b>	<b>642</b>	<b>588</b>	<b>642</b>



## 17

## Other borrowings

GROUP	Minimum lease payments £'000	Future finance charges £'000	Present value of lease obligations £'000
Within one year	99	(5)	94
Between one and five years	109	(3)	106
After five years	-	-	-
At 31 March 2020	208	(8)	200
Within one year	57	(2)	55
Between one and five years	52	(1)	51
After five years			
At 31 March 2021	109	(3)	106

Finance lease obligations are principally for buildings. Terms range from 20 to 25 years and include renewal options if reasonably certain, at the inception of the lease, that they will be exercised.

At the time of entering into finance lease agreements, the commitments are recorded at amounts equal to the fair value of the leased property, or, if lower, the present value of value of the minimum lease payments, using the interest rate implicit in the lease, if this is practicable to determine; if not, the Scottish Government advised interest rate for long-term borrowings is used.

As at 31 March 2021, the finance lease obligations are recorded at their present value at an average interest rate of 6% (2020: 6.0%).

## 18

## Operating leases

**Operating lease agreements where VisitScotland is the lessee**

VisitScotland has entered into commercial leases on certain properties, motor vehicles, and items of office equipment. The leases have a duration of between 1 and 15 years.

Future minimum rentals payable under non-cancellable operating leases are as follows:

GROUP	2021 £'000	2020 £'000
<b>Leasehold properties</b>		
Not later than one year	1,433	1,659
After one year but not more than five years	2,166	2,355
After five years	1,389	1,139
<b>At 31 March</b>	<b>4,988</b>	<b>5,153</b>
	2021 £'000	2020 £'000
<b>Leasehold plant &amp; equipment</b>		
Not later than one year	57	100
After one year but not more than five years	5	70
After five years	-	-
<b>At 31 March</b>	<b>62</b>	<b>170</b>

## 19.1

### Post-retirement benefits

#### BRITISH TOURIST BOARD'S PENSION SCHEME (BTBPS)

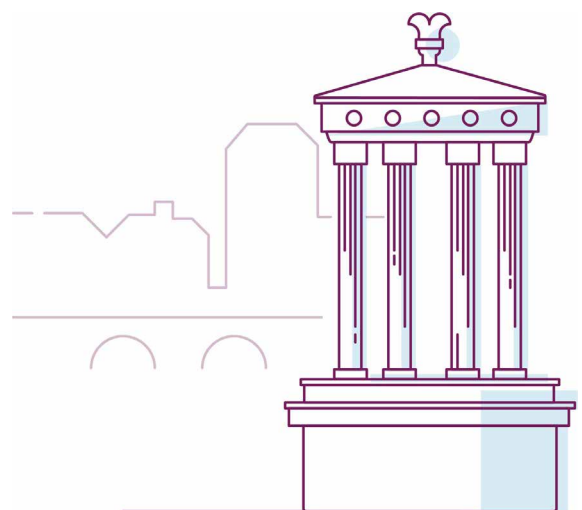
VisitScotland is a participant in the British Tourist Boards' Pension Scheme ("BTBPS) providing benefits and life assurance for staff based upon final pensionable salary. The scheme is a multi-employer defined benefit scheme, contracted out of the State Second Pension Scheme, with the principal Employer (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 2020 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 2020 to 31 March 2021.

The rate for employee and employer contributions for 2021 is 30.1% (2020 30.1%). This included employees' contributions of 5% (2020 5%) and employer's contributions of 25.1% (2020 25.1). Employer contributions paid by VisitScotland for the year to 31 March 2021 amounted to £2,267,000 (2020 £2,262,000). The deficit contributions were paid in accordance with the recovery plan.

VisitScotland share of the Scheme assets, as disclosed at fair value, amounts to £90,765,000 (2020 75,982,000), as compared to its share of Scheme liabilities of £119,257,000 (2020 £98,229,000) results in the funded status of VisitScotland's share of the Scheme reflecting a liability of £28.492 million as at 31 March 2021 (2020: £22.247 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 21).



