

HOSPITALITY ACTION

England & Wales · Charity number 1101083

Details

Status	Registered
Legal form	Charitable company
Company number	04914871
Registered	2003-12-08
Register	View on the Charity Commission register

Contact

Address	62 Britton Street London EC1M 5UY
Phone	02030045500
Email	info@hospitalityaction.org.uk
Website	www.hospitalityaction.org.uk

Activities

Objects: THE CHARITY'S OBJECTS ("THE OBJECTS") ARE FOR THE RELIEF OF PERSONS WHO ARE OR HAVE BEEN ENGAGED IN THE HOTEL CATERING AND/OR HOSPITALITY INDUSTRIES AND THE WIDOWS, WIDOWERS, PARTNERS, ORPHANS AND OTHER DEPENDANTS OF SUCH PERSONS BY THE PROVISION OF:(A) MONETARY GRANTS WHERE SUCH PERSON IS IN NECESSITOUS CIRCUMSTANCES (WHETHER RECURRING OR ONE-OFF) OR LOANS ON FAVOURABLE TERMS; AND/OR(B) ADVICE, ASSISTANCE AND SUPPORT TO ANY SUCH PERSONS IN NECESSITOUS CIRCUMSTANCES AND/OR(C) EDUCATION AND TRAINING.

Activities: Provision of advice and/or grants to persons who are either in employment or have been employed in the Hotel & Catering Industry. Our life support programme covers crisis help, essential needs assistance, education on drug and alcohol abuse (through a corporate seminar programme), family members communication and assistance and an employee assistance programme.

Classification

- **How:** Makes Grants To Individuals, Provides Services, Provides Advocacy/advice/information
- **What:** General Charitable Purposes, Education/training, The Prevention Or Relief Of Poverty
- **Who:** Other Defined Groups

Geography

- Ireland
- Northern Ireland
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£3,880,813	£3,587,153	£8,350,171	21
2023-12-31	£3,038,586	£3,208,372	£7,521,128	19
2022-12-31	£3,015,551	£2,851,495	£7,466,658	18
2021-12-31	£2,860,825	£2,667,207	£7,658,608	17
2020-12-31	£3,242,352	£2,840,575	£6,902,608	15

Trustees

Name	Role	Appointed
JONATHAN RAGGETT	Chair	2011-09-21
ANDREW GUY MBE FIH		2005-09-14
ANDREW LATHAM MIH		2013-07-23
Andrew Selley		2018-09-04
Chris Garside		2018-12-04
DAVID WALKER JP FIH		2013-12-09
Danny Pecorelli		2022-12-06
Helen Milligan-Smith		2024-06-04
Jon Dee		2009-03-10
Katherine Nicholls OBE		2018-12-04
Kevin Charity		2020-06-09
RINGO FRANCIS		2014-09-02
Simon Esner		2017-06-06
TIM JONES		2015-09-01

Accounts

Hospitality Action

**Annual Report and Consolidated
Financial Statements**

31 December 2024

Company Limited by Guarantee
Registration Number 04914871
Charity Registration Number 1101083

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Reference and administrative information

Board of Trustees	Jonathan Raggett (Chair) Jon Dee ACA (Treasurer) Kevin Charity Simon Esner Ringo Francis Chris Garside Andrew Guy MBE Tim Jones Andrew Latham Helen Milligan-Smith (appointed 4 th June 2024) Kate Nicholls OBE Danny Pecorelli Ian Sarson Andrew Selley David Walker MBE
Chief Executive	Mark Lewis
Company secretary	Greg Minter
Principal office	62 Britton Street London EC1M 5UY
Company registration number	04914871
Charity registration number	1101083
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Royal Bank of Scotland Brooklands Close Sunbury on Thames TW16 7DX
Investment managers	Cazenove Capital Management 1 London Wall Place London EC2Y 5AU

Reference and administrative information

Solicitors	H3 Solicitors Ltd Suite 1, The Old Pig Styes, Brighthams Farm, Bines Road, Partridge Green, West Sussex, RH13 HEQ
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Reference and administrative information

The Board of Trustees thanks the Chairpersons and Committee members who gave so generously of their time during 2024:

Finance and Investment

Jon Dee ACA (Chair)
Lizi Hills
Tim Doubleday
Tim Jones

Grants and Advisory

Andrew Latham (Chair)
Valerie Barrow

Mitchell Collier

Flavia Gapper
Dawn Jackson
Jane Morris
Ian Sarson

Reference and administrative information

The Board of Trustees thanks its Patrons, whose ongoing patronage brings credibility, authority and brand awareness to the charity. These are:

Patrons	Jason Atherton
	Raymond Blanc OBE
	Heston Blumenthal OBE
	Michael Caines MBE
	Jeremy Goring
	Angela Hartnett OBE
	Nigel Haworth
	Paul Heathcote MBE
	Charlie Hodson
	Tom Kerridge
	Atul Kochhar
	Donald Macdonald OBE
	Sinead Mallozzi
	Anton Mosimann OBE
	Harry Murray MBE
	Chantelle Nicholson
	Jamie Oliver MBE
	Craig Prentice
	Alain Roux
	Michel Roux Jr
	Vivek Singh
	Cyrus Todiwala
	Pervin Todiwala
	Phil Vickery MBE
	The Viscount Lord Thurso
	Brian Turner CBE
	Robert Walton MBE

The Trustees, who are also the directors, present the annual accounts for Hospitality Action for the year ended 31 December 2024 prepared in accordance with the Statement of Recommended Practice for Charities (SORP) 2019 and the Companies Act 2006. The reference and administrative information on pages 1-4 forms part of this report.

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

The Charity is a Benevolent Society whose objects are for the relief of persons who work or have worked in the hotel, catering and/or hospitality industries and the widows, widowers, partners, orphans and other dependants of such persons by the provision of monetary grants and/or advice, assistance and support and/or education and training.

Hospitality Action was founded in 1837 as unincorporated and for much of that time it was known as the Hotel and Catering Benevolent Association (HCBA). The charity was incorporated in 2003 as Hospitality Action having taken over the majority of the assets of the unincorporated charity.

The principal activities undertaken by the Charity in pursuance of its objects relate to the provision of:

- ◆ A grants programme to alleviate poverty and support beneficiaries in times of crisis.
- ◆ An outreach programme aiming to keep loneliness and isolation at bay for retired hospitality employees, called the Golden Friends scheme.
- ◆ Expert triaging, advice, guidance and signposting to other potential sources of support and, where appropriate, funded counselling.
- ◆ An Employee Assistance Programme – commercial scheme offering specialist advice, support and assistance on a range of issues for hospitality employees.

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

Chief Executive

Mark Lewis had his seventh full year as Chief Executive.

REVIEW OF THE YEAR: ACHIEVEMENTS AND PERFORMANCE

2024 was a strong year for the charity. Through organic fundraising and employee assistance programme (EAP) revenue growth, we were able to deliver the highest in-year income in our 189-year history. Total income for the year reached £3,880,813, which was +£842k versus the previous year. (Income included £316,358 donated from the unincorporated charity on its closure.) This donation contributed to our closing 2024 with an operating surplus of £293,660.

Combined fundraising and events income streams passed budget, at £2.39m versus £2.3m. And the EAP grew in income and scale, as we bedded in 2023's migration of service provision to a new partner and added new products to our wellbeing offer. Income passed £1m for the first time, rising by £44k from £970k at year-end 2023 to £1,014k at the end of 2024. The number of lives served by the programme was steady at 194k.

This income-generating success enabled us to spend £1,005k on grants disbursement, which was +£5k versus budget and second only to the anomalous 2020 as our highest ever in-year grants expenditure total.

Fundraising

Through 2024, we continued to work to a blended model of proprietary fundraising initiatives and in-person events, and third-party and institutional fundraising.

Our market's appetite for participating in challenge events remained strong, with our Summer Challenge and Walk for Wellbeing activities driving combined revenue of £169k. In April, we held our biannual Back to the Floor dinner event, which raised £266k – the largest return from a single initiative in the charity's history. And in May, we held our first Bike to Care dinner, which raised an unbudgeted £105k.

Third-party fundraising continued to gather momentum, with many more hospitality operators choosing to support our work by adopting us as their chosen charity, launching 'pound on the bill' initiatives, featuring our Invisible Chips activation on their menus, or finding other miscellaneous ways to raise funds for us. Income from 'pound on the bill' initiatives, for example, grew by £42k year on year, with D&D London alone donating £40k.

Another notable income source was the Spirit of Hospitality rowing challenge, which saw two foodservice workers, Chris Mitchell and Robbie Laidlaw, row the Atlantic for us. As the voyage began in December 2023 and ended in January 2024, we received further income of £107k on top of the £89k reported in 2023.

Finally, we received a donation of £100k in December from US fast food restaurant chain, Chick-fil-A, to mark their entry into the UK market.

ACHIEVEMENTS AND PERFORMANCE (continued)

Services

We continued to support the welfare of people who work or have worked in UK hospitality through financial and emotional support, the provision of an employee assistance programme, signposting and advice, and pastoral support for retirees.

We pointed much of our £1,005k spend on grants disbursement towards providing financial relief for hospitality households that had accrued historic debt or arrears during the pandemic and ensuing cost of living squeeze, to prevent evictions and homelessness. The sustained increase in applications for financial support we've experienced since 2020 continued in 2024, with the months January, April and September all witnessing record numbers of applications.

In May 2024, we introduced a new advisory service with the appointment of a Welfare Benefits Advisor, who had by the end of the year unlocked £167k of unclaimed welfare entitlements for beneficiaries.

In 2024, we also formalised a partnership with Shelter Plus, enabling us to underwrite expert advice relating to accommodation issues for beneficiaries.

Our Employee Assistance Programme (EAP) was available to 194k hospitality workers by the end of 2024. The EAP is a commercial programme which trades under a subsidiary company. Hospitality companies pay a fixed annual per-employee fee, with any residual profits gifted to the charity. The programme had its official industry launch in January 2013. By December 2024, 457 companies were signed up to the programme, the largest of them being the Whitbread estate.

Through 2024 we continued to plan the development of the EAP services offering across the next 2-3 years as part of our wider business planning and strategic review. A full SWOT analysis was undertaken of our offering and that of our competitive set. Commercial discussions were initiated with Spectrum Life to introduce digital primary healthcare services and also with Qudos, a new partner, to develop a reward and recognition product, both for launch in H2 2025.

Meanwhile, we continued to provide moral and pastoral support to our Golden Friends community of some 1,600 industry retirees and their partners.

ACHIEVEMENTS AND PERFORMANCE (continued)

The year's achievements in numbers

	2024	2023
Review of achievements in 2024		
Beneficiary grants	1,005,185	914,433
Number of persons awarded grants	875	859
Number of employees covered by the EAP	193,529	194,472

	2024	2023
Top up grants	25 beneficiaries Grants £39,000	34 beneficiaries Grants £43,000
Crisis grants	17 beneficiaries Grants £28,000	32 beneficiaries Grants £38,000
Essential Needs grants	185 beneficiaries Grants £128,000	134 beneficiaries Grants £99,000
Other grants	1,101 beneficiaries Grants £810,000	1,370 beneficiaries Grants £734,000

NB figures above reflect the fact that many beneficiaries received more than one grant.

Future plans

In the face of the unprecedented and increasing demand for our support we saw in 2024, we undertook a Trustee-sponsored strategic review, leading to a five-year business plan, which was agreed by Trustees in January 2025. The plan is premised upon growing brand awareness and thereby fundraising and EAP membership, to support increased grant expenditure and services provision.

Specifically, it proposes that we:

- Invest in full time employees, content, and marketing, to support growth of our two scalable revenue streams: third-party fundraising and EAP.
- Evolve paid services beyond pureplay EAP and become hospitality's first port of call for wellbeing support.
- Increase focus on education and training as stated in our Charitable Mission.

To support EAP client acquisition, in 2025 we will evolve our product mix across three tiers to include self-service booking of counselling appointments, Digital GP service, ADHD and autism assessments, and a rewards and recognition platform.

Operations

The exponential rise in brand awareness we have achieved since 2020 has led to operational growing pains, and we continue to work hard to professionalise our systems and processes. In early 2025, we will roll out a new CRM platform across all facets of the charity. We will relaunch our website to focus on lead generation for our EAP and fundraising products, while also improving information provision and pathways for those seeking our benevolent support. And we will complete our migration to an entirely Cloud-based technology environment.

Governance

Hospitality Action is committed to demonstrating and encouraging equality, diversity, and inclusion in its workforce, in its day-to-day work and in its beneficiary support; and to eliminating unlawful discrimination of any kind. We have a duty to make a positive impact on our people, our beneficiaries and service users, our stakeholders, and the wider world.

We are fully committed to making a positive contribution to the world, one that goes in tandem with our charitable work. We will keep this commitment in sharp focus in 2025 and beyond.

We continue to work to ensure that our cohort of Trustees, patrons and ambassadors reflects and represents the ethnic diversity of the workforce we serve. Our ongoing aim is to continue our journey to embodying a truly diverse and inclusive charity.

Having overhauled and enhanced our risk register in 2023, we continue to focus hard on identifying and mitigating threats to our status as a going concern – in particular, cyber-attacks and fraud.

FINANCIAL REVIEW

Income for the year was £3,880,813 including a one-off donation of £316,358 arising from the dissolution of the related unincorporated charity also known as Hospitality Action (2023: £3,038,586) and expenditure £3,587,153 (2023: £3,208,372) giving rise to an operating surplus of £293,660 (2023: deficit of £169,786). The year witnessed the highest income in the charity's history.

Third-party and institutional fundraising remained strong, as did challenge initiatives and in-person events. Highlights included Walk for Wellbeing (£129k) and our biennial Back to the Floor dinner (£266k). We received £83k from the Worshipful Company of Innholders; £50k from the Procter England Bancroft/Hospitality Action Fund; and £100k from Chick-fil-A. The Spirit of Hospitality Atlantic Row challenge delivered £107k on top of the £89k received in 2023.

Our employee assistance programme reported modest income growth, ending the year at £1,014k (2023: £970k).

Expenditure of £3,587,123 was up £378,781 from £3,208,372 in 2023. Expenditure on charitable activity associated with grants, advice and support was £2,478,727, an increase of £258,623 from £2,220,104 in 2023.

After a very positive year of gains on investments of £535,383 (2023: gains of £224,256) the overall result for the year was a surplus of £829,043 (2023: surplus of £54,470) resulting in a corresponding increase in the balance of funds which stood at £8,350,171 as at 31 December 2024.

Reserves policy and financial position

The total funds held by the group at the end of the year were £8,350,171 (2023: £7,521,128).

Of the above total £94,603 (2023: £69,105) related to restricted funds not available for the general purposes of the Charity. As at 31 December 2024 £180,297 of funds were held within the subsidiary company (2023: £221,521). All of the remaining funds of the Charity totalling £8,075,271 (2023: £7,226,502) have been set aside in a designated fund by the trustees.

The Charity's reserves safeguard its ability to operate and provide essential services to its beneficiaries in the case of unforeseeable reductions in fundraising income. To ensure that the charity can sustain its capacity to provide support to the sector it serves in perpetuity, the Trustees' policy is to seek to maintain the approximate current levels of reserves after allowing for fluctuations in the value of its investment portfolio, and to direct any income it generates to the Charity's current account for working capital or charitable purposes.

FINANCIAL REVIEW (continued)

Reserves policy and financial position (continued)

The reserves are also available for investment in opportunities that may have an enduring benefit to the Charity and its beneficiaries. The five-year strategy plan referenced above, for example, may yield require investment from the reserves.

From 2024, the Charity has defined a base rate of annual grants expenditure of £1m; and aims to increase its level of charitable activity in each future financial year.

From time to time the Charity has needed to draw on the capital of the investment portfolio to meet working capital or charitable obligations where fundraising income has not been at expected levels. Such drawdowns require the approval of the Finance and Investment Committee. As a result, the Charity does not currently maintain any free reserves, as it is possible to meet any requirement for free reserves from the designated fund if required.

The Charity is aiming to maintain a position where any such drawdown is not required and free reserves can be maintained separately from the designated fund. We have not drawn down cash from our investment portfolio since early 2020, and our intention remains to maintain sufficient cash reserves to avoid future drawdowns. Since the investment portfolio's year-end valuation of £6.450m (2023: £5,935m), we have seen its value fluctuate through the early part of 2025 between a high of £6.677m in February and a low of £5.894m in April. As at 2nd June the portfolio stood at £6.413m.

The investment portfolio is monitored daily, and reserve balances are reported to the Finance and Investment Committee each quarter.

The Finance and Investment Committee is required to review this reserves policy annually.

Going Concern

Hospitality Action serves an industry that continues to suffer the fallout from the socio-economic factors that have defined the past five years. Hospitality operators continue to face soaring rent, energy, and produce prices, diminished out-of-home spend, and staff shortages. We saw numerous hospitality business closures in 2024, this trend has continued into the first months of 2025, when the rise in National Insurance has placed a further financial burden on operators.

Despite this backdrop, Hospitality Action last year achieved record income and spent more on grant-giving than in any year in its long history other than anomalous 2020. Moreover, our EAP continues to grow in income and reach, acting as a Trojan Horse by introducing our brand and wider work to clients, and triggering awareness and fundraising.

Going Concern (continued)

While awareness of our work around the industry we serve has plateau-ed since the growth spurt that we saw in the pandemic and subsequent cost of living squeeze, our planned investment in head count and marketing in 2025 is intended to spark further growth.

Trustees are satisfied that the charity is well-positioned to continue as a going concern for the next twelve months and beyond. Reasons for this confident outlook include:

- ◆ The recommendations of our five-year business plan, which is premised upon growing brand awareness and thereby fundraising and EAP membership, to support increased grant expenditure and services provision.
- ◆ The continued growth of our Employee Assistance Programme and our plans to evolve and expand the programme's benefits and therefore its appeal.
- ◆ The fact that the charity's long-term asset base as represented by our investment portfolio has coped well with the challenges of the past five years and, as of May 2025, stood at a better position than it did in early 2020.
- ◆ Our healthy cash reserves.

Investment policy

Under the Constitution the Trustees have general powers to invest in any trust funds or in the purchase of land or buildings. The agreed investment objectives were to achieve an annual income of 3.5% with the preservation of capital in real terms over the long term. The investment objectives are supported by an agreed asset allocation that is socially, environmentally, and ethically sound, and which is approved by the Finance and Investment Committee and Trustees. The Investment Managers meet periodically with the Charity's Finance and Investment Committee to review investment performance against agreed indices.

Grant Policy

The charity provides financial assistance, support and advice to serving, former and retired workers in the hospitality industry. Qualification for assistance financial is as follows:

- “ currently working in the industry within the UK
- “ have worked seven or more years in the industry in the UK

Applicants or the supporting agent from a referring organisation (with the consent of the applicant) are required to complete a Hospitality Action application form and provide appropriate supporting documentation to evidence their hospitality employment and household financial position. For any former hospitality employees that do not have seven years employment, we endeavour to offer guidance and signposting.

GOVERNANCE, STRUCTURE AND MANAGEMENT

Legal status and governing document

Hospitality Action is a charitable company limited by guarantee, incorporated in England and registered with Companies House. It is also registered with the Charity Commission in England and Wales.

It is governed by its memorandum and articles of association which are publicly available via www.companieshouse.co.uk

Structure

Hospitality Action has a wholly-owned subsidiary, Hospitality Action (Trading) Limited, (registered company 03332706 – England and Wales), which administers the Employee Assistance Programme. The results and net assets of the subsidiary are consolidated into these accounts.

Appointment and training of trustees

Trustees are elected at the annual general meeting in June and serve for two years when they may offer themselves for re-election for a further term of office. They are drawn from senior management across the industry, retired members of the industry and those with specialist skills pertinent to the aims and objectives of the Charity. All new Trustees go through a formal induction process with the Chief Executive and are issued with an induction pack that includes the charity's memorandum and articles of association, a Charity Commission summary of responsibilities of charity trustees, a copy of the annual accounts and a formalised outline of the role of a trustee. Trustees meet quarterly.

Chief executive, staff and trustees

Chief Executive, Mark Lewis, is responsible for day-to-day operations of the Charity. Staff remuneration including that of Key Management is set to be competitive for the roles in the charity sector and based in London.

Trustees are responsible for ensuring we keep proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, the relevant Charity (Accounts and Reports) Regulations and the provisions of the charity's constitution. 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.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Risk management, and principal risks and uncertainties

The Board of Trustees and Finance and Investment Committee periodically review and identify the major risks to the charity and have implemented systems and controls to mitigate these risks wherever practicable. The charity's risk register was overhauled and enhanced in 2023 to enable us to better monitor risks on an ongoing gross and net basis and therefore track the impact of the steps being taken to mitigate them. The register keeps issues around financial fraud in sharp focus. And we continue to work with other charities to share best practice in this area.

We continue to see unprecedented demand for financial support. Our policy of restricting public access to the grants application portal periodically to manage the volume of cases received ensures that we are not overwhelmed by demand, and that we can limit spend on beneficiary services to what our cash reserves allow. It also allows us to manage applicants' expectations of when they might receive support. (During periods of restricted access, we direct anyone seeking support to contact our grants team, to discuss their circumstances in more detail. The team identifies their primary need and level of urgency and, if they meet our top priority criteria, invites them to apply immediately. For any enquirer whose circumstances do not meet our top priority criteria, we invite them to contact us again in the future and offer signposting to other organisations that may be able to assist them with advice or support in the interim.)

