

Master Innholders Charitable Trust

Report of the Trustees and Financial Statements

For the year ended

30 June 2022

Master Innholders Charitable Trust

**Report and financial statements
For the year ended 30 June 2022**

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Master Innholders Charitable Trust

Legal and administrative details for the year ended 30 June 2022

Reference and administrative information

Charity name: Master Innholders Charitable Trust

Charity registration number: 1003371

Operational address: Innholders Hall
30 College Street
London
EC4R 2RH

Board of Trustees

The Trustees who served the Charity during the year were as follows:

The Rt Hon the Viscount Thurso, PC, FIH, MI
J Essenhigh, FRICS
T Holmes, FIH, MI
D Palmer, FIH, MI
D Picot, FIH, MI

Independent examiner: Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

Bankers: Bank of Scotland, City of London Corporate Centre
155 Bishopsgate
London
EC2M 3YB

Solicitors: Bates, Wells & Braithwaites LLP
10 Queen Street Place
London
EC4R 1AG

Master Innholders Charitable Trust

Report of the Trustees For the year ended 30 June 2022

The Master Innholders Charitable Trust was set up in 1991 to provide funding for the advancement of education and training in the art and practice of hotel-keeping and catering by encouraging the development of and improving of standards and by the promotion of education and training.

The Trust's main source of income is derived from a Deed of Covenant between The Master Innholders Limited and the Master Innholders Charitable Trust; additional sources of income come from dividend income from investments, from bank/building society interest and from occasional sundry gifts.

Trustees

The Trustees of the Master Innholders Charitable Trust are:

The Rt Hon the Viscount Thurso, PC, FIH, MI	Chairman
Mr Jason Essenhig, FRICS	
Mr Terrence Holmes, FIH, MI	
Mr Duncan Palmer, FIH, MI	
Mr Derek Picot, FIH, MI	

The registered office for the charity is:

Innholders' Hall
30 College Street
London
EC4R 4RH

Organisation & Charity Contact

The organisation has its offices at the Worshipful Company of Innholders. The administration of the charity is currently undertaken on a voluntary basis by the trustees who have engaged Haysmacintyre to compile the accounts.

Advisors, bankers, etc:

The bankers for the charity are:

Bank of Scotland
City of London Corporate Centre
155 Bishopsgate
London
EC2M 3YB

Master Innholders Charitable Trust

Report of the Trustees For the year ended 30 June 2022 (*continued*)

The independent examiner of the charitable accounts is:

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

Review of the year's activities

The main part of the income of the Trust is usually represented by a donation made under the terms of a Deed of Covenant between The Master Innholders Limited and the Master Innholders Charitable Trust. Under the terms of the Deed, The Master Innholders Limited pays to the Charitable Trust an annual sum amounting to their profits, less tax. Although as a result of Covid and lockdowns the Master Innholders were unable to make a contribution for the previous year they were able to resume donations and the charity received £45,000 in 2022. In addition, the charity received investment income from the Bannister bequest. As a result, the charity maintained its grants during the year.

Covid 19

The continuing impact of Covid and lockdowns over two years continued to impact enormously on both the wider hospitality industry and the trust. However, the normal scholarship scheme was resumed. In addition the trustees decided to continue to support industry charities.

Grants to Industry Charities

The lockdown caused great hardship within the hospitality industry. The trustees therefore made a further grant of £25,000 to Hospitality Action to help fund the grants it is making to individuals in difficulty

Master Innholder Scholarships

The lockdown has prevented the 2019 scholarship winners from taking up their scholarships and there was no scholarship competition in 2020. However the scholarships resumed in 2021 and a contribution of £20,000 was made.

The Hoteliers' Charter

The Hoteliers' Charter was launched during the year with the aim of inspiring and training young people in the industry through a charter for managers. The trustees made a grant of £15,000 to enable the charter to commence operation.

Master Innholders Charitable Trust

Report of the Trustees For the year ended 30 June 2022 (continued)

Financial

Reserves

The Trustees maintain a rolling financial plan which takes into account accumulated income, estimated dividends on investments and sundry income and donations.

The Trustees have agreed a general policy of matching expenditure against income. This year, income from the Master Innholders Limited was £45000. The trustees also received income from the Bannister legacy. The trustees continued to support charities working to alleviate hardship caused by covid as well as resuming support for scholarships and making other grants. The trustees used some reserves to maintain expenditure but expect a return to matching income and expenditure in the near future.

Investment Policy

The Trustees have opted for a medium risk approach to the charitable investments using a total return basis. During the year the trustees appointed Schroders as investment managers with the bulk of funds in accumulation units in their specialist charity fund. The charity's investments held in Charifund and Charibond were transferred to Schroders and the Charibond units sold and invested with Schroders. The Charifund units are held by Schroders. The trustees benefit from informal oversight by the WCI investment committee.