## Assumptions

BTBPS

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

### Financial:

As at 31 March 2021	2021 % p.a.	2020 % p.a.
Inflation assumption - Pre 2030	2.45 CPI	1.75 CPI
Inflation assumption - Post 2030	2.75 CPI	1.75 CPI
Principal rate of increase in pensionable salaries	2.95	2.25
Bank of England Inflation curve Allowing Inflation Premium 0.2% Using Agreed RPI - CPI gap of 0.8% $2.55 - 0.8\% = 1.75\%$		
Rate of increase for pensions in payment - Pre 2030	2.45 CPI	1.75 CPI
Rate of increase for pensions in payment - Post 2030	2.75 CPI	1.75 CPI
Liability discount rate	2	2.25
Expected return on employer Assets	2	2.25

### Mortality:

Pre and post retirement assumptions are based on the following criteria:

- Male Life expectancy is derived from 98% SAPS S2PXA table 2020 CMII projections trending to 1.25%
- Female Life expectancy is derived from 98% of SAPS S2PXA table with 2020 CMI projections trending to 1.25%

Expected age at death of current pensioner at age 65		
Male aged 65 at year end	86.70	86.70 years
Female aged 65 at year end	88.80	88.60 years
Expected age at death of future pensioner at age 65		
Male aged 45 at year end	88.0	88.0 years
Female aged 45 at year end	90.30	90.10 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 2021 amounts to approximately 22 years. (2020 : 22 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. RPI Inflation

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 assumption		
		2.40%	2.45%	2.50%
Liabilities	£109.6m	£119.2m	£130m	

#### b. Discount rate

		Central assumption		
		(1.5)%	2.00%	2.50%
Liabilities	£134.8m	£119.2m	£106m	

#### c. Life expectancy

The calculation sets out the effects if life expectancies increase or reduce by one year.

	-1 year	Central assumption	+1 year
Liabilities	113.8	119.2	124.7

These figures are provided for illustration only; they are not intended to be regarded as 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 2021

BTBPS

	Assets £'000	Obligations £'000	Net (liability)/ asset £'000
Fair value of employer assets	75,982		75,982
Present value of funded liabilities	-	98,229	(98,229)
Present value of unfunded liabilities	-	-	-
<b>Opening position as at 1 April 2020</b>	<b>75,982</b>	<b>98,229</b>	<b>(22,247)</b>
Service cost			
Current service cost	(173)	3,257	(3,430)
Past service cost (including curtailments)	-	-	-
Effect of settlements	-	-	-
<b>Total service cost</b>	<b>(173)</b>	<b>3,257</b>	<b>(3,430)</b>
Net interest			
Interest income on plan assets	1,697	-	1,697
Interest cost on defined benefit obligation	-	2,212	(2,212)
Impact of asset ceiling on net interest	-	-	-
<b>Total net interest</b>	<b>1,697</b>	<b>2,212</b>	<b>(515)</b>
<b>Total defined benefit cost recognised in statement of comprehensive net expenditure</b>	<b>1,524</b>	<b>5,469</b>	<b>(3,945)</b>
Cashflow			
Plan participants' contributions	424	424	-
Employer contributions	2,267	-	2,267
Transfers in	-	-	-
Benefits paid	(3,665)	(3,665)	-
<b>Expected closing position</b>	<b>76,532</b>	<b>100,457</b>	<b>(23,925)</b>
Remeasurements of net defined benefit obligations			
Change in demographic assumptions	-	276	(276)
Change in financial assumptions	-	20,352	(20,352)
Other experience	-	(1,828)	1,828
Return on assets excluding amounts included in net interest	14,233	-	14,233
Changes in asset ceiling	-	-	-
<b>Total remeasurements recognised in other comprehensive income</b>	<b>14,233</b>	<b>18,800</b>	<b>(4,567)</b>
Fair value employer assets	90,765	-	90,765
Present value of funded liabilities	-	119,257	(119,257)
<b>Closing position as at 31 March 2021</b>	<b>90,765</b>	<b>119,257</b>	<b>(28,492)</b>