Equal Opportunities Statement For Employees

Hospitality Action complies fully with all statutory requirements and has robust policies regarding what it expects of its staff and trustees. The charity has given consideration to the Charity Governance Code, in particular the latest updates to the Code surrounding equality, diversity and inclusion. This is of particular relevance in recruiting new trustees and new members of staff and ensuring all personnel are treated equally and fairly.

Hospitality Action is strongly committed to equal opportunities for all. Every possible step will be taken to ensure that individuals are treated equally and fairly and that decisions on recruitment, selection and training of employees are based on solely objective and role related criteria regardless of their age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

Our policy is to respect both the spirit and the letter of the laws regarding equality of opportunity and non-discrimination in Hospitality Action's activities and to value the diversity of individuals throughout the community. We consider this to be an integral part of our ethos when recruiting employees to Hospitality Action.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Equal Opportunities Statement For Employees (continued)

This commitment extends to all areas, both within the working environment, as well as in relation to social and recreational programmes.

No employee or potential employee will be disadvantaged by any conditions of employment or requirements that cannot be justified as necessary on operational grounds.

Decisions about appointments, training, developments and promotion will be made on the basis of merit or ability.

All employees and volunteers are expected to support and co-operate in these efforts to ensure equal opportunity for all.

Any complaints of discrimination will be dealt with under Hospitality Action's Complaints Procedure.

Any employee who conducts himself or herself in a discriminatory manner (whether on the grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation) towards another employee, beneficiary or member of the public will be subject to disciplinary action for gross misconduct.

EDI training by an external specialist in early 2025 will be repeated on a regular basis.

Fundraising Statement

We continue to receive donations, event bookings and Regular Giving payments via our website. We host an annual Summer Challenge and another in person 20k walk at hosted cities across the UK using a new platform, Enthuse. We also use Enthuse to receive funds raised by third parties alongside JustGiving and we use GalaBid to host online auctions and raffles. For our guest-pays activation such as '£ on the bill' and Invisible Chips, all participating operators are instructed in how to pay in funds and manage any VAT implications. No moneys are raised via public, on-street collections. When collecting monies, we at all times adhere to GDPR best practice guidelines. We renew our PCI DSS Compliance annually.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Fundraising Statement (continued)

We adhere to the conditions that credit card details should not be stored or sent electronically and are to be destroyed as soon as a payment is processed. We do not store credit card details in any form. And as soon as the fundraising team has processed a credit card payment, they destroy the card details. Our compliance requirements are relatively light since any receipts via our website are through Stripe and GoCardless and we are not an e-commerce provider. The Fundraising Regulator has published a new Code of Fundraising Practice, which will come into effect from the 1st November. Work is currently under way to ensure HA's fundraising policies and procedures are fully compliant.

We are members of the Association of Charitable Organisations (ACO) and the Fundraising Regulator and follow and track their fundraising due diligence recommendations and code. Hospitality Action has not received any complaints about its fundraising activities.

Trustees' Responsibilities

The Trustees, who are also the directors for the purposes of Company Law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & 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 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.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Trustees' Responsibilities (continued)

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors also confirm that:-

- ◆ So far as each director is aware, there is no relevant information of which the company's auditors are unaware; and
- ◆ Each director has taken all steps that he/she ought to have taken to make himself/herself aware of any relevant matters and to ensure that the company's auditors are aware of such information.

Approved by order of the board of Trustees and signed on its behalf by



Chairman – Jonathan Raggett

Approved by the board of trustees on

3rd June 2025

Independent auditor's report to the members of Hospitality Action

Opinion

We have audited the financial statements of Hospitality Action (the 'charitable parent company') and its subsidiary (the 'group') for the year ended 31 December 2024, which comprise the consolidated statement of financial activities, the charity-only statement of financial activities, the consolidated and charity-only balance sheets, the consolidated statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2024 and of the group's income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustee's Annual Report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the trustees' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the charitable parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ adequate accounting records have not been kept by the charitable parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the charitable parent company financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or

Matters on which we are required to report by exception (continued)

- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the charitable parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- ◆ We obtained an understanding of the legal and regulatory frameworks applicable to the charity and the sector in which it operates. We determined that the following laws and regulations were most significant: Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ We understood how the charity is complying with those legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of Board minutes and papers provided to the Finance and Investment Committee.
- ◆ We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - ◇ Identifying and assessing the design effectiveness of controls in place to prevent and detect fraud;
 - ◇ Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
 - ◇ Challenging assumptions and judgements made by management in its significant accounting estimates;
 - ◇ Identifying and testing a sample of journal entries, in particular any journal entries posted with unusual account combinations; and
 - ◇ Assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the relevant financial statement item to which they relate.

We did not identify any irregularities, including fraud.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditor's report Year ended 31 December 2024

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Hugh Swainson (Senior Statutory Auditor)
For and on behalf of Buzzacott Audit LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

04 July 2025

Consolidated statement of financial activities (including an income and expenditure account)
Year ended 31 December 2024

				Year ended 31 December 2024	Year ended 31 December 2023	
	Notes	Unrestricted funds £	Restricted funds £	Unrestricted funds £	Restricted funds £	£
Income and endowments from:						
<i>Donations and legacies</i>						
Donations	1	1,198,698	—	1,198,698	941,135	941,135
Donated services and facilities	1	79,000	—	79,000	85,350	85,350
Members donations		5,863	—	5,863	5,787	5,787
Grants receivable	2	120,472	121,500	241,972	27,500	140,000
<i>Other trading activities</i>						
Fundraising events		1,187,806	—	1,187,806	758,958	758,958
<i>Charitable activities</i>						
Employee assistance programme		1,013,951	—	1,013,951	969,667	969,667
Investments	3	153,523	—	153,523	137,689	137,689
Total		3,759,313	121,500	3,880,813	2,926,086	3,038,586
Expenditure on:						
<i>Raising funds</i>						
Cost of raising voluntary income		822,699	—	822,699	785,525	785,525
Fundraising events and activities		264,236	—	264,236	182,273	182,273
Investment management fees		21,491	—	21,491	20,470	20,470
Sub-total		1,108,426	—	1,108,426	988,268	988,268
<i>Charitable activities</i>						
Welfare	4, 6	1,549,071	96,002	1,645,073	1,385,073	1,475,958
Employee assistance programme	4	833,654	—	833,654	744,146	744,146
Sub-total		2,382,725	96,002	2,478,727	2,129,219	2,220,104
Total	4	3,491,151	96,002	3,587,153	3,117,487	3,208,372
Net income (expenditure) before net gains on investments						
		268,162	25,498	293,660	(191,401)	(169,786)
Net gains on investments	11	535,383	—	535,383	224,256	224,256
Net income (expenditure)		803,545	25,498	829,043	32,855	54,470
Transfer between funds						
	14	—	—	—	—	—
Net movement in funds		803,545	25,498	829,043	32,855	54,470
Reconciliation of funds:						
Fund balances brought forward		7,452,023	69,105	7,521,128	7,419,168	7,466,658
Fund balances carried forward		8,255,568	94,603	8,350,171	7,452,023	7,521,128

The notes on pages 31 to 41 form part of these financial statements.

Statement of financial activities (charity only) Year ended 31 December 2024

	Unrestricted funds £	Restricted funds £	Year ended 31 December 2024 £	Unrestricted funds £	Restricted funds £	Year ended 31 December 2023 £
Income and endowments from:						
<i>Donations and legacies</i>						
Donations	1,198,698	—	1,198,698	941,135	—	941,135
Gift Aid from subsidiary company	225,521	—	225,521	251,842	—	251,842
Donated services and facilities	79,000	—	79,000	85,350	—	85,350
Members donations	5,863	—	5,863	5,787	—	5,787
Grants receivable	120,472	121,500	241,972	27,500	112,500	140,000
<i>Other trading activities</i>						
Fundraising events	1,187,806	—	1,187,806	758,958	—	758,958
Investments	153,523	—	153,523	137,689	—	137,689
Total	2,970,883	121,500	3,092,383	2,208,261	112,500	2,320,761
Expenditure on:						
<i>Raising funds</i>						
Cost of raising voluntary income	822,699	—	822,699	785,525	—	785,525
Fundraising events and activities	264,236	—	264,236	182,273	—	182,273
Investment management fees	21,491	—	21,491	20,470	—	20,470
Sub-total	1,108,426	—	1,108,426	988,268	—	988,268
<i>Charitable activities</i>						
Welfare	1,549,071	96,002	1,645,073	1,385,073	90,885	1,475,958
Sub-total	1,549,071	96,002	1,645,073	1,385,073	90,885	1,475,958
Total	2,657,497	96,002	2,753,499	2,373,341	90,885	2,464,226
Net income (expenditure) before net gains on investments	313,386	25,498	338,884	(165,080)	21,615	(143,465)
Net gains on investments	535,383	—	535,383	224,256	—	224,256
Net income	848,769	25,498	874,267	59,176	21,615	80,791
Transfer between funds	—	—	—	—	—	—
Net movement in funds	848,769	25,498	874,267	59,176	21,615	80,791
Reconciliation of funds:						
Fund balances brought forward	7,226,502	69,105	7,295,607	7,167,326	47,490	7,214,816
Fund balances carried forward	8,075,271	94,603	8,169,874	7,226,502	69,105	7,295,607

Balance sheet Year ended 31 December 2024

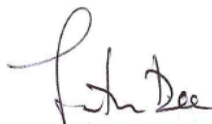
	Notes	2024		2023	
		Group £	Charitable Company £	Group £	Charitable Company £
Fixed assets					
Tangible assets	9	921,997	921,997	899,123	899,123
Intangible assets	10	14,157	14,157	14,758	14,758
Investments	11	6,449,750	6,449,750	5,935,394	5,935,394
		7,385,904	7,385,904	6,849,275	6,849,275
Current assets					
Debtors	12	891,282	855,046	666,272	423,406
Cash at bank and in hand		647,437	109,064	816,454	532,209
		1,538,719	964,110	1,482,726	955,615
Liabilities					
Creditors: amounts falling due within one year	13	(574,452)	(180,140)	(810,873)	(509,283)
Net current assets		964,267	783,970	671,853	446,332
Net assets		8,350,171	8,169,874	7,521,128	7,295,607
Funds:					
Restricted funds	15	94,603	94,603	69,105	69,105
Unrestricted funds:					
General funds		—	—	—	—
Subsidiary		180,297	—	225,521	—
Designated funds		8,075,271	8,075,271	7,226,502	7,226,502
		8,350,171	8,169,874	7,521,128	7,295,607

The notes on pages 31 to 41 form part of these financial statements.

The financial statements were approved and authorised for issue by the board of the Trustees and signed on their behalf by:



Jonathan Raggett
Chairman



Jon Dee
Treasurer



Mark Lewis
Chief Executive

Approved on: 3rd June 2025

Hospitality Action: A company limited by guarantee, Company Registration Number: 04914871 (England and Wales)

Consolidated statement of cash flows Year ended 31 December 2024

	Notes	2024 £	2023 £
Net cash flows from operating activities:			
Net cash used in operating activities	A	(296,286)	(366,733)
Cash flows from investing activities:			
Investment income		153,523	137,689
Payment to acquire tangible and intangible fixed assets		(47,281)	(19,745)
Proceeds from sales of investments		1,538,422	2,037,471
Payments to acquire investments		(1,517,395)	(2,009,252)
Net cash provided by investing activities		127,269	146,163
Change in cash for the year		(169,017)	(220,570)
Cash at bank and in hand at the start of the year		816,454	1,037,024
Cash at bank and in hand at the end of the year	B	647,437	816,454
A Reconciliation of net income to net cash used in operating activities			
		2024 £	2023 £
Net income		829,043	54,470
Depreciation and amortisation		25,008	34,618
Gains on investments		(535,383)	(224,256)
Investment income		(153,523)	(137,689)
Increase in debtors		(225,010)	(232,625)
(Decrease) increase in creditors		(236,421)	138,749
Net cash used in operating activities		(296,286)	(366,733)
B Analysis of cash and cash equivalents			
	2023 £	Cash flow £	2024 £
Cash at bank and in hand	816,454	(169,017)	647,437
C Analysis of changes in net debt			
	At 1 January £	Cash flows £	At 31 December £
Cash at bank and in hand	816,454	(169,017)	647,437
Cash held by the investment manager	231,584	(184,156)	47,428
Total net debt	1,048,038	(353,173)	694,865

Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP (FRS 102)), and with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The financial statements are presented in sterling and rounded to the nearest pound.

The charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value. Investments are restated at fair value at the balance sheet date.

All transactions are derived from continuing activities. All recognised gains and losses are included in the Statement of Financial Activities. These accounts consolidate the results, assets and liabilities of Hospitality Action's subsidiary company on a line by line basis.

Critical accounting estimates and areas of judgement

There are no areas of material estimation uncertainty affecting the accounts and no significant areas of judgment affecting the figures, aside from the following:

- ◆ The useful economic life of the charity's leasehold property included in tangible fixed assets, and therefore the depreciation charge, along with the impairment assessment on the building.

Going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect of a period of one year from the date of approval of these financial statements.

The trustees have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. With regard to the next accounting period, the year ending 31 December 2024, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the trustees report for more information).

Fund accounting

Unrestricted funds comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of the Trustees in furtherance of the general charitable objectives. Restricted funds comprise monies raised for, and their use restricted to, a specific purpose, or donations subject to donor imposed conditions. Designated funds represent those funds which the trustees have earmarked for specific purposes and include the carrying value of the charity's fixed assets.

Income

Income is recognised on a receivable basis and principally comprises grants, events income, income from the delivery of services and donations receivable. Any income received which is not attributed to the year of receipt, is included within deferred income in creditors. Donated services and facilities (gifts in kind) are included in the financial statements at the best estimate of the value to the charity. Legacy income is recognised when the criteria of entitlement, probability and measurability have been met.

Expenditure recognition

Expenditure including irrecoverable VAT is charged to the Statement of Financial Activities on an accruals basis. Expenditure is classified as either costs of raising funds (which includes fundraising and events costs as well as investment manager's fees) or charitable activities costs being the costs the charity incurs in furthering its charitable objectives. Direct costs are allocated to the activity headings to which they relate. Support costs relate to indirect costs including the costs of governance. These are directly allocated where possible and otherwise apportioned on a consistent basis.

Grants

Grants expenditure is recognised when there is a constructive obligation to pay monies to a beneficiary, that is, when the charity has notified the beneficiary of the payment of the grant. It includes the payment of monetary grants to beneficiaries, expenditure made in providing beneficiaries with goods and services and the costs of distributing and administering such direct provision. The cost of such provision, and that in respect of monetary grants in particular, is recognised as it becomes payable according to the Charity's rules.

Tangible fixed assets

Tangible assets are shown at cost less provision for depreciation. Provision is made for depreciation on all tangible assets at rates calculated to write off the cost, less estimated residual value over their useful lives which are estimated to be:

Leasehold property	over the length of the lease
Furnishing	20% straight line
Office refurbishment	10% straight line
Computer equipment	33% straight line

Intangible fixed assets

Intangible assets are shown at cost less provision for amortisation. Provision is made for amortisation on all intangible assets at rates calculated to write off the cost, less estimated residual value over their useful lives which is estimated to be four years.

Investments

Investments are restated at fair value as at the balance sheet date. Investment gains and losses are disclosed in the Statement of Financial Activities.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Pension costs

The Charity operates a stakeholder pension scheme. Contributions are charged to expenditure as they fall due.

Financial instruments

The charity only holds basic financial instruments as defined by FRS102. The financial assets and liabilities of the charity are as follows:

Financial assets – donations due and trade debtors are basic financial instruments and are debt instruments measured at amortised cost. Investments are basic financial instruments held at fair value. Accrued income and prepayments are not financial instruments. Cash at bank and short term deposits are classified as basic financial instruments and measured at face value.

Financial instruments (continued)

Financial liabilities – trade creditors, grants payable, and accruals are financial instruments and are measured at amortised cost. Social security and other taxes are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability as the cash settlement has already taken place and there is no obligation to deliver services rather than cash or another financial instrument.

1 Donations

(NB some donations to the charity are treated as events-based.)

	2024 £	2023 £
Unrestricted		
Bidfood	47,509	26,044
Chick-Fil-A	100,000	—
D&D Group	38,305	31,292
Gleneagles Hotel	12,500	12,500
Greenclose Hotels	9,919	252
Grind Roasters	7,199	—
Gusto	21,110	—
Home Grown Hotels	24,781	—
In-Bev	12,655	70,000
Hospitality Action unincorporated charity	316,358	—
Le Gavroche	31,020	5,500
NCASS	6,051	—
Nestle	5,099	4,300
Red Carnation Hotels	52,410	—
Sir Richard Sutton Ltd	5,000	5,000
Sketch	49,986	54,403
Society of Golden Keys	13,700	11,855
Stevens Bolton LLP	50,082	—
The Dorchester Collection	25,000	—
Whitbread	150,000	175,000
Other donations	220,014	544,989
Total unrestricted donations	1,198,698	941,135
Donated services and facilities		
The Caterer	29,500	29,500
Staff Canteen, Dewberry, H2O	49,500	55,850
Total gifts in kind	79,000	85,350

2 Grants receivable

	2024 £	2023 £
Unrestricted:		
Worshipful Company of Innholders	12,500	17,500
Lenore England Fund	50,000	--
Others	57,972	10,000
Total unrestricted grants	120,472	27,500
Restricted fund:		
Drug and Alcohol awareness programme/welfare		
Savoy Educational Trust	50,000	13,000
Worshipful Company of Innholders	70,000	98,000
Excel Trust	1,500	1,500
Total restricted grants	121,500	112,500
Total grants	241,972	140,000

3 Investment income

	2024 £	2023 £
From listed investments	147,558	135,359
Interest on cash deposits	5,965	2,330
	153,523	137,689

4 Expenditure

Analysis of 2024 expenditure	Notes	Grants	Other direct costs £	Support costs £	Total 2024 £
Raising funds:					
Cost of raising voluntary income		—	516,188	306,511	822,699
Fundraising events and activities		—	264,236	—	264,236
Investment management		—	21,491	—	21,491
Charitable activities:					
Welfare	6	1,005,185	378,786	261,102	1,645,073
Employee assistance programme		—	759,883	73,771	833,654
Total		1,005,185	1,940,584	641,384	3,587,153

4 Expenditure (continued)

	Expenditure on raising funds £	Expenditure on charitable activities £	Total 2024 £
Analysis of 2024 support costs			
Staff costs	241,172	266,160	507,332
Office rent and shared office costs	65,339	68,713	134,052
	306,511	334,873	641,384

Analysis of 2023 expenditure	Notes	Grants £	Other direct costs £	Support costs £	Total 2023 £
Raising funds:					
Cost of raising voluntary income		—	519,405	266,120	785,525
Fundraising events and activities		—	182,273	—	182,273
Investment management		—	20,470	—	20,470
Charitable activities:					
Welfare	6	914,433	305,847	255,678	1,475,958
Employee assistance programme		—	676,341	67,805	744,146
Total		914,433	1,704,336	589,603	3,208,372

	Expenditure on raising funds £	Expenditure on charitable activities £	Total 2023 £
Analysis of 2023 support costs			
Staff costs	207,975	255,281	463,256
Office rent and shared office costs	58,145	68,202	126,347
	266,120	323,483	589,603

The allocation of support costs is on a per capita basis, having regard to time spent by staff on either fundraising or charitable activities.

5 Analysis of governance costs

	2024 £	2023 £
Audit fees	18,422	14,640
Legal and professional	28,779	18,160
Trustees' expenses	1,608	663
Other	2,057	2,069
	50,866	35,532

6 Welfare expenditure

	2024 £	2023 £
Annuities	69,679	84,737
Counselling	16,225	10,911
Funeral costs	11,050	20,909
Christmas grants	21,778	23,634
Winter fuel grants	74,530	72,800
General living costs grants	494,150	429,627
Housing grants	280,166	255,960
Golden Friends' scheme	20,087	15,855
Legal support	17,520	-
	1,005,185	914,433
Grant management and other beneficiary support services	639,888	561,525
Total cost of grant making and other beneficiary support services	1,645,073	1,475,958

7 Employees and staff costs

	2024 Number	2023 Number
The average number of persons employed by the Charity during the year	21	19

Staff costs were as follows:

	2024 £	2023 £
Wages and salaries	974,409	812,598
Social security costs	107,222	89,610
Pension costs	100,892	82,643
	1,182,523	984,851

7 Employees and staff costs (continued)

The number of employees who received remuneration in excess of £60,000 is analysed as follows:

	2024 No.	2024 No.
£60,001 - £70,000	2	—
£80,001 - £90,000	1	1
£120,001 - £130,000	—	1
£130,001 - £140,000	1	—

The charity considers that the Key Management Personnel for financial reporting purposes comprises the trustees and the Chief Executive. The total Key Management Remuneration, including employer's national insurance and pension contributions, was £161,971 (2023: £155,027).