Risks to which the Charity is exposed

The Trustees have analysed potential risks under three main headings: financial, operational and reputational. They are satisfied that sufficient safeguards are in place to guard against foreseeable risks or to mitigate the effects of such risks.

The Charity relies primarily on the gifts it receives from The Master Innholders Limited and it makes its grants to other organisations which fund the educational programmes. Loss of the gift from The Master Innholders Limited would curtail the Charity's ability to maintain its current grant-making expenditure to these programmes and the Trustees would have to identify smaller programmes and grants that the charity could support from its investment dividends.

Resources expended

The trustees continue to employ Haysmacintyre LLP to compile the accounts and undertake filings. Otherwise as the trustees give of their time and there are no other administrative costs overall expenditure is kept to a minimum.

Testing of Public Benefit

In assessing public benefit, the Trustees have due regard to the Charity Commission's Guidance for Charity Trustees and are satisfied that the beneficiaries of all grants have fallen within the aims of the charity. No geographical restrictions are made on potential beneficiaries.

The Trustees are not able to influence the selection of the recipients of scholarships proposed by the selection panels. In the very rare case where a donation is being considered to an organisation in which one of the Trustees is also a trustee, that person is required to make a declaration of his/her interest and withdraw from the decision-making process. The Trust maintains a register of the interests of members of the Trustee body, which might lead to a conflict of interests.

While the benefit of a Master Innholder Scholarship, and the Hoteliers' Charter, is limited to a specific section of the public (i.e., those within the hospitality and catering industry), the Trustees are satisfied that, as the fourth largest employment sector in the country, this is a sufficient proportion of the population to demonstrate public benefit.

Master Innholders Charitable Trust

Report of the Trustees For the year ended 30 June 2022 (continued)

Testing of Public Benefit (cont.)

Within that sector, no-one is excluded from benefitting from the award of a scholarship or benefit of support and, since no fees are charged, the ability to pay or contribute fees is not an issue. People in poverty are not excluded: indeed, the grants made are specifically aimed at either at those from low-income or otherwise deprived backgrounds.

The Trustees consider that restrictions that are made in the granting of scholarships are only made because of the amount of funds available and not on any other basis. They also consider that the distributions the charity makes is proportionate to the funds available.

Key management personnel remuneration

The Trustees are fortunate that the costs associated with the running of the charity other than to HaysmacIntyre LLP are contributed free by the trustees. None of the Trustees, receives any personal or private benefits, real or incidental, nor do they receive any remuneration from the charity.

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether the applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charity (Accounts and Reports) Regulations and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees on 30th September 2022 and signed as authorised on their behalf by:



The RT Hon the Viscount Thurso, PC
Chairman

Master Innholders Charitable Trust

Independent examiner's report For the year ended 30 June 2022

I report to the Trustees on my examination of the accounts of the Master Innholders Charitable Trust for the year ended 30 June 2022 which are set out on pages 7 to 12.

Respective responsibilities of trustees and examiner

The trustees are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the 2011 Act"). The trustees are satisfied that an audit is not required for this year under section 144(2) of the 2011 Act and have chosen instead to have an independent examination.

I report in respect of my examination of the Trust's accounts as carried out under section 145 of the 2011 Act. In carrying out my examination I have followed the requirements of the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Andrew Broome, ACA
Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

Date 26 October 2022

Master Innholders Charitable Trust

Statement of financial activities (incorporating the income and expenditure account) For the year ended 30 June 2022

	Note	2022 £	2021 £
Incoming resources			
Donations and legacies	2	45,000	-
Charitable activities	3	-	3,043
Investment income	4	9,650	4,542
		<u>54,650</u>	<u>7,585</u>
Resources expended			
Charitable activities	5	(60,000)	(47,500)
Finance expenses		(4,079)	(3,289)
		<u>(65,079)</u>	<u>(50,789)</u>
Net incoming resources for the year		(10,429)	(43,204)
Other recognised gains and losses			
Change in market value of investments		(25,477)	44,576
Gain on disposal of investments		987	136
		<u>(24,490)</u>	<u>44,712</u>
Net movements in funds for the year		(34,919)	1,508
Total funds brought forward		904,968	903,460
Total funds carried forward		870,049	904,968

The statement of financial activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities and unrestricted funds.

The notes on pages 9 to 12 form part of these financial statements.