## Movement in fair value of plan asset, defined benefit obligation, and net liability for the year ended 31 March 2020

BTBPS

	Assets £'000	Obligations £'000	Net (liability)/ asset £'000
Fair value of employer assets	79,242	-	75,242
Present value of funded liabilities	-	104,785	(104,785)
Present value of unfunded liabilities	-	-	-
<b>Opening position as at 1 April 2019</b>	<b>79,242</b>	<b>104,785</b>	<b>(25,543)</b>
Service cost			
Current service cost**	(298)	4,004	(4,302)
Past service cost (including curtailments)	-	-	-
Effect of settlements	-	-	-
<b>Total service cost</b>	<b>(298)</b>	<b>4,004</b>	<b>(4,302)</b>
Net interest			
Interest income on plan assets	2,097	-	2,097
Interest cost on defined benefit obligation	-	2,801	(2,801)
Impact of asset ceiling on net interest	-	-	-
<b>Total net interest</b>	<b>2,097</b>	<b>2,801</b>	<b>(704)</b>
<b>Total defined benefit cost recognised in statement of comprehensive net expenditure</b>	<b>1,799</b>	<b>6,805</b>	<b>(5,006)</b>
Cashflow			
Plan participants' contributions	445	445	-
Employer contributions	2,262	-	2,262
Transfers in	-	-	-
Benefits paid	(2,609)	(2,609)	-
<b>Expected closing position</b>	<b>81,139</b>	<b>109,426</b>	<b>(28,287)</b>
Remeasurements of net defined benefit obligations			
Change in demographic assumptions	-	(3,227)	3,227
Change in financial assumptions	-	(7,933)	7,933
Other experience	-	(37)	37
Return on assets excluding amounts included in net interest	(5,157)	-	(5,157)
Changes in asset ceiling	-	-	-
<b>Total remeasurements recognised in other comprehensive income</b>	<b>(5,157)</b>	<b>(11,197)</b>	<b>6,040</b>
Fair value employer assets	75,982	-	75,982
Present value of funded liabilities	-	98,229	(98,229)
<b>Closing position as at 31 March 2020</b>	<b>75,982</b>	<b>98,229</b>	<b>(22,247)</b>



## Fair value of employer assets

BTBPS

Asset category	31 MARCH 2021				31 MARCH 2020			
	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					
<b>Equity Securities:</b>								
Consumer	-	-	-	-	-	-	-	-
Manufacturing	-	-	-	-	-	-	-	-
Energy & Utilities	-	-	-	-	-	-	-	-
Financial Institutions	-	-	-	-	-	-	-	-
Health & 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	6,342	-	6,342	7.0%	6,489	-	6,489	8.5%
<b>Investment funds and unit trusts:</b>								
Equities	37,376	-	37,376	41.2%	26,839	-	26,839	35.3%
Corporate Bonds	2,199	-	2,199	2.4%	1,916	-	1,916	2.5%
Hedge Funds	26,454	-	26,454	29.1%	26,286	-	26,286	34.6%
Commodities	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Other - LDI repo	7,376	-	7,376	8.1%	11,387	-	11,387	15.0%
Other - Insurance Annuities	1,232	-	1,232	1.4%	1,431	-	1,431	1.9%
<b>Derivatives:</b>								
Inflation	-	-	-	-	-	-	-	-
Interest rate	-	-	-	-	-	-	-	-
Foreign exchange	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>Cash and cash equivalents:</b>								
All	9,786	-	9,786	10.8%	1,634	-	1,634	2.2%
<b>Totals</b>	<b>90,765</b>	<b>-</b>	<b>90,765</b>	<b>100.0%</b>	<b>75,982</b>	<b>-</b>	<b>75,982</b>	<b>100.00%</b>

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

## Fair value of employer assets

BTBPS

## History of experience gains and losses

As at 31 March

	2021 £'000	2020 £'000	2019 £'000
Fair value of employer assets	90,765	75,982	79,242
Present value of defined benefit obligation	(119,257)	(98,229)	(104,785)
<b>Net pension (liability)</b>	<b>(28,492)</b>	<b>(22,247)</b>	<b>(25,543)</b>
Experience: (Losses)/gains on assets	14,233	(5,157)	2,261
Experience: (Losses)/gains on liabilities	(18,800)	11,197	5,363
	(4,567)	6,040	7,624
<b>Experience: Cumulative actuarial (losses)/gains recognised</b>	<b>(5,077)</b>	<b>(510)</b>	<b>(6,550)</b>

## 19.2

### Post-retirement benefits

#### LOCAL GOVERNMENT PENSION SCHEMES (LGPS)

VisitScotland participates in a number of Local Government Pension Scheme (“LGPS”) which are defined benefit statutory schemes, 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 cease), and the consolidated figures from each individual 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 2018.