Trustees' remuneration and reimbursed expenses

In 2024 £1,608 was spent in respect of trustees (2023 - £663) - a dinner, flowers and a portrait of a former Chair.

8 Net movement in funds

	2024 £	2023 £
This is stated after charging:		
Depreciation	16,441	13,417
Amortisation	8,567	21,201
Auditor's remuneration:		
. Parent charitable company audit	12,900	12,100
. Subsidiary company audit	2,180	2,040
. Other (tax services)	2,035	1,850

9 Tangible fixed assets – group and charitable company

	Leasehold property £	Office refurbish- ments £	Furniture and fittings £	Office and other equipment £	Total £
Cost					
At 31 December 2023	863,339	116,065	41,782	69,392	1,090,578
Additions	—	—	7,615	31,700	39,315
Disposals	—	—	—	(2,736)	(2,736)
At 31 December 2024	<u>863,339</u>	<u>116,065</u>	<u>49,397</u>	<u>98,356</u>	<u>1,127,157</u>
1,129,893					
Depreciation					
At 31 December 2023	14,960	82,045	33,913	60,537	191,455
Charge for the year	880	5,040	2,357	8,164	16,441
On disposals	—	—	—	(2,736)	(2,736)
At 31 December 2024	<u>15,840</u>	<u>87,085</u>	<u>36,270</u>	<u>65,965</u>	<u>205,160</u>
Net book value					
At 31 December 2024	<u>847,499</u>	<u>28,980</u>	<u>13,127</u>	<u>32,391</u>	<u>921,997</u>
At 31 December 2023	<u>848,379</u>	<u>34,020</u>	<u>7,869</u>	<u>8,855</u>	<u>899,123</u>

The depreciation charge on the long leasehold property reflects the length of the leasehold which is 979 years.

10 Intangible fixed assets – group and charitable company

	Total £
Cost	
At 31 December 2023	143,345
Additions	7,966
At 31 December 2024	<u>151,311</u>
Amortisation	
At 31 December 2023	128,587
Charge for the year	8,567
At 31 December 2024	<u>137,154</u>
Net book value	
At 31 December 2024	<u>14,157</u>
At 31 December 2023	<u>14,758</u>

11 Investments – group and charitable company

	2024 £	2023 £
Market value		
As at 1 January	5,935,394	5,739,357
Additions at cost	1,517,395	2,009,252
Disposals	(1,538,422)	(2,037,471)
Realised losses	(1,209)	(6,736)
Unrealised gains	536,592	230,992
As at 31 December	<u>6,449,750</u>	<u>5,935,394</u>
Analysed as follows:		
United Kingdom investments	1,515,817	1,532,153
Non-United Kingdom investments	4,585,725	4,171,657
Cash and commodities held for investment	348,208	231,584
	<u>6,449,750</u>	<u>5,935,394</u>
Historical cost	<u>5,366,152</u>	<u>5,297,397</u>

The following holdings exceed 5% of portfolio value – Vanguard S&P 500 UCITS ETF (18%), HSBC FTSE-All World Index (11%), Schroder WM Global Sustainable Equity Fund (7%) and the SDPR S&P UCITS ETF (6%). The cash balances are not available for day to day transactions but are for the trading of investment assets.

12 Debtors

	Group 2024 £	Charitable company 2024 £	Group 2023 £	Charitable company 2023 £
Fundraising debtors	21,810	21,810	5,660	5,660
Trade debtors	263,454	—	204,648	—
Amounts due from trading subsidiary	—	278,947	—	—
Prepayments and accrued income	606,018	554,289	455,964	417,746
	<u>891,282</u>	<u>855,046</u>	<u>666,272</u>	<u>423,406</u>

13 Creditors: amounts falling due within one year

	Group 2024 £	Charitable company 2024 £	Group 2023 £	Charitable company 2023 £
Grants approved but unspent at year end	34,091	34,091	36,905	36,905
Trade creditors	72,144	15,986	26,889	24,455
Taxation and social security	28,272	28,272	23,646	23,646
Accruals and deferred income	439,945	101,791	407,075	101,952
Amounts due to trading subsidiary	—	—	—	5,967
Amounts due to related charity (note 21)	—	—	316,358	316,358
	574,452	180,140	810,873	509,283

Deferred income comprises:

	2024 £
Balance at the beginning of the year	43,190
Amount released to income in the year	(33,140)
Amount deferred in the year	29,000
Balance at the end of the year	39,050

Income is deferred until the charity has met any performance related conditions attached to the income.

14 Unrestricted funds

	Balance at 31 December 2023 £	Income £	Expenditure £	Transfers £	Gains on investments £	Balance at 31 December 2024 £
Charity						
General	—	2,745,362	(2,632,489)	(112,873)	—	—
Designated	7,226,502	—	(25,008)	338,394	535,383	8,075,271
Subsidiary company	225,521	1,013,951	(833,654)	(225,521)	—	180,297
Total	7,452,023	3,759,313	(3,491,151)	—	535,383	8,255,568

Transfers from the subsidiary company fund to the general and designated funds relate to the payment of the company's profit to the parent charity via a gift-aided donation. Transfers from designated funds to general funds are made to cover the charity's general day-to-day expenses.

14 Unrestricted Funds (continued)

Comparative information

	Balance at 31 December 2022 £	Income £	Expenditure £	Transfers £	Gains on investments £	Balance at 31 December 2023 £
Charity						
General	—	1,956,419	(2,338,723)	382,304	—	—
Designated	7,167,326	—	(34,618)	(130,462)	224,256	7,226,502
Subsidiary company	251,842	969,667	(744,146)	(251,842)	—	225,521
Total	7,419,168	2,926,086	(3,117,487)	—	224,256	7,452,023

15 Restricted funds

	Balance at 31 December 2023 £	Income £	Expenditure £	General fund Transfers £	Balance at 31 December 2024 Total £
Welfare	69,105	121,500	(96,002)	—	94,603
	69,105	121,500	(96,002)	—	94,603

Comparative information

	Balance at 31 December 2022 £	Income £	Expenditure £	General fund Transfers £	Balance at 31 December 2023 Total £
Welfare	47,490	112,500	(90,885)	—	69,105
	47,490	112,500	(90,885)	—	69,105

Welfare covers three specific programmes: the Golden Friends scheme, Winter Fuel grants and phone line rentals.

16 Pensions obligations

Stakeholder pensions

The Charity operates a stakeholder pension scheme. The assets of the scheme are held separately from those of the Charity, being invested with an insurance company.

	2024 £	2023 £
Total employer cost	100,892	82,643

17 Analysis of net assets between funds

	General funds £	Designated funds £	Restricted funds £	Total 2024 £	Total 2023 £
Fund balances at 31 December 2024 are represented by:					
Tangible assets	—	936,154	—	936,154	913,881
Investments	—	6,449,750	—	6,449,750	5,935,394
Net current assets	—	869,664	94,603	964,267	671,853
Net assets	—	8,255,568	94,603	8,350,171	7,521,128

Comparative information

	General funds £	Designated funds £	Restricted funds £	Total 2023 £
<i>Fund balances at 31 December 2023 are represented by:</i>				
Tangible assets	—	913,881	—	913,881
Investments	—	5,935,394	—	5,935,394
Net current assets	—	602,748	69,105	671,853
Net assets	—	7,452,023	69,105	7,521,128

18 Financial instruments

	Group 2024 £	Charitable company 2024 £	Group 2023 £	Charitable company 2023 £
Financial assets held at fair value	6,449,750	6,449,750	5,935,394	5,935,394
Financial assets held at amortised cost	932,701	130,874	1,026,762	537,869
Financial liabilities held at amortised cost	155,510	71,279	(89,650)	(81,449)

19 Taxation

Hospitality Action is a registered charity and therefore is not liable to income tax or corporation tax on income or gains derived from its charitable activities, as they fall within the various exemptions available to registered charities. Whilst the Charity's trading subsidiary company is not exempt from corporation tax on its taxable profits it is not expected that any taxation will arise as it is the intention of the company's directors to donate any such profits to the parent Charity.

20 Subsidiary undertaking

The subsidiary undertaking is Hospitality Action (Trading) Limited (registered company 03332706) which is incorporated in England and had net assets of £180,297 as at 31 December 2024 (2023: net assets of £225,531). In the year ended 31 December 2024 it had turnover of £1,013,951 (2023: £969,667) and expenditure of £833,654 (2023: £744,146). It will gift aid its taxable profit to the parent charity in 2025.

21 Related charity

The Charity was incorporated in 2003 and took over the majority of the assets of an unincorporated charity also known as Hospitality Action (Charity Number 208855). On 20 December 2023 the unincorporated charity sold a leasehold flat. This had been the sole asset of the unincorporated charity and had been vacated by the longstanding assured tenant in February 2022. The assets of the unincorporated charity of £316,358 were donated to the incorporated charity Hospitality Action during 2024. The unincorporated charity was closed during 2024, with its removal from the Central Register of Charities confirmed by the Charity Commission on 6th December 2024.

22 Related party

The Charity holds 20% of the shares of 62 Britton Street Ltd, a company, which holds the Charity's interest in the freehold of its premises. There are no outstanding balances between the Charity and the company.

23 Other related party transactions

Owing to the nature of the charity's operations and the composition of the Board of Trustees being drawn from the hospitality sector, it is inevitable that transactions will take place with organisations in which a member of the Board of Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and on normal business terms.

HOSPITALITY ACTION

England & Wales - Charity number 1101083

Accounts

Hospitality Action

Annual Report and Consolidated Financial Statements

31 December 2023

Company Limited by Guarantee
Registration Number 04914871
Charity Registration Number 1101083

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Reference and administrative information

Board of Trustees	William Baxter CBE (Chairman) (resigned 6 th June 2023, deceased 18 th October 2023) Jonathan Raggett (Chairman) appointed Chairman 6 th June 2023 Jon Dee ACA (Treasurer) Kevin Charity Simon Esner Ringo Francis Chris Garside Andrew Guy MBE Matt Johnson (resigned 6 th June 2023) Simon Jones (resigned 15 th September 2023) Tim Jones Andrew Latham Kate Nicholls OBE Danny Pecorelli Ian Sarson Andrew Selley David Walker MBE
Chief Executive	Mark Lewis
Company secretary	Greg Minter
Principal office	62 Britton Street London EC1M 5UY
Charity registration number	1101083
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Royal Bank of Scotland Brooklands Close Sunbury on Thames TW16 7DX
Investment managers	Cazenove Capital Management 1 London Wall Place London EC2Y 5AU

Reference and administrative information

Solicitors H3 Solicitors Ltd
Suite 1, The Old Pig Styes, Brighthams Farm,
Bines Road, Partridge Green, West Sussex,
RH13 HEQ

Company number 04914871

Reference and administrative information

The Board of Trustees thanks the Chairpersons and Committee members who gave so generously of their time during 2023:

Finance and Investment

Jon Dee ACA (Chair)
Lizi Hills (appointed January 2022)
Tim Doubleday
Tim Jones

Grants and Advisory

Andrew Latham (Chair)
Valerie Barrow
Flavia Gapper
Dawn Jackson
Jane Morris
Ian Sarson

Reference and administrative information

The Board of Trustees thanks its Patrons, whose ongoing patronage brings credibility, authority and brand awareness to the charity. These are:

Patrons	Jason Atherton
	Raymond Blanc OBE
	Heston Blumenthal OBE
	Michael Caines MBE
	Jeremy Goring
	Angela Hartnett OBE
	Nigel Haworth
	Paul Heathcote MBE
	Tom Kerridge
	Atul Kochhar
	Donald Macdonald OBE
	Sinead Mallozzi
	Anton Mosimann OBE
	Harry Murray MBE
	Chantelle Nicholson
	Jamie Oliver MBE
	Craig Prentice
	Alain Roux
	Michel Roux Jr
	Vivek Singh
	Cyrus Todiwala
	Pervin Todiwala
	Phil Vickery MBE
	The Viscount Lord Thurso
	Brian Turner CBE
	Robert Walton MBE

The Trustees, who are also the directors, present the annual accounts for Hospitality Action for the year ended 31 December 2023 prepared in accordance with the Statement of Recommended Practice for Charities (SORP) 2019 and the Companies Act 2006. The reference and administrative information on pages 1-4 forms part of this report.

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

The Charity is a Benevolent Society whose objects are for the relief of persons who work or have worked in the hotel, catering and/or hospitality industries and the widows, widowers, partners, orphans and other dependants of such persons by the provision of monetary grants and/or advice, assistance and support and/or education and training.

Hospitality Action was founded in 1837 as unincorporated and for much of that time it was known as the Hotel and Catering Benevolent Association (HCBA). The charity was incorporated in 2003 as Hospitality Action having taken over the majority of the assets of the unincorporated charity.

The principal activities undertaken by the Charity in pursuance of its objects relate to the provision of:

- ◆ A grants programme to alleviate poverty and support beneficiaries in times of crisis
- ◆ An outreach programme aiming to keep loneliness and isolation at bay for retired hospitality employees, called the Golden Friends scheme
- ◆ Expert triaging, advice, guidance and signposting to other potential sources of support and, where appropriate, funded counselling.
- ◆ An Employee Assistance Programme – commercial scheme offering specialist advice, support and assistance on a range of issues for hospitality employees

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

Chief Executive

Mark Lewis had his sixth full year as Chief Executive.

ACHIEVEMENTS AND PERFORMANCE

2023 was a strong year for Hospitality Action. Through organic fundraising and employee assistance programme (EAP) revenue growth, we were able to deliver the second highest in-year income in the Charity's history, surpassed only by the anomalous success of 2020. Total income for the year reached £3,038,586, which was +£23k versus the previous year.

Our EAP grew materially, both in terms of income and scale, and we successfully migrated service provision to a new partner. Income rose by £157k from £813k at year-end 2022 to £970k at the end of 2023. The number of lives served by the programme rose from 182,000 to 194,000.

This income-generating success enabled us to spend £914k on grants disbursement, which was +£164k versus budget and, again, second only to 2020 as our highest ever in-year grants expenditure total. This planned overspend on grants accounted for our closing 2023 with an operating deficit of £169,786.

Fundraising

Through 2023, we continued to focus on a blend of proprietary fundraising initiatives and in-person events, and third-party and institutional fundraising.

Our market's appetite for participating in challenge events remained undiminished, with our Summer Challenge and Walk for Wellbeing activities driving combined revenue of £176k. While 2023 was a fallow year for our biannual Back to the Floor dinner event, it saw the (unbudgeted) return of our autumn Cotswold polo event (income: £58k), and a major dinner at London's Nobu Hotel (income: £92k).

Meanwhile, third-party fundraising continued to gather momentum, with many more hospitality operators choosing to support our work by adopting us as their chosen charity, launching 'pound on the bill' initiatives, featuring our Invisible Chips activation on their menus, or finding other miscellaneous ways to raise funds for us. Income from 'pound on the bill' initiatives, for example, grew by £16k year on year.

The growth in awareness of our charitable work that we have achieved since 2020 contributed to several specific fundraising instances of note. These included the Spirit of Hospitality rowing challenge, which saw two foodservice workers, Chris Mitchell and Robbie Laidlaw, raise £88k for us by rowing the Atlantic, with more income due in 2024. We also benefitted from two fundraising activities conceived and run by AB InBev via its Stella Artois brand, which together raised £70k.

Finally, the Procter England Bancroft Fund was established in support of our charitable works and made an initial donation of £50k.

ACHIEVEMENTS AND PERFORMANCE (continued)

Services

In 2023, we continued to support the welfare of the sector we serve through a blended service spanning financial support, employee assistance programme provision, signposting and advice, and pastoral support for retirees.

In spending £914k on grants disbursement, much of our focus was on providing financial relief for hospitality households that had accrued historic debt or arrears during the pandemic and preventing evictions and homelessness. The sustained increase in applications for financial support we've experienced since 2020 continued, with many applicants at imminent risk of homelessness. As well as providing financial aid, we sought to give applicants practical guidance on financial management and resilience via digital assets on our online Advice Hub. This content was supported by the Savoy Educational Trust. We also offered means-tested counselling, where appropriate.

The employee assistance programme served 194k hospitality workers by the end of 2023. This is a commercial programme which trades under a subsidiary company. Hospitality companies are charged a fixed amount per employee per year when they sign up to the programme. Profits are gifted to the charity. The programme had its official industry launch in January 2013. By December 2023, 468 companies had signed up to the programme.

In July, we migrated the service to a new programme partner, Spectrum.Life. This move allowed us to offer a range of new wellness products to our clients, including an app and Digital Wellbeing platform, regular wellness webinars, and Hospitality Essentials - an online platform offering discounts at hundreds of retailers.

Meanwhile, we continued to provide moral and pastoral support to our Golden Friends community of some 2,500 industry retirees and their partners.

ACHIEVEMENTS AND PERFORMANCE (continued)

The year's achievements in numbers

	2023	2022
Review of achievements in 2023		
Beneficiary grants	914,433	824,589
Number of persons awarded grants	859	827
Number of employees covered by the EAP	194,472	181,822

	2023	2022
Top up grants	34 beneficiaries Grants £43,000	34 beneficiaries Grants £49,000
Crisis grants	32 beneficiaries Grants £38,000	21 beneficiaries Grants £39,000
Essential needs grants	134 beneficiaries Grants £99,000	270 beneficiaries Grants £145,000
Other grants	1,370 beneficiaries Grants £734,000	1,502 beneficiaries Grants £592,000

NB figures above reflect the fact that many beneficiaries received more than one grant.

Review of the year and future plans

We anticipate demand for our services, and particularly our provision of financial support, to continue to grow through and beyond 2024. In January 2024, we received the most applications in a calendar month in the charity's 188-year history (excepting the period in Spring/Summer 2020, when we opened our Covid emergency grant portal). By April, this record had been broken again.

In the face of this demand, we need to continue to expand and diversify our fundraising efforts, evolve our product offering, and identify operational efficiencies.

We will undertake a Trustee-sponsored strategic review in 2024, leading to a three- to five-year strategy plan. Future fundraising models, wellbeing product development, and new and disruptive ideas will all be within the project's scope, and we expect its outputs to include recommendations on targeted capital investment funded by our reserves.

Review of the year and future plans (continued)

Fundraising

In 2024, we will continue to work to a blended fundraising model that spans third party fundraising (devolving fundraising to hospitality operators, their customers, and guests, through 'pound on the bill'-style programmes and other at-source activations), margin-rich supporter events and institutional funding from major donors.

Our fundraising product set is strong, and our focus remains upon providing a roster of in-person and virtual events that people around the sector we serve actively enjoy attending or participating in. However, we will scrutinise current fundraising concepts, to identify those with longevity, and those that are ready to be retired.

We will continue our ongoing strategic shift towards deriving a greater proportion of income from regular, multi-year or subscription-based income streams with potential to deliver a more scalable revenue base. These include our Employee Assistance Programme, which we view as a Trojan Horse, both in terms of its value in promoting our brand and work more widely, and because it encourages clients to participate in our fundraising activities as a way of driving awareness and usage of the programme around their workforces.

We will also look to diversify our fundraising streams, for example by driving greater traction for our legacies offer, trialling the Pennies micropayment platform, and broadening our work to identify and access institutional fundraising.

Services

We expect our strategic review to focus in large part upon our charitable services. As beneficiaries' needs evolve, so, too, must our support.

We have budgeted to spend a minimum of £1m on grants disbursement in 2024; and we are committed to building this metric year on year. As in previous years, we will look to evolve our grant streams to answer the changing needs of our beneficiaries.

As well as providing financial support, in 2024 we will lay foundations for a nascent advocacy service, through which we will offer guidance on financial resilience, accommodation and benefits. To this end, we will refer beneficiaries to our partners Payplan and Shelter+ for advice on financial matters and issues relating to accommodation, respectively; and we will appoint an in-house benefits advocacy advisor early in the year, who will be tasked with helping beneficiaries to unlock benefits for which they are eligible. The benefits advocacy advisor will also create content aimed at helping industry professionals negotiate the complexities of the welfare landscape, which we will add to the growing library of free-to-view digital fact sheets on our website.

Our Golden Friends outreach scheme will continue to support hospitality retirees at risk of loneliness or isolation, and we will aim to grow membership through promoting the scheme to our EAP clients. We will continue to focus on benefits that are available to all scheme members.

After the switch to a new employee assistance programme partner in mid-2023, in 2024 we will begin to explore adding new wellbeing products and services to our existing provision, for

Review of the year and future plans (continued)

Services (continued)

example Digital GP, and ADHD and autism assessments. Our employee assistance programme provides our most scalable means to improve the lives of hospitality workers, and we will focus hard on new client acquisition.

Operations

The unprecedented demand we're experiencing is due partly to the current economic climate and challenges; and partly due to the exponential rise in brand awareness we have achieved since the start of the pandemic. This rise in awareness has inevitably led to growing pains, and we'll address these, in 2024. The comprehensive process mapping exercise we conducted in 2023 has given us a forensic view of our operational strengths and areas for improvement. In 2024, we will use this insight to introduce a new CRM platform, fill several key new roles on the team, and tighten our operational procedures. By so doing, we will be able to futureproof our operational capacity.