Master Innholders Charitable Trust

Balance sheet at 30 June 2022

<i>Charity number 1003371</i>	Note	2022 £	2021 £
Fixed assets			
Investments	6	682,415	699,503
Current assets			
Cash at bank in hand	7	190,384	207,965
Accrued income		-	-
		<u>872,799</u>	<u>907,468</u>
Creditors: amounts falling due within one year	8	<u>(2,750)</u>	<u>(2,500)</u>
Net assets		<u>870,049</u>	<u>904,968</u>
Represented by:			
Unrestricted funds	9	<u>870,049</u>	<u>904,968</u>

These financial statements were approved by the Trustees on and signed on its behalf by:



The Rt Hon Viscount Thurso, PC, FIH, MI
Trustee

Date: 12th September 2022

Master Innholders Charitable Trust

Notes forming part of the financial statements For the year ended 30 June 2022

1 Accounting policies

The principal accounting policies which have been adopted are set out below:

Basis of preparation

These accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes in these accounts.

The financial statements have been prepared in accordance with the Accounting and Reporting by Charities. Statement of Recommended Practice applicable to charities preparing their account in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective January 2015) – (Charities SORP FRS102) and with the Charities Act 2011.

The Charity constitutes a public benefit entity as defined by FRS 102.

Unrestricted funds

Unrestricted funds are donations or other income received or generated for the objects of the charity without further specified purpose and are available as general funds.

Incoming resources

All incoming resources are included in the Statement of Financial Activities (SOFA) when the Charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to categories of income:

- Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of financial activities when receivable.
- Investment income is included when receivable.

Expended resources

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- Governance costs includes those costs associated with meeting the constitutional and statutory requirements of the Charity and include the accountancy fees and costs linked to the strategic management of the Charity.
- Charitable expenditure comprises those costs incurred by the charity in the provision of grant funding activities. It includes other costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

No account has been taken of any administrative expenses which have been discharged on behalf of the Trust by The Master Innholders Limited.

Master Innholders Charitable Trust

Notes forming part of the financial statements For the year ended 30 June 2022 (*continued*)

1 Accounting policies (continued)

Investments

Investments are included in the financial statements at market value. Movements in market value are recognised in the SOFA as unrealised gains or losses.

Cash and Cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments, that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2 Voluntary income

	2022 £	2021 £
Donations received	45,000	-
Legacies received	-	-
	<u>45,000</u>	<u>-</u>

3 Charitable activities

	2022 £	2021 £
Fundraising event	-	3,043
	<u>-</u>	<u>3,043</u>

4 Investment income

	2022 £	2021 £
Investment income	9,650	4,541
Bank interest received	-	1
	<u>9,650</u>	<u>4,542</u>

Master Innholders Charitable Trust

Notes forming part of the financial statements For the year ended 30 June 2022 (*continued*)

5 Costs of charitable activities

	2022 £	2021 £
The Worshipful Company of Innholders:		
Midas programme	-	10,000
Masters Innholders Scholarships	20,000	25,000
Masters Innholders Scholarships 2020	-	-
Hospitality Action	25,000	12,500
The Licensed Trade	-	-
Hoteliers Charter	15,000	-
	60,000	47,500

6 Investments

	2022 £	2021 £
Movement in market value		
Market value at 1 July 2021	699,503	100,734
Addition	1,135	590,933
Disposals	(899)	(40,797)
Cash accounts movement	8,153	4,057
Net gain / (loss) on revaluations in the year	(25,477)	44,576
	682,415	699,503
Market value at 30 June 2022	682,415	699,503
Historical cost at 30 June 2022	667,160	667,160
Analysis of investments		
Schroder investment XO	79,401	77,875
Schroder investment	603,014	621,628
M & G Equities Investment Fund for Charities commonly known as 'Charifund'	-	-
M & G Charities Fixed Interest Common Investment Fund commonly known as 'Charibond'	-	-
	682,415	699,503

7 Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	190,382	207,965

8 Creditors: amounts falling due within one year

	2022 £	2021 £
Accruals	2,750	2,500

Master Innholders Charitable Trust

Notes forming part of the financial statements For the year ended 30 June 2022 (*continued*)

9 Unrestricted income funds

	Balance at 1 July 2021 £	Incoming resources £	Balance at 30 June 2022 £
General funds	904,968	(34,919)	870,049

10 Analysis of net assets between funds

	Investments £	Other net assets £	Total £
Unrestricted funds	682,415	187,634	870,049
Total funds	682,415	187,634	870,049

11 Trustees remuneration

No payments were made to any Trustees in the year for service as Trustees. The Trustees are members of the Worshipful Company of Innholders and the Master Innholders. Other than the support provided by these two organisations disclosed within in these accounts, there were no related party transactions during the year.