The various LGPS Schemes in which VisitScotland participates, together with the employers’ contribution rates for the year, are as follows:

	2021 %	2020 %
North East Scotland Pension Fund	19.3	19.3
Tayside Superannuation Scheme	17.0	17.0
Falkirk Council Pension Scheme	38.9	38.9
Dumfries and Galloway Council Pension Fund	21.5	21.5
Lothian Pension Fund	15.2	15.2
Strathclyde Pension Scheme	29.0	29.0
Highland Council Pension Fund	33.3	33.3
Highland Council Pension Fund (Western Isles)	20.4	20.4
Fife Council Superannuation Fund	24.5	24.5
Scottish Borders Council Pension Fund	18.0	18.0
Shetland Islands Council Pension Fund	40.6	40.6

Employee contributions are applied in tiers ranging from 5.5% to 12% depending upon the employee’s pensionable pay on 31 March. Throughout the year there was a bulk transfer of all assets and liabilities from each fund into the Lothian Pension Fund (LPF). The LPF now holds all assets and liabilities in respect of the Employer’s share of the Local Government Pension Scheme. The asset transfer was effective on 21 March 2021. Employers principal contributions paid by VisitScotland for the year to 31 March 2021 amounted to £1,319,000 (2020:1,449,000). VisitScotland’s share of the LGPS Scheme assets, as disclosed at fair value, as at 31 March 2021, amounts to £79,120,000 (2020:£64,713,000), which when compared to its share of Scheme Liabilities of £85,793,000 (2020:£69,170,000) results in the funded status of VisitScotland’s share of the Scheme, as at 31 March 2021, standing at a increased liability of £6.673 million (2020:£4.457million).

The assets split at the accounting date, as shown on page 134, 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 2021	2021 % p.a.	2020 % p.a.
Inflation assumption Pre 2030	2.45 CPI	1.75 CPI
Inflation assumption Post 2030	2.75 CPI	1.75 CPI
Principal rate of increase in pensionable salaries	2.95	2.25
Rate of increase for pensions in payment	2.75 CPI	1.75 CPI
Liability discount rate	2.0	2.25
Expected return on employer Assets	2.0	2.25

### Mortality:

The mortality tables adopted are those applied at CMI 2018 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	85.6 years	86.1 years
Female aged 65 at year end	88.4 years	88.8 years
Expected age at death of future pensioner at age 65		
Male aged 45 at year end	87.1 years	89.1 years
Female aged 45 at year end	90.3 years	92.0 years

The life expectancies shown are those in respect of the Lothain 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 2021.

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

The split of assets at 31 March 2021 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 approximate impact of a 0.5% change in the respective RPI inflation and discount rate assumptions on the Scheme liabilities, if all other assumptions remain unchanged is as follows:

	% Increase in Liabilities	Approximate amount £m
0.5% decrease in 'Real' Discount Rate	10.6%	9.0
0.5% increase in Salary Increase Rate	1.42%	1.1
0.5% increase in the CPI inflation Rate	8.1%	6.9
1 year increase in member life expectancy	3.0%	2.6

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 2021

LGPS

	Assets £'000	Obligations £'000	Net (liability)/ asset £'000
Fair value of employer assets	64,713	-	64,713
Present value of funded liabilities	-	69,170	(69,170)
Present value of unfunded liabilities	-	-	-
<b>Opening position as at 1 April 2020</b>	<b>64,713</b>	<b>69,170</b>	<b>(4,457)</b>
Service cost			
Current service cost*	-	1,822	(1,822)
Past service cost (including curtailments)	-	-	-
Effect of settlements	-	-	-
<b>Total service cost</b>	<b>-</b>	<b>1,822</b>	<b>(1,822)</b>
Net interest			
Interest income on plan assets	1,453	-	1,453
Interest cost on defined benefit obligation	-	1,560	(1,560)
Impact of asset ceiling on net interest	-	-	-
<b>Total net interest</b>	<b>1,453</b>	<b>1,560</b>	<b>(107)</b>
<b>Total defined benefit cost recognised in statement of comprehensive net expenditure</b>	<b>1,453</b>	<b>3,382</b>	<b>(1,929)</b>
Cashflows			
Plan participants' contributions	356	356	-
Employer contributions	1,259	-	1,259
Contributions in respect of unfunded benefits	60	-	60
Benefits paid	(1,808)	(1,808)	-
Unfunded benefits paid	(60)	(60)	-
<b>Expected closing position</b>	<b>65,973</b>	<b>71,040</b>	<b>(5,067)</b>
Remeasurements of net defined benefit obligations			
Change in demographic assumptions	-	-	-
Change in financial assumptions	-	16,919	(16,919)
Other experience	-	(2,166)	2,166
Return on assets excluding amounts included in net interest	13,146	-	13,146
Changes in asset ceiling	-	-	-
<b>Total remeasurements recognised in other comprehensive income</b>	<b>13,146</b>	<b>14,753</b>	<b>(1,607)</b>
Fair value employer assets	79,119	-	79,120
Present value of funded liabilities	-	85,793	(85,793)
Present value of unfunded liabilities	-	-	-
<b>Closing position as at 31 March 2021</b>	<b>79,119</b>	<b>85,793</b>	<b>(6,673)</b>