To sustain the surge in awareness of our work that we've experienced since 2020, we plan to engage the services of a specialist hospitality PR agency, whose work will feed into our paid-for social media advertising. Our new CRM platform will facilitate the development of more structured lead generation and customer acquisition and relationship programmes.

Governance

Hospitality Action is committed to demonstrating and encouraging equality, diversity, and inclusion among its workforce, in its day-to-day work and in its beneficiary support, and to eliminating unlawful discrimination of any kind. We have a duty to make a positive impact on our people, our beneficiaries and service users, our stakeholders, and the wider world.

We are fully committed to making a positive contribution to the world, one that goes in tandem with our charitable work. We will keep this commitment in sharp focus in 2024 and beyond.

We continue to work hard to ensure that our cohort of Trustees, patrons and ambassadors reflects and represents the ethnic diversity of the workforce we serve. Our ongoing aim is to continue our journey to embodying a truly diverse and inclusive charity.

Having overhauled and enhanced our risk register in 2023, we will continue to focus hard on identifying and mitigating threats to our status as a going concern – in particular, cyber-attacks and fraud.

FINANCIAL REVIEW

Income for the year was £3,038,586 (2022: £3,015,551) and expenditure £3,208,372 (2022: £2,851,495) giving rise to an operating deficit of £169,786 (2022: surplus of £164,056). The year witnessed the second highest income in the charity's history, second only to 2020.

Third-party and institutional fundraising remained strong, as did our challenge initiatives and in-person events. Highlights included Walk for Wellbeing (£95k), Summer Challenge (£81k), Northcote's Obsession season (£72k), and the return of our annual polo day (£58k). We reported income of £115.5k from the Worshipful Company of Innholders; and £50k from the Procter England Bancroft/Hospitality Action Fund. We benefited from the Spirit of Hospitality Atlantic rowing challenge (£88k). Our employee assistance programme saw strong income growth, ending £70k ahead of income target at £970k.

Expenditure of £3,208,372 was up £356,877 from £2,851,495 in 2022. Expenditure on charitable activity associated with grants, advice and support was £2,220,104, an increase of £290,209 from £1,929,895 in 2022.

The related charity, the unincorporated charity also known as Hospitality Action (Charity Number 208855), disposed of 2 Sycamore House, its sole remaining asset, in December 2023, with gross proceeds of £305,000. The net proceeds are reflected as a creditor in the incorporated charity's accounts. The net proceeds will be formally donated to the incorporated charity in 2024.

After gains on investments of £224,256 the overall result for the year was a surplus of £54,470 resulting in a corresponding increase in the balance of funds which stood at £7,521,128 as at 31 December 2023.

Reserves policy and financial position

The total funds held by the group at the end of the year were £7,521,128 (2022: £7,466,658).

Of the above total £69,105 (2022: £47,490) related to restricted funds not available for the general purposes of the Charity. As at 31 December 2023 £221,521 of funds were held within the subsidiary company (2022: £251,842). All of the remaining funds of the Charity totalling £7,226,502 (2022: £7,167,326) have been set aside in a designated fund by the trustees.

The Charity's reserves safeguard its ability to operate and provide essential services to its beneficiaries in the case of unforeseeable reductions in fundraising income. To ensure that the charity can sustain its capacity to provide support to the sector it serves in perpetuity, the Trustees' policy is to seek to maintain the approximate current levels of reserves after allowing for fluctuations in the value of its investment portfolio, and to direct any income it generates to the Charity's current account for working capital or charitable purposes.

The reserves are also available for investment in opportunities that may have an enduring benefit to the Charity and its beneficiaries. In 2024, we will build out a three- to five-year strategy plan, which may yield recommendations on future products requiring investment from the reserves.

FINANCIAL REVIEW (continued)

Reserves policy and financial position (continued)

From 2024, the Charity has defined a base rate of grants expenditure at £1m; and aims to increase its level of charitable activity in each future financial year.

From time to time the Charity has needed to draw on the capital of the investment portfolio to meet working capital or charitable obligations where fundraising income has not been at expected levels. Such drawdowns require the approval of the Finance and Investment Committee. As a result, the Charity does not currently maintain any free reserves, as it is possible to meet any requirement for free reserves from the designated fund if required.

The Charity is aiming to reach a position where any such drawdown is not required and free reserves can be maintained separately from the designated fund. We have not drawn down cash from our investment portfolio since early 2020, and our intention remains to maintain sufficient cash reserves to avoid future drawdowns. Since the investment portfolio's year-end valuation of £5.935m, we have seen its value fluctuate through the early part of 2024 between a high of £6.090m in March and a low of £5.853m in January, much less volatile than the early months of 2023. As at 28th May the portfolio stood at £6.242m.

The investment portfolio is monitored daily, and reserve balances are reported to the Finance and Investment Committee each quarter.

The Finance and Investment Committee is required to review this reserves policy annually.

Going Concern

Hospitality Action serves an industry sector that continues to suffer the fallout from the socio-economic factors that has defined the past four years. Hospitality operators continue to face soaring rent, energy, and produce prices, diminished out-of-home spend, and staff shortages. We have seen numerous hospitality business closures in the first months of 2024, and expect this trend to continue.

Counter-intuitively, against this backdrop, Hospitality Action has achieved record levels of income and expenditure and has seen a rapid scaling of its employee assistance programme, as operators have looked to build in their employee benefits to keep staff attrition rates in check. We have also grown awareness of our work, which has led to more widespread take-up of our various fundraising activations.

And we are benefitting from a 'virtuous circle' effect, whereby increasing numbers of employee assistance programme clients are engaging with fundraising efforts as a means to promote the programme to their employees. Our Trustees are satisfied that the charity is well-positioned to continue as a going concern for the next twelve months and beyond. Reasons for this confident outlook include:

FINANCIAL REVIEW (continued)

Going Concern

- ◆ The exponential growth of our Employee Assistance Programme and our plans to evolve and expand the programme's benefits and therefore its appeal.
- ◆ The growth in third-party fundraising relationships.
- ◆ The fact that awareness and recognition of the charity's existence and work has soared since 2020.
- ◆ The fact that the charity's long-term asset base as represented by our investment portfolio has coped well with the challenges of the past four years and, as of May 2024, stood at a better position than it did in early 2020.
- ◆ Our healthy cash reserves.

Investment policy

Under the Constitution the Trustees have general powers to invest in any trust funds or in the purchase of land or buildings. The agreed investment objectives were to achieve an annual income of 3.5% with the preservation of capital in real terms over the long term. The investment objectives are supported by an agreed asset allocation that is socially, environmentally, and ethically sound, and which is approved by the Finance and Investment Committee and Trustees. The Investment Managers meet periodically with the Charity's Finance and Investment Committee to review investment performance against agreed indices.

Grant Policy

The charity provides financial assistance, support and advice to serving, former and retired workers in the hospitality industry. Qualification for assistance financial is as follows:

- “ currently working in the industry within the UK
- “ have worked seven or more years in the industry in the UK

Applicants or the supporting agent from a referring organisation (with the consent of the applicant) are required to complete a Hospitality Action application form and provide appropriate supporting documentation to evidence their hospitality employment and household financial position. For any former hospitality employees that do not have seven years employment, we endeavour to offer guidance and signposting.

GOVERNANCE, STRUCTURE AND MANAGEMENT

Legal status and governing document

Hospitality Action is a charitable company limited by guarantee, incorporated in England and registered with Companies House. It is also registered with the Charity Commission in England and Wales.

It is governed by its memorandum and articles of association which are publicly available via www.companieshouse.co.uk

Structure

Hospitality Action has a wholly-owned subsidiary, Hospitality Action (Trading) Limited, (registered company 03332706 – England and Wales), which administers the Employee Assistance Programme. The results and net assets of the subsidiary are consolidated into these accounts.

Appointment and training of trustees

Trustees are elected at the annual general meeting and serve for two years when they may offer themselves for re-election for two further terms of office. Trustees are drawn from senior management across the industry, retired members of the industry and those with specialist skills pertinent to the aims and objectives of the Charity. All new trustees go through a formal induction process with the Chief Executive and are issued with an induction pack that includes the memorandum and articles of association of the charity, a Charity Commission summary of responsibilities of charity trustees, a copy of the annual accounts and a formalised outline of the role of a trustee. Trustees meet quarterly.

Chief executive and staff

The Chief Executive, Mark Lewis, is responsible for the day to day operations of the Charity. Staff remuneration including that of Key Management is set to be competitive for the roles in the charity sector and based in London.

The trustees are responsible for ensuring we keep proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, the relevant Charity (Accounts and Reports) Regulations and the provisions of the charity's constitution. 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.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Risk management, and principal risks and uncertainties

The Trustees continue to review and identify the major risks faced by the Charity and have implemented systems and controls to mitigate the risks wherever practicable.

The Board of Trustees and Finance and Investment Committee periodically review the major risks to the charity and have implemented systems and controls to mitigate these risks wherever practicable. The charity's risk register was overhauled and enhanced in 2023 to enable us to better monitor risks on an ongoing gross and net basis, and therefore track the impact of the steps being taken to mitigate them. The register keeps issues around financial fraud in sharp focus. And we continue to work with other charities to share best practice in this area.

We continue to see unprecedented demand for financial support. Our policy of restricting public access to the grants application portal periodically to manage the volume of cases ensures that we are not overwhelmed by demand, and that we can limit spend on beneficiary services to what our cash reserves allow. It also allows us to manage applicants' expectations of when they might receive support. (During periods of restricted access, we direct anyone seeking support to contact our grants team, to discuss their circumstances in more detail. The team identifies their primary need and level of urgency and, if they meet our top priority criteria, invites them to apply immediately. For any enquirer whose circumstances do not meet our top priority criteria, we invite them to contact us again in the future and offer signposting to other organisations that may be able to assist them with advice or support in the interim.)

In response to the charity's growth in scale since the pandemic struck, in 2023 we undertook a process, systems, and technology mapping review to futureproof our operational resilience and improve operational capacity. As a result of this work, we have identified and introduced operational efficiencies. The work also produced a requirements document that formed the basis of our selection of a new CRM partner, whose platform we will onboard in 2024.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Equal Opportunities Statement For Employees

Hospitality Action complies fully with all statutory requirements and has robust policies regarding what it expects of its staff and trustees. The charity has given consideration to the Charity Governance Code, in particular the latest updates to the Code surrounding equality, diversity and inclusion. This is of particular relevance in recruiting new trustees and new members of staff and ensuring all personnel are treated equally and fairly.

Hospitality Action is strongly committed to equal opportunities for all. Every possible step will be taken to ensure that individuals are treated equally and fairly and that decisions on recruitment, selection and training of employees are based on solely objective and role related criteria regardless of their age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

Our policy is to respect both the spirit and the letter of the laws regarding equality of opportunity and non-discrimination in Hospitality Action's activities and to value the diversity of individuals throughout the community. We consider this to be an integral part of our ethos when recruiting employees to Hospitality Action.

This commitment extends to all areas, both within the working environment, as well as in relation to social and recreational programmes.

No employee or potential employee will be disadvantaged by any conditions of employment or requirements that cannot be justified as necessary on operational grounds.

Decisions about appointments, training, developments and promotion will be made on the basis of merit or ability.

All employees and volunteers are expected to support and co-operate in these efforts to ensure equal opportunity for all.

Any complaints of discrimination will be dealt with under Hospitality Action's Complaints Procedure.

Any employee who conducts himself or herself in a discriminatory manner (whether on the grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation) towards another employee, beneficiary or member of the public will be subject to disciplinary action for gross misconduct.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Fundraising Statement

We continue to receive donations, event bookings and Regular Giving payments via our website. We host an annual Summer Challenge and another in person 20k walk at hosted cities across the UK using a new platform, Enthuse. We also use Enthuse to receive funds raised by third parties alongside JustGiving and we use Givergy to host online auctions and raffles. Our guest-pays activation, Invisible Chips, is still live, with all participating operators instructed in how to pay in funds and manage any VAT implications. No moneys are raised via public, on-street collections. When collecting monies, we at all times adhere to GDPR best practice guidelines. We renew our PCI DSS Compliance annually. We adhere to the conditions that credit card details should not be stored or sent electronically and are to be destroyed as soon as a payment is processed. We do not store credit card details in any form. And as soon as the fundraising team has processed a credit card payment, they destroy the card details. Our compliance requirements are relatively light since any receipts via our website are through Stripe and GoCardless and we are not an e-commerce provider.

We are members of the Association of Charitable Organisations (ACO) and the Fundraising Regulator and follow and track their fundraising due diligence recommendations and code. Hospitality Action has not received any complaints about its fundraising activities.

Trustees' Responsibilities

The Trustees, who are also the directors for the purposes of Company Law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & 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 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.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Trustees' Responsibilities (continued)

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors also confirm that:-

- ◆ So far as each director is aware, there is no relevant information of which the company's auditors are unaware; and
- ◆ Each director has taken all steps that he/she ought to have taken to make himself/herself aware of any relevant matters and to ensure that the company's auditors are aware of such information.

Approved by order of the board of Trustees and signed on its behalf by



Chairman - Jonathan Raggett

Approved by the board of trustees on

4th June 2024

Independent auditor's report to the members of Hospitality Action

Opinion

We have audited the financial statements of Hospitality Action (the 'charitable parent company') and its subsidiary (the 'group') for the year ended 31 December 2023, which comprise the consolidated statement of financial activities, the charity-only statement of financial activities, the consolidated and charity-only balance sheets, the consolidated statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2023 and of the group's income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustee's Annual Report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the trustees' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the charitable parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ adequate accounting records have not been kept by the charitable parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the charitable parent company financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the charitable parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- ◆ We obtained an understanding of the legal and regulatory frameworks applicable to the charity and the sector in which it operates. We determined that the following laws and regulations were most significant: Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.
- ◆ We understood how the charity is complying with those legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of Board minutes and papers provided to the Finance and Investment Committee.
- ◆ We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - ◇ Identifying and assessing the design effectiveness of controls in place to prevent and detect fraud;

Auditor's responsibilities for the audit of the financial statements (continued)

- ◇ Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- ◇ Challenging assumptions and judgements made by management in its significant accounting estimates;
- ◇ Identifying and testing a sample of journal entries, in particular any journal entries posted with unusual account combinations; and
- ◇ Assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the relevant financial statement item to which they relate.

We did not identify any irregularities, including fraud.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Hugh Swainson (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

09 August 2024

Consolidated statement of financial activities (including an income and expenditure account)
Year ended 31 December 2023

		Year ended 31 December 2023			Year ended 31 December 2022		
	Notes	Unrestricted funds £	Restricted funds £	£	Unrestricted funds £	Restricted funds £	£
Income and endowments from:							
<i>Donations and legacies</i>							
Donations	1	941,135	—	941,135	932,535	—	932,535
Donated services and facilities	1	85,350	—	85,350	85,350	—	85,350
Members donations		5,787	—	5,787	11,012	—	11,012
Grants receivable	2	27,500	112,500	140,000	51,500	95,000	146,500
<i>Other trading activities</i>							
Fundraising events		758,958	—	758,958	908,014	—	908,014
<i>Charitable activities</i>							
Employee assistance programme		969,667	—	969,667	812,861	—	812,861
Investments	3	137,689	—	137,689	119,279	—	119,279
Total		2,926,086	112,500	3,038,586	2,920,551	95,000	3,015,551
Expenditure on:							
<i>Raising funds</i>							
Cost of raising voluntary income		785,525	—	785,525	727,388	—	727,388
Fundraising events and activities		182,273	—	182,273	173,090	—	173,090
Investment management fees		20,470	—	20,470	21,122	—	21,122
Sub-total		988,268	—	988,268	921,600	—	921,600
<i>Charitable activities</i>							
Welfare	4, 6	1,385,073	90,885	1,475,958	1,288,966	79,910	1,368,876
Employee assistance programme	4	744,146	—	744,146	561,019	—	561,019
Sub-total		2,129,219	90,885	2,220,104	1,849,985	79,910	1,929,895
Total	4	3,117,487	90,885	3,208,372	2,771,585	79,910	2,851,495
Net (expenditure) income before net gains/(losses) on investments		(191,401)	21,615	(169,786)	148,966	15,090	164,056
Net gains/(losses) on investments	11	224,256	—	224,256	(356,006)	—	(356,006)
Net income (expenditure)		32,855	21,615	54,470	(207,040)	15,090	(191,950)
Transfer between funds	14	—	—	—	—	—	—
Net movement in funds		32,855	21,615	54,470	(207,040)	15,090	(191,950)
Reconciliation of funds:							
Fund balances brought forward		7,419,168	47,490	7,466,658	7,626,208	32,400	7,658,608
Fund balances carried forward		7,452,023	69,105	7,521,128	7,419,168	47,490	7,466,658

The notes on pages 31 to 39 form part of these financial statements.

Statement of financial activities (charity only) Year ended 31 December 2023

	Unrestricted funds £	Restricted funds £	Year ended 31 December 2023 £	Unrestricted funds £	Restricted funds £	Year ended 31 December 2022 £
Income and endowments from:						
<i>Donations and legacies</i>						
Donations	941,135	—	941,135	932,535	—	932,535
Gift Aid from subsidiary company	251,842	—	251,842	222,002	—	222,002
Donated services and facilities	85,350	—	85,350	85,350	—	85,350
Members donations	5,787	—	5,787	11,012	—	11,012
Grants receivable	27,500	112,500	140,000	51,500	95,000	146,500
<i>Other trading activities</i>						
Fundraising events	758,958	—	758,958	908,014	—	908,014
Investments	137,689	—	137,689	119,279	—	119,279
Total	2,208,261	112,500	2,320,761	2,329,692	95,000	2,424,692
Expenditure on:						
<i>Raising funds</i>						
Cost of raising voluntary income	785,525	—	785,525	727,388	—	727,388
Fundraising events and activities	182,273	—	182,273	173,090	—	173,090
Investment management fees	20,470	—	20,470	21,122	—	21,122
Sub-total	988,268	—	988,268	921,600	—	921,600
<i>Charitable activities</i>						
Welfare	1,385,073	90,885	1,475,958	1,288,966	79,910	1,368,876
Sub-total	1,385,073	90,885	1,475,958	1,288,966	79,910	1,368,876
Total	2,373,341	90,885	2,464,226	2,210,566	79,910	2,290,476
Net (expenditure) income before net (losses)/gains on investments	(165,080)	21,615	(143,465)	119,126	15,090	134,216
Net gains/(losses) on investments	224,256	—	224,256	(356,006)	—	(356,006)
Net income (expenditure)	59,176	21,615	80,791	(236,880)	15,090	(221,790)
Transfer between funds	—	—	—	—	—	—
Net movement in funds	59,176	21,615	80,791	(236,880)	15,090	(221,790)
Reconciliation of funds:						
Fund balances brought forward	7,167,326	47,490	7,214,816	7,404,206	32,400	7,436,606
Fund balances carried forward	7,226,502	69,105	7,295,607	7,167,326	47,490	7,214,816

Balance sheet Year ended 31 December 2023

	Notes	2023		2022	
		Group £	Charitable Company £	Group £	Charitable Company £
Fixed assets					
Tangible assets	9	899,123	899,123	907,104	907,104
Intangible assets	10	14,758	14,758	21,650	21,650
Investments	11	5,935,394	5,935,394	5,739,357	5,739,357
		6,849,275	6,849,275	6,668,111	6,668,111
Current assets					
Debtors	12	666,272	423,406	433,647	569,180
Cash at bank and in hand		816,454	532,209	1,037,024	241,190
		1,482,726	955,615	1,470,671	810,370
Liabilities					
Creditors: amounts falling due within one year	13	(810,873)	(509,283)	(672,124)	(263,665)
Net current assets		671,853	446,332	798,547	546,705
Net assets		7,521,128	7,295,607	7,466,658	7,214,816
Funds:					
Restricted funds	15	69,105	69,105	47,490	47,490
Unrestricted funds:					
General funds		—	—	—	—
Subsidiary		225,521	—	251,842	—
Designated funds		7,226,502	7,226,502	7,167,326	7,167,326
		7,521,128	7,295,607	7,466,658	7,214,816

The notes on pages 31 to 39 form part of these financial statements.

The financial statements were approved and authorised for issue by the board of the Trustees and signed on their behalf by:



Chairman - Jonathan Raggett



Treasurer - Jon Dee ACA



Chief Executive - Mark Lewis

Approved on: 4th June 2024

Company number 04914871

Consolidated statement of cash flows Year ended 31 December 2023

	Notes	2023 £	2022 £
Net cash flows from operating activities:			
Net cash used in operating activities	A	(366,733)	(206,789)
Cash flows from investing activities:			
Investment income		137,689	124,279
Payment to acquire tangible and intangible fixed assets		(19,745)	(14,883)
Proceeds from sales of investments		2,037,471	1,895,002
Payments to acquire investments		(2,009,252)	(1,875,073)
Net cash provided by investing activities		146,163	129,325
Change in cash for the year		(220,570)	(77,464)
Cash at bank and in hand at the start of the year		1,037,024	1,114,488
Cash at bank and in hand at the end of the year	B	816,454	1,037,024

A Reconciliation of net income/(expenditure) to net cash used in operating activities

	2023 £	2022 £
Net income (expenditure)	54,470	(191,950)
Depreciation and amortisation	34,618	49,539
(Gains) losses on investments	(224,256)	356,006
Investment income	(137,689)	(124,279)
Increase in debtors	(232,625)	(400,791)
Increase in creditors	138,749	104,686
Net cash used in operating activities	(366,733)	(206,789)

B Analysis of cash

	2022 £	Cash flow £	2023 £
Cash at bank and in hand	1,037,024	(220,570)	816,454

C Analysis of changes in net debt

	At 1 January £	Cash flows £	At 31 December £
Cash at bank and in hand	1,037,024	(220,570)	816,454
Cash held by the investment manager	728,777	(497,193)	231,584
Total net debt	1,765,801	(717,763)	1,048,038

Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP (FRS 102)), and with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The financial statements are presented in sterling and rounded to the nearest pound.

The charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value. Investments are restated at fair value at the balance sheet date.

All transactions are derived from continuing activities. All recognised gains and losses are included in the Statement of Financial Activities. These accounts consolidate the results, assets and liabilities of Hospitality Action's subsidiary company on a line by line basis.

Critical accounting estimates and areas of judgement

There are no areas of material estimation uncertainty affecting the accounts and no significant areas of judgment affecting the figures, aside from the following:

- ♦ The useful economic life of the charity's leasehold property included in tangible fixed assets, and therefore the depreciation charge, along with the impairment assessment on the building.

Going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect of a period of one year from the date of approval of these financial statements.

The trustees have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. With regard to the next accounting period, the year ending 31 December 2024, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the trustees report for more information).

Fund accounting

Unrestricted funds comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of the Trustees in furtherance of the general charitable objectives. Restricted funds comprise monies raised for, and their use restricted to, a specific purpose, or donations subject to donor imposed conditions. Designated funds represent those funds which the trustees have earmarked for specific purposes and include the carrying value of the charity's fixed assets.

Income

Income is recognised on a receivable basis and principally comprises grants, events income, income from the delivery of services and donations receivable. Any income received which is not attributed to the year of receipt, is included within deferred income in creditors. Donated services and facilities (gifts in kind) are included in the financial statements at the best estimate of the value to the charity. Legacy income is recognised when the criteria of entitlement, probability and measurability have been met.

Expenditure recognition

Expenditure including irrecoverable VAT is charged to the Statement of Financial Activities on an accruals basis. Expenditure is classified as either costs of raising funds (which includes fundraising and events costs as well as investment manager's fees) or charitable activities costs being the costs the charity incurs in furthering its charitable objectives. Direct costs are allocated to the activity headings to which they relate. Support costs relate to indirect costs including the costs of governance. These are directly allocated where possible and otherwise apportioned on a consistent basis.

Grants

Grants expenditure is recognised when there is a constructive obligation to pay monies to a beneficiary, that is, when the charity has notified the beneficiary of the payment of the grant. It includes the payment of monetary grants to beneficiaries, expenditure made in providing beneficiaries with goods and services and the costs of distributing and administering such direct provision. The cost of such provision, and that in respect of monetary grants in particular, is recognised as it becomes payable according to the Charity's rules.

Tangible fixed assets

Tangible assets are shown at cost less provision for depreciation. Provision is made for depreciation on all tangible assets at rates calculated to write off the cost, less estimated residual value over their useful lives which are estimated to be:

Leasehold property	over the length of the lease
Furnishing	20% straight line
Office refurbishment	10% straight line
Computer equipment	33% straight line

Intangible fixed assets

Intangible assets are shown at cost less provision for amortisation. Provision is made for amortisation on all intangible assets at rates calculated to write off the cost, less estimated residual value over their useful lives which is estimated to be four years.

Investments

Investments are restated at fair value as at the balance sheet date. Investment gains and losses are disclosed in the Statement of Financial Activities.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Pension costs

The Charity operates a stakeholder pension scheme. Contributions are charged to expenditure as they fall due.

Financial instruments

The charity only holds basic financial instruments as defined by FRS102. The financial assets and liabilities of the charity are as follows:

Financial assets – donations due and trade debtors are basic financial instruments and are debt instruments measured at amortised cost. Investments are basic financial instruments held at fair value. Accrued income and prepayments are not financial instruments. Cash at bank and short term deposits are classified as basic financial instruments and measured at face value.

Financial instruments (continued)

Financial liabilities – trade creditors, grants payable, and accruals are financial instruments and are measured at amortised cost. Social security and other taxes are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability as the cash settlement has already taken place and there is no obligation to deliver services rather than cash or another financial instrument.

1 Donations

	2023 £	2022 £
Unrestricted		
Bidfood	26,044	36,307
Country Range	21,694	25,000
Corinthia Hotel	1,261	5,282
D&D Group	31,292	16,728
Disney +	10,000	—
Gleneagles Hotel	12,500	12,500
GoodGood	—	5,003
Heartwood Collection	15,911	—
Hilton	2,735	16,262
Home Grown Hotels	—	6,804
Iconic Hotels	4,734	11,320
In-Bev	70,000	162,000
Knight Frank	—	5,000
Lenore England Fund	50,000	—
Mechline Developments	6,000	—
Navarac	5,610	12,719
Provenance Inns	—	10,311
Red Cat Pub Company	5,000	—
Sir Richard Sutton Ltd	5,000	5,500
Sketch	54,403	44,016
Society of Golden Keys	11,855	5,235
Super Skills	—	5,000
The Belfry	5,478	—
The Coaching Inn	18,460	8,000
The Fat Duck	1,821	5,209
The Ned	—	7,675
Uber Eats	5,000	5,000
Whitbread	175,000	175,000
Z Hotels	—	10,000
Other donations	401,337	336,664
Total unrestricted donations	941,135	932,535
Restricted	—	—
Total donations	941,135	932,535
Donated services and facilities		
The Caterer	29,500	29,500
Staff Canteen, Dewberry, H2O	55,850	55,850
Total gifts in kind	85,350	85,350

2 Grants receivable

	2023 £	2022 £
Unrestricted:		
Worshipful Company of Innholders	17,500	10,000
Master Innholders	—	25,000
Others	10,000	16,500
Total unrestricted grants	27,500	51,500
Restricted fund:		
Drug and Alcohol awareness programme/welfare		
Savoy Educational Trust	13,000	5,500
Worshipful Company of Innholders	98,000	88,000
Excel Trust	1,500	1,500
Total restricted grants	112,500	95,000
Total grants	140,000	146,500

3 Investment income

	2023 £	2022 £
From listed investments	135,359	118,574
Interest on cash deposits	2,330	705
	137,689	119,279

4 Expenditure

Analysis of 2023 expenditure	Notes	Grants	Other direct costs £	Support costs £	Total 2023 £
Raising funds:					
Cost of raising voluntary income		—	519,405	266,120	785,525
Fundraising events and activities		—	182,273	—	182,273
Investment management		—	20,470	—	20,470
Charitable activities:					
Welfare	6	914,433	305,847	255,678	1,475,958
Employee assistance programme		—	676,341	67,805	744,146
Total		914,433	1,704,336	589,603	3,208,372

Analysis of 2023 support costs	Expenditure on raising funds £	Expenditure on charitable activities £	Total 2023 £
Staff costs	207,975	255,281	463,256
Office rent and shared office costs	58,145	68,202	126,347
	266,120	323,483	589,603

4 Expenditure (continued)

<i>Analysis of 2022 expenditure</i>	<i>Notes</i>	<i>Grants</i>	<i>Other direct costs £</i>	<i>Support costs £</i>	<i>Total 2022 £</i>
<i>Raising funds:</i>					
<i>Cost of raising voluntary income</i>		—	471,802	255,586	727,388
<i>Fundraising events and activities</i>		—	173,090	—	173,090
<i>Investment management</i>		—	21,122	—	21,122
<i>Charitable activities:</i>					
<i>Welfare</i>	6	824,589	298,728	245,559	1,368,876
<i>Employee assistance programme</i>		—	495,898	65,121	561,019
<i>Total</i>		824,589	1,460,640	566,266	2,851,495

<i>Analysis of 2022 support costs</i>	<i>Expenditure on raising funds £</i>	<i>Expenditure on charitable activities £</i>	<i>Total 2022 £</i>
<i>Staff costs</i>	202,099	247,957	450,056
<i>Office rent and shared office costs</i>	53,487	62,723	116,210
	255,586	310,680	566,266

The allocation of support costs is on a per capita basis, having regard to time spent by staff on either fundraising or charitable activities.

5 Analysis of governance costs

	2023 £	2022 £
Audit fees	14,640	14,096
Legal and professional	18,160	16,122
Trustees' expenses	663	1,029
Other	2,069	4,640
	35,532	35,887

6 Welfare expenditure

	2023 £	2022 £
Top up grants	43,385	48,871
Essential needs grants	99,214	145,164
Short term crisis grants	37,927	38,427
Christmas grants	23,634	25,208
Winter fuel grants	72,800	58,410
Covid-19 grants	595,042	457,998
TV licence and phone grants	3,184	3,434
Golden Friends' scheme	15,855	19,020
Other grants	23,392	28,057
	914,433	824,589
Grant management and other beneficiary support services	561,525	544,287
Total cost of grant making and other beneficiary support services	1,475,958	1,368,876

7 Employees and staff costs

	2023 Number	2022 Number
The average number of persons employed by the Charity during the year	19	18

Staff costs were as follows:

	2023 £	2022 £
Wages and salaries	812,598	758,859
Social security costs	89,610	87,395
Pension costs	82,643	78,404
	984,851	924,658

The number of employees who received remuneration in excess of £60,000 is analysed as follows:

	2023 No.	2022 No.
£70,001 - £80,000	—	1
£80,001 - £90,000	1	—
£120,001 - £130,000	1	1

The charity considers that the Key Management Personnel for financial reporting purposes comprises the trustees and the Chief Executive. The total Key Management Remuneration, including employer's national insurance and pension contributions, was £155,027 (2022: £148,405).

Trustees' remuneration and reimbursed expenses

In 2023 £152 was spent on a gift and awards to trustees (2022 - £424), £131 was spent on travel expenses.

8 Net movement in funds

	2023 £	2022 £
This is stated after charging:		
Depreciation	13,417	18,898
Amortisation	21,201	30,641
Auditor's remuneration:		
. Parent charitable company audit	12,100	11,300
. Subsidiary company audit	2,040	1,800
. Other (tax)	1,850	1,750

9 Tangible fixed assets – group and charitable company

	Leasehold property £	Office refurbishments £	Furniture and fittings £	Office and other equipment £	Total £
Cost					
At 31 December 2022	863,339	116,065	38,954	66,784	1,085,142
Additions	—	—	2,828	2,608	5,436
Disposals	—	—	—	—	—
At 31 December 2023	863,339	116,065	41,782	69,392	1,090,578
Depreciation					
At 31 December 2022	14,080	77,005	31,975	54,978	178,038
Charge for the year	880	5,040	1,938	5,559	13,417
On disposals	—	—	—	—	—
At 31 December 2023	14,960	82,045	33,913	60,537	191,455
Net book value					
At 31 December 2023	848,379	34,020	7,869	8,855	899,123
At 31 December 2022	849,259	39,060	6,979	11,806	907,104

The depreciation charge on the long leasehold property reflects the length of the leasehold which is 979 years.

10 Intangible fixed assets – group and charitable company

	Total £
Cost	
At 31 December 2022	129,036
Additions	14,309
At 31 December 2023	143,345
Amortisation	
At 31 December 2022	107,386
Charge for the year	21,201
At 31 December 2023	128,587
Net book value	
At 31 December 2023	14,758
At 31 December 2022	21,650

11 Investments – group and charitable company

	2023 £	2022 £
Market value		
As at 1 January	5,739,357	6,115,292
Additions at cost	2,009,252	1,875,073
Disposals	(2,037,471)	(1,895,002)
Realised (losses) gains	(6,736)	9,687
Unrealised gains (losses)	230,992	(365,693)
As at 31 December	<u>5,935,394</u>	<u>5,739,357</u>
Analysed as follows:		
United Kingdom investments	1,532,153	1,832,052
Non-United Kingdom investments	4,171,657	3,178,528
Cash and commodities held for investment	231,584	728,777
	<u>5,935,394</u>	<u>5,739,357</u>
Historical cost	<u>5,297,397</u>	<u>5,324,743</u>

The following holdings exceed 5% of portfolio value – Vanguard S&P 500 UCITS ETF (15%), HSBC FTSE-All World Index (11%) and the Charities Property Fund (6%). The cash balances are not available for day to day transactions but are for the trading of investment assets.

12 Debtors

	Group 2023 £	Charitable company 2023 £	Group 2022 £	Charitable company 2022 £
Fundraising debtors	5,660	5,660	16,800	16,800
Trade debtors	204,648	—	141,280	—
Amounts due from trading subsidiary	—	—	—	279,223
Prepayments and accrued income	455,964	417,746	275,567	273,157
	<u>666,272</u>	<u>423,406</u>	<u>433,647</u>	<u>569,180</u>

13 Creditors: amounts falling due within one year

	Group 2023 £	Charitable company 2023 £	Group 2022 £	Charitable company 2022 £
Grants approved but unspent at year end	36,905	36,905	21,919	21,919
Trade creditors	26,889	24,455	94,867	32,149
Taxation and social security	23,646	23,646	27,333	27,333
Accruals and deferred income	407,075	101,952	479,705	133,964
Amounts due to trading subsidiary	—	5,967	—	—
Amounts due to related charity (note 21)	316,358	316,358	48,300	48,300
	<u>810,873</u>	<u>509,283</u>	<u>672,124</u>	<u>263,665</u>

13 Creditors: amounts falling due within one year (continued)

Deferred income comprises:

	2023 £
Balance at the beginning of the year	70,340
Amount released to income in the year	(69,480)
Amount deferred in the year	42,330
Balance at the end of the year	43,190

Income is deferred until the charity has met any performance related conditions attached to the income.

14 Unrestricted funds

	Balance at 31 December 2022 £	Income £	Expenditure £	Transfers £	Gains on investments £	Balance at 31 December 2023 £
Charity						
General	—	1,956,419	(2,338,723)	382,304	—	—
Designated	7,167,326	—	(34,618)	(130,462)	224,256	7,226,502
Subsidiary company	251,842	969,667	(744,146)	(251,842)	—	225,521
Total	7,419,168	2,926,086	(3,117,487)	—	224,256	7,452,023

Transfers from the subsidiary company fund to the general and designated funds relate to the payment of the company's profit to the parent charity via a gift-aided donation. Transfers from designated funds to general funds are made to cover the charity's general day-to-day expenses.

Comparative information

	Balance at 31 December 2021 £	Income £	Expenditure £	Transfers £	Gains on investments £	Balance at 31 December 2022 £
Charity						
General	—	2,107,690	(2,161,027)	53,337	—	—
Designated	7,404,206	—	(49,539)	168,665	(356,006)	7,167,326
Subsidiary company	222,002	812,861	(561,019)	(222,002)	—	251,842
Total	7,626,208	2,920,551	(2,771,585)	—	(356,006)	7,419,168

15 Restricted funds

	Balance at 31 December 2022 £	Income £	Expenditure £	General fund Transfers £	Balance at 31 December 2023 Total £
Welfare	47,490	112,500	(90,885)	—	69,105
	47,490	112,500	(90,885)	—	69,105

15 Restricted funds (continued)

Comparative information

	Balance at 31 December 2021 £	Income £	Expenditure £	General fund Transfers £	Balance at 31 December 2022 Total £
Welfare	32,400	95,000	(79,910)	—	47,490
	32,400	95,000	(79,910)	—	47,490

Welfare covers three specific programmes: the Golden Friends scheme, Winter Fuel grants and phone line rentals.

16 Pensions obligations

Stakeholder pensions

The Charity operates a stakeholder pension scheme. The assets of the scheme are held separately from those of the Charity, being invested with an insurance company.

	2023 £	2022 £
Total employer cost	82,643	78,404

17 Analysis of net assets between funds

	General funds £	Designated funds £	Restricted funds £	Total 2023 £	Total 2022 £
Fund balances at 31 December 2023 are represented by:					
Tangible assets	—	913,881	—	913,881	928,754
Investments	—	5,935,394	—	5,935,394	5,739,357
Net current assets	—	602,748	69,105	671,853	798,547
Net assets	—	7,452,023	69,105	7,521,128	7,466,658

Comparative information

	General funds £	Designated funds £	Restricted funds £	Total 2022 £
<i>Fund balances at 31 December 2022 are represented by:</i>				
Tangible assets	—	928,754	—	928,754
Investments	—	5,739,357	—	5,739,357
Net current assets	—	751,057	47,490	798,547
Net assets	—	7,419,168	47,490	7,466,658

18 Financial instruments

	Group 2023 £	Charitable company 2023 £	Group 2022 £	Charitable company 2022 £
Financial assets held at fair value	5,935,394	5,935,394	5,739,357	5,739,357
Financial assets held at amortised cost	1,026,762	537,869	1,195,103	257,990
Financial liabilities held at amortised cost	(89,650)	(81,449)	(174,124)	(80,311)

19 Taxation

Hospitality Action is a registered charity and therefore is not liable to income tax or corporation tax on income or gains derived from its charitable activities, as they fall within the various exemptions available to registered charities. Whilst the Charity's trading subsidiary company is not exempt from corporation tax on its taxable profits it is not expected that any taxation will arise as it is the intention of the company's directors to donate any such profits to the parent Charity.

20 Subsidiary undertaking

The subsidiary undertaking is Hospitality Action (Trading) Limited (registered company 03332706) which is incorporated in England and had net assets of £225,531 as at 31 December 2023 (2022: net assets of £251,852). In the year ended 31 December 2023 it had turnover of £969,667 (2022: £812,861) and expenditure of £744,146 (2022: £561,019). It will gift aid its taxable profit to the parent charity in 2024.

21 Related charity

The Charity was incorporated in 2003 and took over the majority of the assets of an unincorporated charity also known as Hospitality Action (Charity Number 208855). On 20th December 2023 the unincorporated charity sold a leasehold flat. This had been the sole asset of the unincorporated charity and had been vacated by the longstanding assured tenant in February 2022. The incorporated charity Hospitality Action is holding the proceeds of the sale of the flat for the unincorporated charity, with a total balance of £316,358 due to the related charity at 31 December 2023.

22 Related party

The Charity holds 20% of the shares of 62 Britton Street Ltd, a company, which holds the Charity's interest in the freehold of its premises. There are no outstanding balances between the Charity and the company.

23 Other related party transactions

Owing to the nature of the charity's operations and the composition of the Board of Trustees being drawn from the hospitality sector, it is inevitable that transactions will take place with organisations in which a member of the Board of Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and on normal business terms.

Accounts

Hospitality Action

Annual Report and Consolidated Financial Statements

31 December 2022

Company Limited by Guarantee
Registration Number 04914871
Charity Registration Number 1101083

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Reference and administrative information

Board of Trustees	William Baxter CBE (Chairman) Jon Dee ACA (Treasurer) Kevin Charity Hazel Detsiny (resigned 5 th July 2022) Simon Esner Ringo Francis Chris Garside Andrew Guy MBE Matt Johnson Simon Jones Tim Jones Andrew Latham Kate Nicholls Danny Pecorelli (appointed 6 th December 2022) Jonathan Raggett Ian Sarson Andrew Selley David Walker
Chief Executive	Mark Lewis
Company secretary	Greg Minter
Principal office	62 Britton Street London EC1M 5UY
Charity registration number	1101083
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Royal Bank of Scotland Brooklands Close Sunbury on Thames TW16 7DX

Reference and administrative information

Investment managers

Cazenove Capital Management
1 London Wall Place
London
EC2Y 5AU

Solicitors

H3 Solicitors Ltd
Suite 1, The Old Pig Styes, Brighthams Farm,
Bines Road, Partridge Green, West Sussex,
RH13 HEQ

Reference and administrative information

The Board of Trustees thanks the Chairpersons and Committee members who gave so generously of their time during 2022:

Finance and Investment

Jon Dee ACA (Chair)
Lizi Hills (appointed January 2022)
Tim Doubleday
Tim Jones

Grants and Advisory

Andrew Latham (Chair)
Valerie Barrow
Flavia Gapper
Dawn Jackson
Jane Morris
Ian Sarson

Reference and administrative information

The Board of Trustees thanks its Patrons, whose ongoing patronage brings credibility, authority and brand awareness to the charity. These are:

Patrons	Jason Atherton (Principal Patron)
	Surinder Arora
	Raymond Blanc OBE
	Heston Blumenthal OBE
	Michael Caines MBE
	Patrick Dempsey OBE
	Jeremy Goring
	Sir Garry Hawkes CBE
	Angela Hartnett OBE
	Nigel Haworth
	Paul Heathcote MBE
	Phil Hooper
	Tom Kerridge
	Donald Macdonald OBE
	Sinead Mallozzi
	Anton Mosimann OBE
	Harry Murray MBE
	Jamie Oliver MBE
	Alain Roux
	Phil Vickery MBE
	The Viscount Lord Thurso
	Brian Turner CBE
	Robert Walton MBE

The Trustees, who are also the directors, present the annual accounts for Hospitality Action for the year ended 31 December 2022 prepared in accordance with the Statement of Recommended Practice for Charities (SORP) 2019 and the Companies Act 2006. The reference and administrative information on pages 1-4 forms part of this report.

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

The Charity is a Benevolent Society whose objects are for the relief of persons who work or have worked in the hotel, catering and/or hospitality industries and the widows, widowers, partners, orphans and other dependants of such persons by the provision of monetary grants and/or advice, assistance and support and/or education and training.

Hospitality Action was founded in 1837 as unincorporated and for much of that time it was known as the Hotel and Catering Benevolent Association (HCBA). The charity was incorporated in 2003 as Hospitality Action having taken over the majority of the assets of the unincorporated charity.

The principal activities undertaken by the Charity in pursuance of its objects relate to the provision of:

- ◆ A grants programme to alleviate poverty and support beneficiaries in times of crisis
- ◆ An outreach programme aiming to keep loneliness and isolation at bay for retired hospitality employees, called the Golden Friends scheme
- ◆ Expert triaging, advice, guidance and signposting to other potential sources of support and, where appropriate, funded counselling.
- ◆ An Employee Assistance Programme – commercial scheme offering specialist advice, support and assistance on a range of issues for hospitality employees

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

Chief Executive

Mark Lewis had his fifth full year as Chief Executive.

ACHIEVEMENTS AND PERFORMANCE

Hospitality Action further consolidated the growth in awareness and reach it achieved through the Pandemic, in 2022. Through organic growth of fundraising and a growth spurt in the number of companies subscribing to our Employee Assistance Programme (EAP), we were able to deliver the second highest in-year income in the charity's history, second only to the anomalous success of 2020. And our in-year grants disbursement spend took our total grants response to Covid-19 to over £3m.

Total income for the year reached £3,015,551, which was +£155k versus the previous year, and we delivered an operating surplus of £164,056. This enabled us to spend £824,589 on grants disbursement.

Our EAP grew materially, in terms of both income and scale. Income rose by £180k from £633k at year-end 2021 to £813k at the end of 2022. The number of clients rose from 399 to 478, and the number of lives served by the programme rose from 153,000 to 182,000.

After two years in which lockdowns made it largely impossible to host in-person events, 2022 saw a return to the chef- and hotelier-focussed events that have traditionally underpinned our fundraising efforts. In particular our biennial Back to the Floor event delivered income of £260,000 - comfortably the most successful single fundraising instance in the charity's history. This enabled us to move to a blend of in-person and third-party fundraising streams, with 'pound on the bill' initiatives, 'chosen charity' status and our Invisible Chips activation complementing event-based income. We also continued to benefit from the generosity of hospitality operators and their value chain. Most notably, a major campaign launched by AB InBev in support of us, entitled Stella Please, drew income of £162,000.

We continued to add digital assets to the online Wellbeing Hub we launched in 2020 to offer information and advice to hospitality workers whose mental health was affected by Covid. To reflect the cost of living crisis emergency borne of Russia's invasion of Ukraine, we added financial management and resilience assets to the existing mental health focussed content.

And we continued to provide moral and pastoral support to our Golden Friends community of some 2,500 industry retirees.

Thanks to our increased organic and paid social media activity and profile in the marketplace, awareness of the charity remained high in 2022. Our EAP inbound leads pipeline continued to build, and we enjoyed high levels of take-up for our events and other fundraising activities. We achieved a balance of fundraising & EAP 'asks' alongside increased wellbeing output to demonstrate the breadth of our offer and the credibility of the brand. By doing so, our communications helped us to deliver a surplus by year-end.

ACHIEVEMENTS AND PERFORMANCE (continued)

	2022	2021
Review of achievements in 2022		
Beneficiary grants	824,589	£902,290
Number of persons awarded grants	827	1,250
Number of companies subscribed to EAP	478	399
Number of employees covered by the EAP	181,822	153,166

Welfare, support and advice

Grants – (welfare)

It was decided to continue to focus more on one-off help and crisis assistance and continue the assistance given with long term top-up grants. This was achieved during 2022 as follows:

	2022	2021
Top up grants	34 beneficiaries Grants £49,000	37 beneficiaries Grants £49,000
Crisis grants	21 beneficiaries Grants £39,000	27 beneficiaries Grants £28,000
Essential needs grants	270 beneficiaries Grants £145,000	490 beneficiaries Grants £267,000
Other grants	1,502 beneficiaries Grants £592,000	1,846 beneficiaries Grants £558,000

Overall grant spend of £824,589 NB figures above reflect the fact that many beneficiaries received more than one grant.

Golden Friends Scheme – (welfare)

The objective was to increase the number of members and enhance the support offered via the volunteer visitor scheme.

- ◆ The number of members increased to 1,526 in 2022 from 1,502 in 2021.
- ◆ The charity had 31 volunteers spread nationally across the UK at the end of 2022, including phone friends, visitors and office volunteers. 64 Golden Friends were matched with volunteers.
- ◆ There were no Golden Friends' lunches or teas held during the year. These have been suspended since the onset of the pandemic (2021: nil).
- ◆ Gift vouchers to a value of £15,105 were distributed to 901 beneficiaries (2021: £29,643 to 1,504).

ACHIEVEMENTS AND PERFORMANCE (continued)

Welfare, support and advice (continued)

Information and signposting – (support and advice)

Hospitality Action continues to offer a debt advice scheme, in conjunction with Step Change, a debt management charity. The counselling scheme, in conjunction with CiC, the service provider for our Employee Assistance Programme, has continued to be offered where applicable.

Employee assistance programme

The programme is specific to the hospitality industry and provides a source of help, support and guidance for its employees. A confidential help line and web based fact sheets are available on the following topics:

Health and wellbeing

Working Life

Financial Matters

Personal advice

Alcohol and drugs support

Legal advice

The programme also allows for counselling and one to one support where needed.

This is a commercial programme which trades under a subsidiary company. Hospitality companies are charged a fixed amount per employee per year when they sign up to the programme. Profits are gifted to the charity. The programme had its official industry launch in January 2013 and as at December 2022 478 companies have signed up.

Review of the year and future plans

Plans for 2023

The UK hospitality sector's ongoing challenges were compounded in 2022 by the price rises sparked by Russia's invasion of Ukraine, and by growing staffing shortages that emerged as Brexit started to bite. As we head into 2023 and beyond, we expect the unprecedented levels of demand for financial support we've experienced to continue.

Fundraising

To enable us to service this demand, we'll continue to work to a blended fundraising model that spans third party fundraising (devolving fundraising to hospitality operators, their customers, and guests, through 'pound on the bill'-style programmes and other at-source activations), margin-rich supporter events and institutional funding from major donors.

ACHIEVEMENTS AND PERFORMANCE (continued)

Review of the year and future plans (continued)

Plans for 2023 (continued)

Fundraising (continued)

Our current fundraising events product set is strong, having consolidated our events programme during the pandemic to focus on a smaller number of well-attended, high margin in-person and virtual events, all of which have a good degree of longevity.

We will maintain our focus on our ongoing strategic shift towards deriving a greater proportion of income from regular, multi-year or subscription-based income streams, which have the potential to deliver a more scalable revenue base. By simplifying and standardising workflows, we will look to improve our support of third-party fundraising initiatives and to standardise our offer. To this end, we will consolidate and scale fundraising programmes such as 'charity of the year' corporate partnerships and Invisible Chips sales.

In 2023, we will also sharpen our focus on developing our skillset in institutional fundraising, especially in the creation of bids and delivery of more complex donor reporting requirements. We will develop projects which allow us to apply for more restricted multi-year funds, so futureproofing the income base.

Services

As beneficiaries' needs evolve, so will our support: we'll continue to take the agile approach to grants and services product development that we've displayed since early 2020. In terms of grants disbursement, we will continue to evolve our grant streams to answer the changing needs of our beneficiaries, as we did in 2021 with the introduction of grants specifically aimed at people who had lost out from the £20 reduction of Universal Credit, and in winter 2022 with the introduction of our cost-of-living grants.

In the services area, operational and digital improvements will provide faster triage and routing of applications and improve applicants' user experience.

Building on our use of open-banking software will allow us to automate the laborious process of financial verification and thereby reduce the potential for fraudulent or ineligible applications. These efficiencies will help us more effectively gear our grant-making efforts according to fluctuations in income, and to scale operations should another emergency or income surge emerge.

In response to the increased complexity of cases we will continue our move towards a more holistic offering by providing greater 'aftercare' support for grants recipients. This will be delivered by upskilling the team, building alliances with other organisations such as housing charities, and routing more cases into means-tested counselling, self-guided learning and other services.

ACHIEVEMENTS AND PERFORMANCE (continued)

Review of the year and future plans (continued)

Plans for 2023 (continued)

Services (continued)

Our Golden Friends outreach scheme will continue to support hospitality retirees, and we will aim to grow membership through promoting the scheme to our EAP clients. In 2022, we did not recommence the in-person Golden Friends events a minority of GFs enjoyed, and in 2023 we will continue to focus on benefits that are available to all scheme members.

Ongoing work to position the charity as a trusted source of wellbeing content, products and thought leadership for hospitality operators will continue in 2023. We will develop more free-to-view wellbeing content for our online Wellbeing Hub.

Employee Assistance Programme (EAP)

While grant-giving remains at the core of the charity's beneficiary provision, it is increasingly clear that a more scalable way to better improve the lives of many more hospitality workers is via the growth of our EAP provision.

In 2023 the charity is embarking on a period of development to consolidate its operational capacity and aggressively scale our EAP provision and reach, with the aspiration of balancing our income mix equally between fundraising and EAP services within three to five years.

We will look to maintain the exponential growth of the EAP (we added 79 clients and 29k lives in 2022, with income growth of £180k), and to broaden its product set, by migrating to a new partner and platform. While maintaining our reputation for clinical excellence and service, we will launch a web- and app-based digital wellbeing platform that will deliver a range of new clinical pathways, self-guided learning, new training streams, and a rewards and benefits platform in the second half of 2023.

This new product development will be guided by user research that will be in the field in Q2. These planned developments will help us to grow usage and product penetration amongst existing clients; and to increase market share assisted by content marketing, bought media acquisition, and business development support.

Brand

To sustain the surge in awareness of our work around the hospitality sector and the public that we've experienced since 2020, we will continue to grow paid-for social media advertising and look to develop more structured lead generation and customer acquisition programmes.

As we grow, it is important to maintain the balance in our messaging. We will continue to focus on how we meet beneficiaries' needs, while also growing the share of voice given to more business-focused EAP messaging. And we will optimise the promotional potential of National Hospitality Day, a concept we launched in 2021.

ACHIEVEMENTS AND PERFORMANCE (continued)

Review of the year and future plans (continued)

Plans for 2023 (continued)

Operational capacity building

The growth we experienced during the Pandemic clearly demonstrates the market potential for us to further scale our operations. To capitalise on this opportunity, in 2023 we are embarking on a period of transformation, to improve operational capacity across all functions of fundraising and service provision. We are reviewing, upgrading, and optimising systems, processes, and technology.

Governance

Hospitality Action is committed to demonstrating and encouraging equality, diversity, and inclusion among its workforce, in its day-to-day work and in its beneficiary support, and to eliminating unlawful discrimination of any kind. We have a duty to make a positive impact on our people, our beneficiaries and service users, our stakeholders, and the wider world.

We are fully committed to making a positive contribution to the world, one that goes in tandem with our charitable work. We will keep this commitment in sharp focus in 2023 and beyond.

We continue to work hard to ensure that our cohort of Trustees, patrons and ambassadors reflects and represents the ethnic diversity of the workforce we serve. Our ongoing aim is to continue our journey to embodying a truly diverse and inclusive charity.

We will continue to focus hard on identifying and eliminating fraudulent applications.

Longer term

We are committed to delivering structural improvement to the sector we serve in terms of the way it supports employee wellbeing. With the benefit of insight gained from increased usage data and from our EAP and free-to-market wellbeing content, our ambition is to develop a set of independently accredited educational qualifications and standards for physical and mental health management and empathetic leadership for managers across the sector.

FINANCIAL REVIEW

Income for the year was £3,015,551 (2021: £2,860,825) and expenditure £2,851,495 (2021: £2,667,207) giving rise to an operating surplus of £164,056 (2021: surplus of £193,618). The year witnessed the second highest income in the charity's history, second only to 2020.

Third-party and institutional fundraising remained strong. And we saw growth from our virtual and in-person events, with October's Walk for Wellbeing initiative raising £79k, and our biennial Back to the Floor dinner raised £260k, making it the charity's single most successful fundraising instance ever. Our employee assistance programme saw an exponential growth in income, clients and number of lives covered.

FINANCIAL REVIEW (continued)

Expenditure of £2,851,495 was up £184,288 on 2021. Expenditure on charitable activity associated with grants, advice and support was £1,929,895, an increase of £103,842.

After losses on investments of £356,006 the overall result for the year was a deficit of £191,950 resulting in a corresponding decrease in the balance of funds which stood at £7,466,658 as at 31 December 2022.

Reserves policy and financial position

The total funds held by the group at the end of the year were £7,466,658 (2021: £7,658,608).

Of the above total £47,490 (2021: £32,400) related to restricted funds not available for the general purposes of the Charity. As at 31 December 2022 £251,842 of funds were held within the subsidiary company (2021: £222,002). All of the remaining funds of the Charity totalling £7,167,326 (2021: £7,404,206) have been set aside in a designated fund by the trustees.

In order to ensure that the charity is able to sustain its capacity to provide support for its beneficiaries in perpetuity, the Trustees' policy is to seek to maintain the approximate current levels of reserves after allowing for fluctuations in the value of its investment portfolio.

The Charity's investment portfolio is intended to generate returns to maintain or add to minimum reserve levels. Income generated from the portfolio is to be reinvested where possible or can be transferred to the current account of the Charity for working capital or charitable purposes.

The reserves are maintained to safeguard the Charity's ability to operate and provide essential services to its beneficiaries in the case of unforeseeable reductions in fund raising income. The reserves are also available for investment in opportunities that may have an enduring benefit to the Charity and its beneficiaries.

The Charity aims to maintain or increase moderately its level of charitable activity in each financial year. It is intended to reinvest into the portfolio any funds in excess of the working capital and charitable requirements of the Charity to bolster the capital and ensure that the portfolio will be available well into the future.

From time to time the Charity may need to draw on the capital of the investment portfolio to meet working capital or charitable obligations where fundraising income has not been at expected levels. Such drawdowns require the approval of the Finance and Investment Committee. As a result, the Charity does not currently maintain any free reserves, as it is possible to meet any requirement for free reserves from the designated fund if required. The Charity is aiming to reach a position in the future where any such drawdown is not required and free reserves can be maintained separately from the designated fund.

The investment portfolio is monitored daily and reserve balances are reported to the Finance and Investment Committee each quarter.

The Trustees are required to review this reserves policy annually.

FINANCIAL REVIEW (continued)

Reserves policy and financial position (continued)

We have not drawn down cash from our investment portfolio since early 2020, and our intention remains to maintain sufficient cash reserves to avoid future drawdowns. Since the investment portfolio's year-end valuation of £5.739m, we have seen its value fluctuate through the first half of 2023 between a high of £5.965m in February and a low of £5.674m in March, due to the ongoing conflict in Ukraine, the continuing impact of rising energy costs, and other global market forces. By the second half of May, the portfolio had rallied to a value of £5.777m. As at 19 May the portfolio stood at £5.777m.

For the moment, our policy continues to be to maintain the portfolio in its current state and direct any income it generates into the charity's wider work. With the benefit of having seen the impact on our reserves of the past three extraordinary years, in Q3 we plan to launch a formal review of our reserves policy, involving representatives of the charity's Board of Trustees and Finance Committee.

For approximately the last 10 years, the Trustees' strategy has been to fund any operating losses through capital drawdowns from the investment portfolio. The impact of this upon the investment portfolio has been tracked closely and long-term financial forecasting undertaken to ensure that the level of retained reserves remains sufficient.

Each year, the Charity aims to reduce as much as practical, its reliance on capital drawdowns from the portfolio and to be self-sufficient from fundraising income. When circumstances allow, excess funds will be used to top up the portfolio to previous levels. Once this has been achieved, the Charity will review its charitable activities and may release excess funds for charitable purposes. At present we continue to rely upon income from the investment portfolio to finance our charitable activity.

Going Concern

Hospitality Action serves an industry sector that continues to suffer the fallout of the unprecedented set of socio-economic factors that has defined the past three years.

Hospitality operators are negotiating a perfect storm of soaring energy and produce process, diminishing out-of-home spend, and staffing shortages. We expect to see a steady rise in hospitality business closures through 2023.

Counter-intuitively, against this backdrop, Hospitality Action has achieved record levels of income and expenditure and has seen a rapid scaling of its employee assistance programme, as operators have looked to build in their employee benefits to keep staff attrition rates in check. We have also grown awareness of our work, which has led to more widespread take-up of our various fundraising activations.

Our Trustees are satisfied that the charity is well-positioned to continue as a going concern for the next twelve months and beyond. Reasons for this confident outlook include:

- ◆ The exponential growth of our Employee Assistance Programme and our plans to evolve and expand the programme's benefits and therefore its appeal.

FINANCIAL REVIEW (continued)

Going Concern (continued)

- ◆ The growth in third-party fundraising relationships.
- ◆ The fact that awareness and recognition of the charity's existence and work has soared since 2020.
- ◆ The fact that the charity's long-term asset base as represented by our investment portfolio has coped well with the challenges of the past three years.
- ◆ Our healthy cash reserves.

Investment policy

Under the Constitution the Trustees have general powers to invest in any trust funds or in the purchase of land or buildings. The agreed investment objectives were to achieve an annual income of 3.5% with the preservation of capital in real terms over the long term. The investment objectives are supported by an agreed asset allocation that is socially, environmentally and ethically sound, and which is approved by the Finance and Investment Committee and Trustees. The Investment Managers meet periodically with the Charity's Finance and Investment Committee to review investment performance against agreed indices.

Grant Policy

The charity provides financial assistance, support and advice to serving, former and retired workers in the hospitality industry. Qualification for assistance is as follows:

- ◆ currently working in the industry within the UK
- ◆ have worked 5 or more years in the industry in the UK

Applicants or the supporting agent from a referring organisation (with the consent of the applicant) are required to complete a Hospitality Action application form. The majority of applications need to be supported by an appropriate independent organisation such as Social Services, Citizens Advice Bureau, Housing Association or charities such as Macmillan, Crisis etc. A copy of the grant rules is sent out on request by the Grants & Advisory Team.

GOVERNANCE, STRUCTURE AND MANAGEMENT

Legal status and governing document

Hospitality Action is a charitable company limited by guarantee, incorporated in England and registered with Companies House. It is also registered with the Charity Commission in England and Wales.

It is governed by its memorandum and articles of association which are publicly available via www.companieshouse.co.uk

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Structure

Hospitality Action has a wholly-owned subsidiary, Hospitality Action (Trading) Limited, (registered company 03332706 – England and Wales), which administers the Employee Assistance Programme. The results and net assets of the subsidiary are consolidated into these accounts.

Appointment and training of trustees

Trustees are elected at the annual general meeting and serve for two years when they may offer themselves for re-election for two further terms of office. Trustees are drawn from senior management across the industry, retired members of the industry and those with specialist skills pertinent to the aims and objectives of the Charity. All new trustees go through a formal induction process with the Chief Executive and are issued with an induction pack that includes the memorandum and articles of association of the charity, a Charity Commission summary of responsibilities of charity trustees, a copy of the annual accounts and a formalised outline of the role of a trustee. Trustees meet quarterly.

Chief executive and staff

The Chief Executive, Mark Lewis, is responsible for the day to day operations of the Charity. Staff remuneration including that of Key Management is set to be competitive for the role in the charity sector and based in London.

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 accounts comply with the Charities Act 2011, the relevant Charity (Accounts and Reports) Regulations and the provisions of the charity's constitution. 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.

The trustees are responsible for the maintenance and integrity of the financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Risk management, and principal risks and uncertainties

The Trustees continue to review and identify the major risks faced by the Charity and have implemented systems and controls to mitigate the risks wherever practicable.

The Board of Trustees and Finance and Investment Committee periodically review the major risks to the charity and have implemented systems and controls to mitigate these risks wherever practicable. The charity's risk register is being enhanced in 2023 to enable us to better monitor risks on an ongoing gross and net basis, and therefore track the impact of the steps being taken to mitigate them. The register keeps issues around financial fraud in sharp focus. And we continue to work with other charities to share best practice in this area.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued) Risk management, and principal risks and uncertainties (continued)

We continue to experienceprecedented demand for beneficiary support. Our policy of closing the grants application portal periodically to manage the volume of cases ensures that we are not overwhelmed by demand, and that we can limit spend on beneficiary services to what our cash reserves allow.

In response to the charity's growth in scale over the past three years, we are undertaking a process, systems, and technology mapping review to futureproof our operational resilience and improve operational capacity.

Equal Opportunities Statement For Employees

Hospitality Action complies fully with all statutory requirements and has robust policies regarding what it expects of its staff and trustees. The charity has given consideration to the Charity Governance Code, in particular the latest updates to the Code surrounding equality, diversity and inclusion. This is of particular relevance in recruiting new trustees, new members of staff and ensuring all personnel are treated equally and fairly.