\*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 2020

LGPS

	Assets £'000	Obligations £'000	Net (liability)/ asset £'000
Fair value of employer assets	67,603	-	67,603
Present value of funded liabilities	-	72,365	(72,365)
Present value of unfunded liabilities	-	-	-
<b>Opening position as at 1 April 2019</b>	<b>67,603</b>	<b>72,365</b>	<b>(4,762)</b>
Service cost			
Current service cost*	-	1,881	(1,881)
Past service cost (including curtailments)	-	-	-
Effect of settlements	-	-	-
<b>Total service cost</b>	<b>-</b>	<b>1,881</b>	<b>(1,881)</b>
Net interest			
Interest income on plan assets	1,791	-	1,791
Interest cost on defined benefit obligation	-	1,923	(1,923)
Impact of asset ceiling on net interest	-	-	-
<b>Total net interest</b>	<b>1,791</b>	<b>1,923</b>	<b>(132)</b>
<b>Total defined benefit cost recognised in statement of comprehensive net expenditure</b>	<b>1,791</b>	<b>3,804</b>	<b>(2,013)</b>
Cashflows			
Plan participants' contributions	331	331	-
Employer contributions	1,384	-	1,384
Contributions in respect of unfunded benefits	65	-	65
Benefits paid	(1,758)	(1,758)	-
Unfunded benefits paid	(65)	(65)	-
<b>Expected closing position</b>	<b>69,351</b>	<b>74,677</b>	<b>(5,326)</b>
Remeasurements of net defined benefit obligations			
Change in demographic assumptions	-	(1,680)	1,680
Change in financial assumptions	-	(3,509)	3,509
Other experience	-	(318)	318
Return on assets excluding amounts included in net interest	(4,638)	-	(4,638)
Changes in asset ceiling	-	-	-
<b>Total remeasurements recognised in other comprehensive income</b>	<b>(4,638)</b>	<b>(5,507)</b>	<b>869</b>
Fair value employer assets	64,713	-	64,713
Present value of funded liabilities	-	69,170	(69,170)
Present value of unfunded liabilities	-	-	-
<b>Closing position as at 31 March 2020</b>	<b>64,713</b>	<b>69,170</b>	<b>(4,457)</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 2021				31 MARCH 2020			
	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	£'000	%	
<b>Equity Securities:</b>								
Consumer	9,886	-	9,886	12.5%	6,581	-	6,581	10.2%
Manufacturing	11,487	65	11,552	14.6%	8,390	48	8,438	13.0%
Energy & Utilities	4,260	-	4,260	5.4%	3,814	-	3,814	5.9%
Financial Institutions	5,391	-	5,391	6.8%	5,750	-	5,750	8.9%
Health & Care	5,392	-	5,392	6.8%	3,752	-	3,752	5.8%
Information technology	3,778	3	3,781	4.8%	3,494	3	3,497	5.4%
Other	6,126	226	6,352	8.0%	3,088	114	3,202	4.9%
<b>Debt securities:</b>								
Corporate Bonds (investment grade)	35	8	43	0.1%	1,675	407	2,082	3.2%
Corporate Bonds (non-investment grade)	-	-	-	0.0%	-	-	-	0.0%
UK Government	4,194	578	4,772	6.0%	2,762	380	3,142	4.9%
Other	-	-	-	0.0%	355	-	355	0.5%
<b>Private Equity:</b>								
All	677	11,729	12,406	15.7%	196	3,405	3,601	5.6%
<b>Real Estate:</b>								
UK Property	992	3,143	4,135	5.2%	1,082	3,427	4,509	7.0%
Overseas Property	1	29	30	0.0%	1	34	35	0.1%
<b>Investment funds and unit trusts:</b>								
Equities	478	660	1,138	1.4%	2,928	4,050	6,978	10.8%
Bonds	304	1,453	1,757	2.2%	414	1,975	2,389	3.7%
Hedge Funds	-	-	-	0.0%	-	-	-	0.0%
Commodities	-	-	-	0.0%	-	-	-	0.0%
Infrastructure	12	51	63	0.1%	176	689	865	1.3%
Other	-	-	-	0.0%	1,776	922	2,698	4.2%
<b>Derivatives:</b>								
Inflation	-	-	-	-	-	-	-	-
Interest rate	-	-	-	-	-	-	-	-
Foreign exchange	-	-	-	-	-	-	-	-
Other	-	-	-	0.0%	24	-	24	0.0%
<b>Cash and cash equivalents:</b>								
All	5,226	2,944	8,170	10.3%	1,920	1,081	3,001	4.6%
Totals	58,239	20,881	79,120	100.0%	48,178	16,535	64,713	100%