Hospitality Action is strongly committed to equal opportunities for all. Every possible step will be taken to ensure that individuals are treated equally and fairly and that decisions on recruitment, selection and training of employees are based on solely objective and role related criteria regardless of their age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

Our policy is to respect both the spirit and the letter of the laws regarding equality of opportunity and non-discrimination in Hospitality Action's activities and to value the diversity of individuals throughout the community. We consider this to be an integral part of our ethos when recruiting employees to Hospitality Action.

This commitment extends to all areas, both within the working environment, as well as in relation to social and recreational programmes.

No employee or potential employee will be disadvantaged by any conditions of employment or requirements that cannot be justified as necessary on operational grounds.

Decisions about appointments, training, developments and promotion will be made on the basis of merit or ability.

All employees and volunteers are expected to support and co-operate in these efforts to ensure equal opportunity for all.

Any complaints of discrimination will be dealt with under Hospitality Action's Complaints Procedure.

Any employee who conducts himself or herself in a discriminatory manner (whether on the grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation) towards another employee, beneficiary or member of the public will be subject to disciplinary action for gross misconduct.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Fundraising Statement

We continue to receive donations, event bookings and Regular Giving payments via our website. We host an annual Summer Challenge and another in person 20k walk at hosted cities across the UK using a new platform, Enthuse. We also use Enthuse to receive funds raised by third parties alongside JustGiving and we use Givergy to host online auctions and raffles. Our guest-pays activation, Invisible Chips, is still live, with all participating operators instructed in how to pay in funds and manage any VAT implications. No moneys are raised via public, on-street collections. When collecting monies, we at all times adhere to GDPR best practice guidelines. We renew our PCI DSS Compliance annually. We adhere to the conditions that credit card details should not be stored or sent electronically and are to be destroyed as soon as a payment is processed. We do not store credit card details in any form. And as soon as the fundraising team has processed a credit card payment, they destroy the card details. Our compliance requirements are relatively light since any receipts via our website are through Stripe and GoCardless and we are not an e-commerce provider.

We are members of the Association of Charitable Organisations (ACO) and the Fundraising Regulator and follow and track their fundraising due diligence recommendations and code. Hospitality Action has not received any complaints about its fundraising activities

Trustees' Responsibilities

The Trustees, who are also the directors for the purposes of Company Law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & 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 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.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Trustees' Responsibilities (continued)

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors also confirm that:-

- ◆ So far as each director is aware, there is no relevant information of which the company's auditors are unaware; and
- ◆ Each director has taken all steps that he/she ought to have taken to make himself/herself aware of any relevant matters and to ensure that the company's auditors are aware of such information.

Approved by order of the board of Trustees and signed on its behalf by

A handwritten signature in black ink, appearing to be 'Will [unclear]', written over a horizontal line.

Chairman

Approved by the board of trustees on: 6th June 2023

Independent auditor's report to the members of Hospitality Action

Opinion

We have audited the financial statements of Hospitality Action for the year ended 31 December 2022, which comprise the consolidated statement of financial activities, the charity-only statement of financial activities, the consolidated and charity-only balance sheets, the consolidated statement of cash flows and the 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 United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2022 and of the group's income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Trustee's Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the trustees' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- ◆ We obtained an understanding of the legal and regulatory frameworks applicable to the charity and the sector in which it operates. We determined that the following laws and regulations were most significant: Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.
- ◆ We understood how the charity is complying with those legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of Board minutes and papers provided to the Finance and investment Committee.
- ◆ We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - ◇ Identifying and assessing the design effectiveness of controls in place to prevent and detect fraud;

Auditor's responsibilities for the audit of the financial statements (continued)

- ◇ Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- ◇ Challenging assumptions and judgements made by management in its significant accounting estimates;
- ◇ Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and
- ◇ Assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the relevant financial statement item to which they relate.

We did not identify any irregularities, including fraud.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



21 July 2023

Hugh Swainson (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Consolidated statement of financial activities (including an income and expenditure account)
Year ended 31 December 2022

		Year ended 31 December 2022 £			Year ended 31 December 2021 £		
	Notes	Unrestricted funds £	Restricted funds £		Unrestricted funds £	Restricted funds £	
Income and endowments from:							
<i>Donations and legacies</i>							
Donations	1	932,535	—	932,535	1,179,127	—	1,179,127
Donated services and facilities	1	85,350	—	85,350	92,000	—	92,000
Members donations		11,012	—	11,012	12,037	—	12,037
Grants receivable	2	51,500	95,000	146,500	226,000	68,500	294,500
<i>Other trading activities</i>							
Fundraising events		908,014	—	908,014	536,832	—	536,832
<i>Charitable activities</i>							
Employee assistance programme		812,861	—	812,861	633,111	—	633,111
Investments	3	119,279	—	119,279	113,218	—	113,218
Total		2,920,551	95,000	3,015,551	2,792,325	68,500	2,860,825
Expenditure on:							
<i>Raising funds</i>							
Cost of raising voluntary income		727,388	—	727,388	654,688	—	654,688
Fundraising events and activities		173,090	—	173,090	166,332	—	166,332
Investment management fees		21,122	—	21,122	20,134	—	20,134
Sub-total		921,600	—	921,600	841,154	—	841,154
<i>Charitable activities</i>							
Welfare	4, 6	1,288,966	79,910	1,368,876	1,358,178	57,250	1,415,428
Employee assistance programme	4	561,019	—	561,019	410,625	—	410,625
Other support and advice	4	—	—	—	—	—	—
Sub-total		1,849,985	79,910	1,929,895	1,768,803	57,250	1,826,053
Total	4	2,771,585	79,910	2,851,495	2,609,957	57,250	2,667,207
Net income before net (losses)/gains on investments		148,966	15,090	164,056	182,368	11,250	193,618
Net (losses)/gains on investments	11	(356,006)	—	(356,006)	562,382	—	562,382
Net (expenditure) income		(207,040)	15,090	(191,950)	744,750	11,250	756,000
Transfer between funds	14	—	—	—	87,573	(87,573)	—
Net movement in funds		(207,040)	15,090	(191,950)	832,323	(76,323)	756,000
Reconciliations on fund:							
Fund balances brought forward		7,626,208	32,400	7,658,608	6,793,885	108,723	6,902,608
Fund balances carried forward		7,419,168	47,490	7,466,658	7,626,208	32,400	7,658,608

The notes on pages 31 to 40 form part of these financial statements.

Statement of financial activities (charity only) Year ended 31 December 2022

	Unrestricted funds £	Restricted funds £	Year ended 31 December 2022 £	Unrestricted funds £	Restricted funds £	Year ended 31 December 2021 £
Income and endowments from:						
<i>Donations and legacies</i>						
Donations	932,535	—	932,535	1,179,127	—	1,179,127
Gift Aid from subsidiary company	222,002	—	222,002	233,101	—	233,101
Donated services and facilities	85,350	—	85,350	92,000	—	92,000
Members donations	11,012	—	11,012	12,037	—	12,037
Grants receivable	51,500	95,000	146,500	226,000	68,500	294,500
<i>Other trading activities</i>						
Fundraising events	908,014	—	908,014	536,832	—	536,832
Investments	119,279	—	119,279	113,218	—	113,218
Total	2,329,692	95,000	2,424,692	2,392,315	68,500	2,460,815
Expenditure on:						
<i>Raising funds</i>						
Cost of raising voluntary income	727,388	—	727,388	654,688	—	654,688
Fundraising events and activities	173,090	—	173,090	166,332	—	166,332
Investment management fees	21,122	—	21,122	20,134	—	20,134
Sub-total	921,600	—	921,600	841,154	—	841,154
<i>Charitable activities</i>						
Welfare	1,288,966	79,910	1,368,876	1,358,178	57,250	1,415,428
Support and advice	—	—	—	—	—	—
Sub-total	1,288,966	79,910	1,368,876	1,358,178	57,250	1,415,428
Total	2,210,566	79,910	2,290,476	2,199,332	57,250	2,256,582
Net income before net (losses)/gains on investments	119,126	15,090	134,216	192,983	11,250	204,233
Net (losses)/gains on investments	(356,006)	—	(356,006)	562,382	—	562,382
Net (expenditure) income	(236,880)	15,090	(221,790)	755,365	11,250	766,615
Transfer between funds	—	—	—	87,573	(87,573)	—
Net movement in funds	(236,880)	15,090	(221,790)	842,938	(76,323)	766,615
Reconciliations on fund:						
Fund balances brought forward	7,404,206	32,400	7,436,606	6,561,268	108,723	6,669,991
Fund balances carried forward	7,167,326	47,490	7,214,816	7,404,206	32,400	7,436,606

Balance sheet Year ended 31 December 2022

	Notes	2022		2021	
		Group £	Charitable Company £	Group £	Charitable Company £
Fixed assets					
Tangible assets	9	907,104	907,104	911,119	911,119
Intangible assets	10	21,650	21,650	52,291	52,291
Investments	11	5,739,357	5,739,357	6,115,292	6,115,292
		6,668,111	6,668,111	7,078,702	7,078,702
Current assets					
Debtors	12	433,647	569,180	312,079	215,897
Cash at bank and in hand		1,037,024	241,190	1,114,488	706,512
		1,470,671	810,370	1,426,567	922,409
Liabilities					
Creditors: amounts falling due within one year	13	(672,124)	(263,665)	(846,661)	(564,505)
Net current assets		798,547	546,705	579,906	357,904
Net assets		7,466,658	7,214,816	7,658,608	7,436,606
Funds:					
Restricted funds	15	47,490	47,490	32,400	32,400
Unrestricted funds:					
General funds		—	—	—	—
Subsidiary		251,842	—	222,002	—
Designated funds (fixed assets and investments)		7,167,326	7,167,326	7,404,206	7,404,206
		7,466,658	7,214,816	7,658,608	7,436,606

The notes on pages 31 to 40 form part of these financial statements.

The financial statements were approved and authorised for issue by the board of the Trustees and signed on their behalf by:

Chairman

Treasurer

Chief Executive

Approved on: 6th June 2023

Consolidated statement of cash flows Year ended 31 December 2022

	Notes	2022 £	2021 £
Net cash flows from operating activities:			
Net cash used in operating activities	A	(206,789)	(28,404)
Cash flows from investing activities:			
Investment income		124,279	113,218
Payment to acquire tangible and intangible fixed assets		(14,883)	(26,115)
Proceeds from sales of investments		1,895,002	1,571,795
Payments to acquire investments		(1,875,073)	(1,545,295)
Net cash provided by investing activities		129,325	113,603
Change in cash for the year		(77,464)	85,199
Cash at bank and in hand at the start of the year		1,114,488	1,029,289
Cash at bank and in hand at the end of the year	B	1,037,024	1,114,488

A Reconciliation of net (expenditure)/income to net cash (used in)/provided by operating activities

	2022 £	2021 £
Net (expenditure) income	(191,950)	756,000
Depreciation and amortisation	49,539	59,353
Losses (gains) on investments	356,006	(562,382)
Investment income	(124,279)	(113,218)
Increase in debtors	(400,791)	(135,411)
Increase (decrease) in creditors	104,686	(32,746)
Net cash used in operating activities	(206,789)	(28,404)

B Analysis of cash

	2021 £	Cash flow £	2022 £
Cash at bank and in hand	1,114,488	(77,464)	1,037,024

C Analysis of changes in net debt

	At 1 January £	Cash flows £	At 31 December £
Cash at bank and in hand	1,114,488	(77,464)	1,037,024
Cash held by the investment manager	559,346	169,431	728,777
Loan	(300,227)	300,227	—
Total net debt	1,373,607	392,194	1,765,801

Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP (FRS 102)), and with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The financial statements are presented in sterling and rounded to the nearest pound.

The charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value. Investments are restated at fair value at the balance sheet date.

All transactions are derived from continuing activities. All recognised gains and losses are included in the Statement of Financial Activities. These accounts consolidate the results, assets and liabilities of Hospitality Action's subsidiary company on a line by line basis.

Critical accounting estimates and areas of judgement

There are no areas of material estimation uncertainty affecting the accounts and no significant areas of judgment affecting the figures, aside from the following:

- ♦ The value attributed to the charity's leasehold property included in tangible fixed assets.

Going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect of a period of one year from the date of approval of these financial statements.

The trustees have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. With regard to the next accounting period, the year ending 31 December 2023, the most significant areas that affect the carrying value of the assets held by the Trust are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the trustees report for more information).

Fund accounting

Unrestricted funds comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of the Trustees in furtherance of the general charitable objectives. Restricted funds comprise monies raised for, and their use restricted to, a specific purpose, or donations subject to donor imposed conditions. Designated funds represent those funds which the trustees have earmarked for specific purposes and equate to the carrying value of the charity's fixed assets.

Income

Income is recognised on a receivable basis and principally comprises grants, events income, income from the delivery of services and donations receivable. Any income received which is not attributed to the year of receipt, is included within deferred income in creditors. Donated services and facilities (gifts in kind) are included in the financial statements at the best estimate of the value to the charity. Legacy income is recognised when the criteria of entitlement, probability and measurability have been met.

Expenditure recognition

Expenditure including irrecoverable VAT is charged to the Statement of Financial Activities on an accruals basis. Expenditure is classified as either costs of raising funds (which includes fundraising and events costs as well as investment manager's fees) or charitable activities costs being the costs the charity incurs in furthering its charitable objectives. Direct costs are allocated to the activity headings to which they relate. Support costs relate to indirect costs including the costs of governance. These are directly allocated where possible and otherwise apportioned on a consistent basis.

Grants

Grants expenditure is recognised when there is a constructive obligation to pay monies to a beneficiary, that is, when the charity has notified the beneficiary of the payment of the grant. It includes the payment of monetary grants to beneficiaries, expenditure made in providing beneficiaries with goods and services and the costs of distributing and administering such direct provision. The cost of such provision, and that in respect of monetary grants in particular, is recognised as it becomes payable according to the Charity's rules.

Tangible fixed assets

Tangible assets are shown at cost less provision for depreciation. Provision is made for depreciation on all tangible assets at rates calculated to write off the cost, less estimated residual value over their useful lives which are estimated to be:

Leasehold property	over the length of the lease
Furnishing	20% straight line
Office refurbishment	10% straight line
Computer equipment	33% straight line

Intangible fixed assets

Intangible assets are shown at cost less provision for amortisation. Provision is made for amortisation on all intangible assets at rates calculated to write off the cost, less estimated residual value over their useful lives which is estimated to be four years.

Investments

Investments are restated at fair value as at the balance sheet date. Investment gains and losses are disclosed in the Statement of Financial Activities.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Pension costs

The Charity operates a stakeholder pension scheme. Contributions are charged to expenditure as they fall due.

Financial instruments

The charity only holds basic financial instruments as defined by FRS102. The financial assets and liabilities of the charity are as follows:

Financial assets – donations due and trade debtors are basic financial instruments and are debt instruments measured at amortised cost. Investments are basic financial instruments held at fair value. Accrued income and prepayments are not financial instruments. Cash at bank and short term deposits are classified as basic financial instruments and measured at face value.

Financial instruments (continued)

Financial liabilities – trade creditors, grants payable, and accruals are financial instruments and are measured at amortised cost. Social security and other taxes are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability as the cash settlement has already taken place and there is no obligation to deliver services rather than cash or another financial instrument.

1 Donations

	2022 £	2021 £
Unrestricted		
Bidfood	36,307	26,727
Country Range	25,000	5,360
Corinthia Hotel	5,282	—
D&D Group	16,728	—
Farncombe Estate	941	12,800
Fazenda	112	10,177
Gleneagles Hotel	12,500	1,268
GoodGood	5,003	—
Hawksmoor	—	25,259
Hilton	16,262	4,231
Home Grown Hotels	6,804	30,000
Iconic Hotels	11,320	13,835
In-Bev	162,000	—
Knight Frank	5,000	65,874
Master of Malt	—	36,510
Navarac	12,719	13,566
No15 Grand Pulteney	—	2,145
Provenance Inns	10,311	—
Remy Cointreau	—	35,000
Sir Richard Sutton Ltd	5,500	—
Sketch	44,016	20,603
Society of Golden Keys	5,235	—
Super Skills	5,000	—
Table Talk Foundation	—	11,000
The Berkeley	—	10,000
The Coaching Inn	8,000	8,000
The Dorchester Collection	—	25,000
The Fat Duck	5,209	2,331
The Ned	7,675	—
Uber Eats	5,000	—
Whitbread	175,000	50,000
Z Hotels	10,000	—
Other donations	335,611	769,441
Total unrestricted donations	932,535	1,179,127
Restricted		
Total donations	932,535	1,179,127
Donated services and facilities		
The Caterer	29,500	38,000
Design & creative	—	—
Staff Canteen, Dewberry, H2O	55,850	54,000
Total gifts in kind	85,350	92,000

2 Grants receivable

	2022 £	2021 £
Unrestricted:		
Worshipful Company of Innholders	10,000	10,000
Savoy Educational Trust	—	150,000
Master Innholders	25,000	12,500
Others	16,500	53,500
Total unrestricted grants	51,500	226,000
Restricted fund:		
Drug and Alcohol awareness programme/welfare		
Savoy Educational Trust	5,500	—
Worshipful Company of Innholders	88,000	67,000
Excel Trust	1,500	1,500
Total restricted grants	95,000	68,500
Total grants	146,500	294,500

3 Investment income

	2022 £	2021 £
From listed investments	118,574	113,186
Interest on cash deposits	705	32
	119,279	113,218

4 Expenditure

Analysis of 2022 expenditure	Notes	Grants	Other direct costs £	Support costs £	Total 2022 £
Raising funds:					
Cost of raising voluntary income		—	471,802	255,586	727,388
Fundraising events and activities		—	173,090	—	173,090
Investment management		—	21,122	—	21,122
Charitable activities:					
Welfare	6	824,589	298,728	245,559	1,368,876
Employee assistance programme		—	495,898	65,121	561,019
Total		824,589	1,460,640	566,266	2,851,495

Analysis of 2022 support costs	Expenditure on raising funds £	Expenditure on charitable activities £	Total 2022 £
Staff costs	202,099	247,957	450,056
Office rent and shared office costs	53,487	62,723	116,210
	255,586	310,680	566,266

4 Expenditure (continued)

<i>Analysis of 2021 expenditure</i>	<i>Notes</i>	<i>Grants</i>	<i>Other direct costs £</i>	<i>Support costs £</i>	<i>Total 2021 £</i>
<i>Raising funds:</i>					
<i>Cost of raising voluntary income</i>		—	413,352	241,336	654,688
<i>Fundraising events and activities</i>		—	166,332	—	166,332
<i>Investment management</i>		—	20,134	—	20,134
<i>Charitable activities:</i>					
<i>Welfare</i>	6	902,290	271,882	241,256	1,415,428
<i>Employee assistance programme</i>		—	347,916	62,709	410,625
<i>Total</i>		<u>902,290</u>	<u>1,219,616</u>	<u>545,301</u>	<u>2,667,207</u>

<i>Analysis of 2021 support costs</i>	<i>Expenditure on raising funds £</i>	<i>Expenditure on charitable activities £</i>	<i>Total 2021 £</i>
<i>Staff costs</i>	185,462	236,043	421,505
<i>Office rent and shared office costs</i>	55,875	67,921	123,796
	<u>241,337</u>	<u>303,964</u>	<u>545,301</u>

The allocation of support costs is on a per capita basis, having regard to time spent by staff on either fundraising or charitable activities.

5 Analysis of governance costs

	2022 £	2021 £
Audit fees	14,096	13,664
Legal and professional	1,326	1,026
Trustees' expenses	1,029	279
Other	19,436	10,137
	<u>35,887</u>	<u>25,106</u>

6 Welfare expenditure

	2022 £	2021 £
Top up grants	48,871	49,495
Essential needs grants	145,164	267,468
Short term crisis grants	38,427	28,402
Christmas grants	25,208	37,943
Winter fuel grants	58,410	43,350
Covid-19 grants	473,998	451,600
TV licence and phone grants	3,434	3,153
Golden Friends' scheme	19,020	12,463
Other grants	12,057	8,316
Volunteers' expenses	—	100
	824,589	902,290
Grant management and other beneficiary support services	544,287	513,138
Total cost of grant making and other beneficiary support services	1,368,876	1,415,428

7 Employees and staff costs

	2022 Number	2021 Number
The average number of persons employed by the Charity during the year	18	17

Staff costs were as follows:

	2022 £	2021 £
Wages and salaries	758,859	685,026
Social security costs	87,395	75,763
Pension costs	78,404	71,917
	924,658	832,706

The number of employees who received remuneration in excess of £60,000 is analysed as follows:

	2022 No.	2021 No.
£70,001 - £80,000	1	1
£110,001 - £120,000	—	1
£120,001 - £130,000	1	—

The charity considers that the Key Management Personnel for financial reporting purposes comprises the trustees and the Chief Executive. The total Key Management Remuneration, including employer's national insurance and pension contributions, was £148,405 (2021: £143,287).