## Fair value of employer assets

LGPS

## History of experience gains and losses

As at 31 March

	2021 £'000	2020 £'000	2019 £'000
Fair value of employer assets	79,120	64,713	67,603
Present value of defined benefit obligation	(85,793)	(69,170)	(72,365)
<b>Net pension (liability)</b>	<b>(6,673)</b>	<b>(4,457)</b>	<b>(4,762)</b>
Experience: (Losses)/gains on assets	13,146	(4,638)	2,987
Experience: (Losses)/gains on liabilities	(14,753)	5,507	(1,823)
	(1,607)	869	1,164
<b>Experience: Cumulative actuarial (losses)/gains recognised</b>	<b>(2,096)</b>	<b>(489)</b>	<b>(1,358)</b>

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

	2021 £'000	2020 £'000
British Tourist Boards' Pension Scheme	2,267	2,262
Local Government Pension Schemes	1,320	1,449
Other Pension Schemes	-	-
<b>At 31 March</b>	<b>3,587</b>	<b>3,711</b>

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

	2021 £'000	2020 £'000
British Tourist Board's Pension Scheme	(4,567)	(6,040)
Local Government Pension Schemes	(1,607)	(869)
<b>At 31 March</b>	<b>(6,174)</b>	<b>(6,909)</b>

### b. Total deficit on retirement benefit obligations

	2021 £'000	2020 £'000
British Tourist Boards' Pension Scheme	(28,492)	(22,247)
Local Government Pensions Schemes	(6,673)	(4,457)
<b>At 31 March</b>	<b>(35,165)</b>	<b>(26,704)</b>

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

	BTBPS £'000	LGPS £'000
Charges recognised in the statement of comprehensive net income	(3,945)	(1,929)
Employers contributions	2,267	1,258
Contributions in respect of unfunded benefits	-	61
<b>Annually Managed Expenditure (AME)</b>	<b>(1,678)</b>	<b>(610)</b>

## 20

## 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 & 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. Other borrowings are representative of the Finance Lease obligations with regard to Leasehold properties reported in accordance with IAS 17, and highlighted in Note 17.

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.

## 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 March 2020					
Other borrowings	200	99	109	-	208
Trade and other payables	14,310	14,310	-	-	14,310
<b>Total financial liabilities</b>	<b>14,510</b>	<b>14,409</b>	<b>109</b>	<b>-</b>	<b>14,518</b>
As at 31 March 2021					
Other borrowings	106	57	51	-	108
Trade and other payables	43,620	43,620	-	-	43,620
<b>Total financial liabilities</b>	<b>43,726</b>	<b>43,677</b>	<b>51</b>	<b>-</b>	<b>43,728</b>

### 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 13.

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.

	Group	
	2021 £'000	2020 £'000
<b>Current receivables</b>		
Trade and other receivables	3,517	1,496
Cash and cash equivalent		
Government Banking Service	30,564	5,024
Commercial banks	5,643	4,132
Unapplied capital receipts		-
<b>At 31 March</b>	<b>39,724</b>	<b>10,652</b>

## Financial instruments

The maximum exposure to credit risk at the reporting date was:

### c(i) 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

GROUP	Within 1 year £'000	Between 1 and 5 years £'000	After 5 years £'000	Total £'000
<b>Fixed interest rate</b>				
At 31 March 2020	-	-	-	-
Financial liabilities	-	-	-	-
Other borrowings	(94)	(106)	-	(200)
<b>Total</b>	<b>(94)</b>	<b>(106)</b>		<b>(200)</b>
<b>At 31 March 2021</b>				
Financial liabilities	-	-	-	-
Other borrowings	(55)	(51)		(106)
<b>Total</b>	<b>(55)</b>	<b>(51)</b>	<b>0</b>	<b>(106)</b>
<b>Variable interest rate</b>				
At 31 March 2020				
Financial assets	-	-	-	-
Trade and other receivables	1,496	-	-	1,496
Cash and cash equivalents	9,156	-	-	9,156
Financial liabilities	-	-	-	-
Trade and other payables	(14,310)	-	-	(14,310)
<b>Total</b>	<b>(3,658)</b>	<b>-</b>	<b>-</b>	<b>(3,658)</b>
<b>At 31 March 2021</b>				
Financial assets				
Trade and other receivables	3,517	-	-	3,517
Cash and cash equivalents	36,207	-	-	36,207
Financial liabilities	-	-	-	-
Loans	-	-	-	-
Trade and other payables	(43,620)	-	-	(43,620)
<b>Total</b>	<b>(3,896)</b>	<b>-</b>	<b>-</b>	<b>(3,896)</b>

## 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.

### Fair value hierarchy

	Group		Group	
	2021	2020	2021	2020
	Carrying amount £'000	Fair value £'000	Carrying amount £'000	Fair value £'000
<b>Financial assets</b>				
Trade and other receivables	3,517	3,517	1,496	1,496
Cash and cash equivalents	36,207	36,207	9,156	9,156
<b>Financial liabilities</b>				
Other borrowings	(106)	(106)	(200)	(200)
Trade and other payables	(43,620)	(43,620)	(14,310)	(14,310)
<b>At 31 March</b>	<b>(4,002)</b>	<b>(4,002)</b>	<b>(3,858)</b>	<b>(3,858)</b>

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

### Estimation of fair values

- Level 1** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2** 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).
- Level 3** 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:

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

## Financial instruments

### Interest rate sensitivity analyses

#### Loans

#### 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 bankings, 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.

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### Provisions

GROUP	McCloud provision	Dilapidation provision	Pension provision	Total
	£'000	£'000	£'000	
At 1 April 2019	110	545	54	709
Utilised	(73)	(3)	(5)	(81)
Charged				
At 31 March 2020	37	542	49	628
At 1 April 2020	37	542	49	628
Utilised	-	-	-	-
Charged	-	94	-	94
At 31 March 2021	37	636	49	722

VisitScotland is liable for the pension associated with past chairmen, 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 as at 31 March 2021.

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## Losses and special payments

	Group		VisitScotland	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Total losses for the year were:				
Trade bad debts written off	25	25	25	25
<b>At 31 March</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>

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## Capital commitments

As at 31 March 2021 there were no capital commitments (2020: none).

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## 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 2021 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 2021 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.



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## 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.

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
Caroline Roxburgh	Edinburgh International Festival Society	Non-executive Director and Trustee	Event Sponsorship grant	-	-	50.00	-
Cathy Craig	Argyll & Isles Torusim Cooperative	CEO	Destination and Sector Fund - Covid Business support grant	-	-	7.00	-
John Thurso	Tourism Society	Trustee		-	-	0.12	-
Stephen Hagan	Calmac Ferries Limited	Director	Marketing	-	-	(0.48)	-
Rebecca Brokes	Scottish Tourism Allianc	Non-executive Director	Destination and Sector Fund - Covid business support grant	-	-	97.10	-
Rebecca Brookes	Abbey Scotland	Managing Director	Inbound Sector - Covid business support grant	-	-	695.69	695.69
Paul Bush	International Association of Event Hosts	Director	Membership fee	-	-	0.75	-
Paul Bush	Sporting Initiatives	Spouse	Event - Covid business support grant	-	-	20.00	-
Vicki Miller	Marketing Society	Advisory Board Member	Membership and Sponsorship	-	-	15.00	-

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.



# Edinburgh International Book Festival

“ ”

The single story creates stereotypes  
and the problem with stereotypes  
is not that they are untrue, but that  
they are incomplete. They make  
one story become the only story.

Stories matter. Many stories matter.

Stories have been used to  
dispossess and to malign, but  
stories can also be used to empower  
and to humanize. Stories can break  
the dignity of others, but stories  
can also restore it.

The World,  
in Words



Edinburgh International Book Festival



The World, in Words.