Trustees' remuneration and reimbursed expenses

In 2022 £424 was spent on a gifts and awards to trustees (2021 - £45), £100 was spent on hosting a trustee meeting (2021 - £234) and £505 on a dinner for trustees.

8 Net movement in funds

	2022 £	2021 £
This is stated after charging:		
Depreciation	18,898	19,131
Amortisation	30,641	40,222
Auditor's remuneration:		
. Parent charitable company audit	11,300	9,800
. Subsidiary company audit	1,800	1,650
. Other (tax)	1,750	1,600

9 Tangible fixed assets – group and charitable company

	Leasehold property £	Office refurbishments £	Furniture and fittings £	Office and other equipment £	Total £
Cost					
At 31 December 2021	863,339	116,065	31,982	58,873	1,070,259
Additions	—	—	6,972	7,911	14,883
Disposals	—	—	—	—	—
At 31 December 2022	863,339	116,065	38,954	66,784	1,085,142
Depreciation					
At 31 December 2021	13,200	71,965	31,590	42,385	159,140
Charge for the year	880	5,040	385	12,593	18,898
On disposals	—	—	—	—	—
At 31 December 2022	14,080	77,005	31,975	54,978	178,038
Net book value					
At 31 December 2022	849,259	39,060	6,979	11,806	907,104
At 31 December 2021	850,139	44,100	392	16,488	911,119

The depreciation charge on the long leasehold property reflects the length of the leasehold which is 978 years.

10 Intangible fixed assets – group and charitable company

	Total £
Cost	
At 31 December 2021	129,036
Additions	—
At 31 December 2022	129,036
Amortisation	
At 31 December 2021	76,745
Charge for the year	30,641
At 31 December 2022	107,386
Net book value	
At 31 December 2022	21,650
At 31 December 2021	52,291

11 Investments – group and charitable company

	2022 £	2021 £
Market value		
As at 1 January	6,115,292	5,579,410
Additions at cost	1,875,073	1,545,295
Disposals	(1,895,002)	(1,571,795)
Realised gains (losses)	9,687	(4,381)
Unrealised (losses) gains	(365,693)	566,763
As at 31 December	5,739,357	6,115,292
Analysed as follows:		
United Kingdom investments	1,832,052	1,949,869
Non-United Kingdom investments	3,178,528	3,606,077
Cash and commodities held for investment	728,777	559,346
	5,739,357	6,115,292
Historical cost	5,324,743	5,147,049

The following holdings exceed 5% of portfolio value – Vanguard S&P 500 UCITS ETF (10%), JP Morgan Liquidity LVNAV Fund (9%) and the Charities Property Fund (7%). The cash balances are not available for day to day transactions but are for the trading of investment assets.

12 Debtors

	Group 2022 £	Charitable company 2022 £	Group 2021 £	Charitable company 2021 £
Fundraising debtors	16,800	16,800	—	5,175
Trade debtors	141,280	—	96,460	—
Amounts due from trading subsidiary	—	279,223	—	31,268
Prepayments and accrued income	275,567	273,157	215,619	179,454
	433,647	569,180	312,079	215,897

13 Creditors: amounts falling due within one year

	Group 2022 £	Charitable company 2022 £	Group 2021 £	Charitable company 2021 £
Grants approved but unspent at year end	21,919	21,919	13,566	13,566
Trade creditors	94,867	32,149	47,412	23,757
Taxation and social security	27,333	27,333	19,184	19,184
Accruals and deferred income	479,705	133,964	406,092	147,591
Loan from Cazenove*	—	—	300,227	300,227
Amounts due to related charity (note 21)	48,300	48,300	60,180	60,180
	672,124	263,665	846,661	564,505

13 Creditors: amounts falling due within one year (continued)

Deferred income comprises:

	2022 £
Balance at the beginning of the year	75,275
Amount released to income in the year	(74,415)
Amount deferred in the year	69,480
Balance at the end of the year	70,340

Income is deferred until the charity has met any performance related conditions attached to the income.

* The loan was drawn down in June 2020 and was subject to 1.5% interest per annum. The loan was technically repayable on demand, however in reality it could be paid back in instalments over five years. The loan was secured over a portion of the charity's investment portfolio. The full loan was paid off in the year.

14 Unrestricted funds

	Balance at 31 December 2021 £	Income £	Expenditure £	Transfers £	Gains on investments £	Balance at 31 December 2022 £
Charity						
General	—	2,107,690	(2,161,027)	53,337	—	—
Designated	7,404,206	—	(49,539)	168,665	(356,006)	7,167,326
Subsidiary company	222,002	812,861	(561,019)	(222,002)	—	251,842
Total	7,626,208	2,920,551	(2,771,585)	—	(356,006)	7,419,168

Transfers from the subsidiary company fund to the general and designated funds relate to the payment of the company's profit to the parent charity via a gift-aided donation. Transfers from designated funds to general funds are made to cover the charity's general day-to-day expenses.

Comparative information

	Balance at 31 December 2020 £	Income £	Expenditure £	Transfers £	Gains on investments £	Balance at 31 December 2021 £
Charity						
General	—	2,159,214	(2,139,979)	(19,235)	—	—
Designated	6,561,268	—	(59,353)	339,909	562,382	7,404,206
Subsidiary company	232,617	633,111	(410,625)	(233,101)	—	222,002
Total	6,793,885	2,792,325	(2,609,957)	87,573	562,382	7,626,208

15 Restricted funds

	Balance at 31 December 2021 £	Income £	Expenditure £	General fund Transfers £	Balance at 31 December 2022 Total £
Welfare	32,400	95,000	(79,910)	—	47,490
	32,400	95,000	(79,910)	—	47,490

Comparative information

	Balance at 31 December 2020 £	Income £	Expenditure £	General fund Transfers £	Balance at 31 December 2021 Total £
Welfare	21,150	68,500	(57,250)	—	32,400
Alcohol and drug awareness	87,573	—	—	(87,573)	—
	108,723	68,500	(57,250)	(87,573)	32,400

The longstanding Alcohol and Drug Awareness Programme for students in the hospitality industry was wound down in the early months of 2019. It was felt appropriate to release the surplus funds to the charity's General Funds.

Welfare covers three specific programmes: the Golden Friends scheme, Winter Fuel grants and phone line rentals.

16 Pensions obligations

Stakeholder pensions

The Charity operates a stakeholder pension scheme. The assets of the scheme are held separately from those of the Charity, being invested with an insurance company.

	2022 £	2021 £
Total employer cost	90,533	71,917

17 Analysis of net assets between funds

	General funds £	Designated funds £	Restricted funds £	Total 2022 £	Total 2021 £
Fund balances at 31 December 2022 are represented by:					
Tangible assets	—	928,754	—	928,754	963,410
Investments	—	5,739,357	—	5,739,357	6,115,292
Net current assets	—	751,057	47,490	798,547	579,906
Net assets	—	7,419,168	47,490	7,466,658	7,658,608

17 Analysis of net assets between funds (continued)

Comparative information

	General funds £	Designated funds £	Restricted funds £	Total 2021 £
<i>Fund balances at 31 December 2021 are represented by:</i>				
Tangible assets	—	963,410	—	963,410
Investments	—	6,115,292	—	6,115,292
Net current assets	—	547,506	32,400	579,906
Net assets	—	7,626,208	32,400	7,658,608

18 Financial instruments

	Group 2022 £	Charitable company 2022 £	Group 2021 £	Charitable company 2021 £
Financial assets held at fair value	5,739,357	5,739,357	6,115,292	6,115,292
Financial assets held at amortised cost	1,195,103	257,990	96,171	—
Financial liabilities held at amortised cost	(174,124)	(80,311)	(796,209)	(545,322)

19 Taxation

Hospitality Action is a registered charity and therefore is not liable to income tax or corporation tax on income or gains derived from its charitable activities, as they fall within the various exemptions available to registered charities. Whilst the Charity's trading subsidiary company is not exempt from corporation tax on its taxable profits it is not expected that any taxation will arise as it is the intention of the company's directors to donate any such profits to the parent Charity.

20 Subsidiary undertaking

The subsidiary undertaking is Hospitality Action (Trading) Limited (registered company 03332706) which is incorporated in England and had net assets of £251,852 as at 31 December 2022 (2021: net assets of £222,012). In the year ended 31 December 2022 it had turnover of £812,861 (2021: £633,111) and expenditure of £561,019 (2021: £410,625). It will gift aid its taxable profit to the parent charity in 2022.

21 Related charity

The Charity was incorporated in 2003 and took over the majority of the assets of an unincorporated charity also known as Hospitality Action (Charity Number 208855). The unincorporated charity continues to own a leasehold flat which was vacated by the longstanding assured tenant in February 2022.

22 Related party

The Charity holds 20% of the shares of 62 Britton Street Ltd, a company, which holds the Charity's interest in the freehold of its premises. There are no outstanding balances between the Charity and the company.

23 Other related party transactions

Owing to the nature of the charity's operations and the composition of the Board of Trustees being drawn from the hospitality sector, it is inevitable that transactions will take place with organisations in which a member of the Board of Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and on normal business terms.

Accounts

Hospitality Action

Annual Report and Consolidated Financial Statements

31 December 2021

Company Limited by Guarantee
Registration Number 04914871
Charity Registration Number 1101083

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Reference and administrative information

Board of Trustees	William Baxter CBE (Chairman) Jon Dee ACA (Treasurer) Kevin Charity Hazel Detsiny Simon Dobson (Vice Chairman) (resigned May 2021) Simon Esner Ringo Francis Chris Garside Andrew Guy MBE Matt Johnson Simon Jones Tim Jones Andrew Latham Kate Nicholls Jonathan Raggett Ian Sarson Andrew Selley David Walker
Chief Executive	Mark Lewis
Company secretary	Greg Minter
Principal office	62 Britton Street London EC1M 5UY
Charity registration number	1101083
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Royal Bank of Scotland Brooklands Close Sunbury on Thames TW16 7DX

Reference and administrative information

Investment managers	Cazenove Capital Management 1 London Wall Place London EC2Y 5AU
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Solicitors	Trowers and Hamlin 3 Bunhill Row London EC1Y 8YZ
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Reference and administrative information

The Board of Trustees thanks the Chairpersons and Committee members who gave so generously of their time during 2021:

Finance and Investment

Jon Dee ACA (Chair)
Simon Dobson (resigned May 2021)
Lizi Hills (appointed January 2022)
Tim Doubleday
Tim Jones

Grants and Advisory

Andrew Latham (Chair)
Valerie Barrow
Flavia Gapper
Dawn Jackson
Jane Morris
Ian Sarson

Reference and administrative information

The Board of Trustees thanks its Patrons, whose ongoing patronage brings credibility, authority and brand awareness to the charity. These are:

Patrons	Jason Atherton (Principal Patron)
	Surinder Arora
	Raymond Blanc OBE
	Heston Blumenthal OBE
	Michael Caines MBE
	Patrick Dempsey OBE
	Jeremy Goring
	Sir Garry Hawkes CBE
	Angela Hartnett OBE
	Nigel Haworth
	Paul Heathcote MBE
	Phil Hooper
	Tom Kerridge
	Donald Macdonald OBE
	Sinead Mallozzi
	Anton Mosimann OBE
	Harry Murray MBE
	Jamie Oliver MBE
	Alain Roux
	Albert Roux (died 4 th January 2021)
	Phil Vickery MBE
	The Viscount Lord Thurso
	Brian Turner CBE
	Robert Walton MBE

The Trustees, who are also the directors, present the annual accounts for Hospitality Action for the year ended 31 December 2021 prepared in accordance with the Statement of Recommended Practice for Charities (SORP) 2019 and the Companies Act 2006. The reference and administrative information on pages 1-4 forms part of this report.

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

The Charity is a Benevolent Society whose objects are for the relief of persons who work or have worked in the hotel, catering and/or hospitality industries and the widows, widowers, partners, orphans and other dependants of such persons by the provision of monetary grants and/or advice, assistance and support and/or education and training.

Hospitality Action was founded in 1837 as unincorporated and for much of that time it was known as the Hotel and Catering Benevolent Association (HCBA). The charity was incorporated in 2003 as Hospitality Action having taken over the majority of the assets of the unincorporated charity.

The principal activities undertaken by the Charity in pursuance of its objects relate to the provision of:

- ◆ A grants programme to alleviate poverty and support beneficiaries in times of crisis
- ◆ An outreach programme aiming to keep loneliness and isolation at bay for retired hospitality employees, called the Golden Friends scheme
- ◆ Expert triaging, advice, guidance and signposting to other potential sources of support and, where appropriate, funded counselling.
- ◆ An Employee Assistance Programme – commercial scheme offering specialist advice, support and assistance on a range of issues for hospitality employees

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

Chief Executive

Mark Lewis had his fourth full year as Chief Executive.

ACHIEVEMENTS AND PERFORMANCE

While Hospitality Action's achievements in 2021 inevitably didn't match the extraordinary and anomalous results of 2020, we were nevertheless able to deliver the second most successful year in the charity's history, both in terms of income and grants expenditure.

Revenue reached £2,860,825, and we delivered an operating surplus of £193,618. This allowed us to spend £902,290 on awarding 2,661 grants to 1,250 beneficiaries.

Meanwhile, we grew income from our Employee Assistance Programme to an all-time high of £633,111, and the number of client employees supported by the programme rose from 147,000 to 153,000.

Ongoing Lockdowns and social distancing regulations meant that our normal programme of in-person events was significantly curtailed due to the pandemic. However, we were able to backfill lost revenue by developing new fundraising streams from our Lockdown recipe book, virtual challenge and online auction, and by growing the Invisible Chips campaign we launched in summer 2020. We also benefited from the continuing generosity of hospitality operators, their suppliers, customers and guests.

We continued to add digital assets to the online Wellbeing Hub we launched in 2020 to offer information and advice to hospitality workers whose mental health was affected by Covid.

And we continued to provide meaningful moral and pastoral support to our Golden Friends community of more than 2,000 industry retirees.

Through regular, targeted use of social media channels, we were able to markedly grow our brand awareness around the sector we serve; and to convey what one industry professional described as a "palpable sense that we were there for the industry".

Together, these achievements earned us a clutch of awards. At the Charity Times Awards, we won the Charity of the Year (income of £1-10m) and Digital Fundraising Campaign of the Year awards. And Invisible Chips won the Association of Charitable Organisations' Campaign of the Year award.

Review of achievements in 2021	2021	2020
Beneficiary grants	£902,290	£1,328,708
Number of persons awarded grants	1,250	3,562
Number of companies subscribed to EAP	399	345
Number of employees covered by the EAP	153,166	146,500

ACHIEVEMENTS AND PERFORMANCE (continued)

Welfare, support and advice

Grants – (welfare)

It was decided to continue to focus more on one-off help and crisis assistance and continue the assistance given with long term top-up grants. This was achieved during 2021 as follows:

	2021	2020
Top up grants	37 beneficiaries Grants £49,000	45 beneficiaries Grants £61,000
Crisis grants	27 beneficiaries Grants £28,000	49 beneficiaries Grants £55,000
Essential needs grants	490 beneficiaries Grants £267,000	528 beneficiaries Grants £266,000
Other grants	1,846 beneficiaries Grants £558,000	3,706 beneficiaries Grants £947,000

Overall grant spend of £902,290 NB figures above reflect the fact that many beneficiaries received more than one grant.

Golden Friends Scheme – (welfare)

The objective was to increase the number of members and enhance the support offered via the volunteer visitor scheme.

- ◆ The number of members decreased to 1,502 in 2021 from 1,579 in 2020.
- ◆ The charity had 65 volunteers spread nationally across the UK at the end of 2021, including phone friends, visitors and office volunteers. 83 Golden Friends were matched with volunteers.
- ◆ There were no Golden Friends' lunches or teas held during the year. These have been suspended since the onset of the pandemic (2020: nil).
- ◆ Gift vouchers to a value of £29,643 were distributed to 1,504 beneficiaries (2020: £28,620 to 1,597 beneficiaries).

Information and signposting – (support and advice)

Hospitality Action continues to offer a debt advice scheme, in conjunction with Step Change, a debt management charity. The counselling scheme, in conjunction with CiC, the service provider for our Employee Assistance Programme, has continued to be offered where applicable.

ACHIEVEMENTS AND PERFORMANCE (continued)

Welfare, support and advice (continued)

Employee assistance programme

The programme is specific to the hospitality industry and provides a source of help, support and guidance for its employees. A confidential help line and web based fact sheets are available on the following topics:

Health and wellbeing

Working Life

Financial Matters

Personal advice

Alcohol and drugs support

Legal advice

The programme also allows for counselling and one to one support where needed.

This is a commercial programme which trades under a subsidiary company. Hospitality companies are charged a fixed amount per employee per year when they sign up to the programme. Profits are gifted to the charity. The programme had its official industry launch in January 2013 and as at December 2021 399 companies have signed up.

Review of the year and future plans

Plans for 2022

The industry we serve was severely compromised in 2020 and 2021, the two peak years of the Covid pandemic. Our fundraising efforts and our charitable efforts were by necessity transformed, as we sought out new income streams, and developed new grants and other services. In 2022, we plan to capitalise on the strides we took through the pandemic in terms of fundraising and agile services development. We will bed in a hybrid fundraising model that spans third party fundraising (by which we mean devolving fundraising to hospitality operators, their customers and guests, through 'pound on the bill'-style programmes and other at-source activations) and margin-rich events. We will target continued growth of our paid-for Employee Assistance Programme (EAP). And we will look to build on our existing regular giving and legacy giving programmes. In short, we will look to consolidate our strategic shift to regular or subscription-based income streams. We will also aim to continue the successes in accessing donations from trusts and foundations that we achieved during the pandemic.

To support this, we will build on the surge in awareness of our work around the hospitality sector and the general public that we experienced during successive Lockdowns. For the first time, we will trial paid-for social media. We will continue to focus on need in our marketing messaging. And we will optimise the promotional potential of National Hospitality Day, a concept we launched in 2021.

ACHIEVEMENTS AND PERFORMANCE (continued)

Review of the year and future plans (continued)

Plans for 2022 (continued)

Similarly, in terms of grants disbursement, we will continue to evolve our grant streams to answer the changing needs of our beneficiaries, as we did in 2021 with the introduction of grants specifically aimed at people who had lost out from the £20 reduction of Universal Credit. And we will look to offer more 'aftercare' support for grants recipients.

The feasibility work started in Q4 2021 around the charity's potential to become the go-to wellness destination for UK hospitality will continue in 2022. This would involve creating an online 'wellness hub' and augmenting our services product set.

Our Golden Friends outreach scheme will continue to support hospitality retirees, and we will aim to grow membership through promoting the scheme to our EAP clients. We do not propose to recommence the in-person Golden Friends events we ran regularly before the Pandemic. Instead, we will focus on developing members' digital skills, enabling them to connect with the outside world through the Internet.

FINANCIAL REVIEW

Income for the year was £2,860,825 (2020: £3,242,352) and expenditure £2,667,207 (2020: £2,840,575) giving rise to an operating surplus of £193,618 (2020: surplus of £401,777).

Income was substantially lower than in 2020, when an exceptional level of donations was achieved through the Covid emergency appeal. That said, the year witnessed the second highest income in the charity's history. The drop in income donated by sector professionals and the general public during 2021 was in part compensated by increases in income from grants from livery companies and trusts; and from fundraising events, which recommenced in the autumn. We also capitalised on the success of new fundraising products such as Invisible Chips, our Chefs at Home recipe book, our Hell & Back virtual challenge. Expenditure of £2,667,207 was down £173,368 on 2020. Expenditure on charitable activity associated with grants, advice and support was £1,826,053, a decrease of £365,134. This inevitable reduction in expenditure was the result of a levelling out of the extraordinary spike in private giving we experienced in 2020, when the pandemic first hit; and the fact that members of the fundraising team who had been seconded to grants case management in 2020 returned to their normal roles. After gains on investments of £562,382 the overall result for the year was a surplus of £756,000 resulting in a corresponding increase in the balance of funds which stood at £7,658,608 as at 31 December 2021.

Reserves policy and financial position

The total funds held by the group at the end of the year were £7,658,608 (2020: £6,902,608).

Of the above total £32,400 (2020: £108,723) related to restricted funds not available for the general purposes of the Charity. As at 31 December 2021 £222,002 of funds were held within the subsidiary company (2020: £232,617). All of the remaining funds of the Charity totalling £7,404,206 (2020: £6,561,268) have been set aside in a designated fund by the trustees.

FINANCIAL REVIEW (continued)

Reserves policy and financial position (continued)

In order to ensure that the charity is able to sustain its capacity to provide support for its beneficiaries in perpetuity, the Trustees' policy is to seek to maintain the approximate current levels of reserves after allowing for fluctuations in the value of its investment portfolio.

The Charity's investment portfolio is intended to generate returns to maintain or add to minimum reserve levels. Income generated from the portfolio is to be reinvested where possible or can be transferred to the current account of the Charity for working capital or charitable purposes.

The reserves are maintained to safeguard the Charity's ability to operate and provide essential services to its beneficiaries in the case of unforeseeable reductions in fund raising income. The reserves are also available for investment in opportunities that may have an enduring benefit to the Charity and its beneficiaries.

The Charity aims to maintain or increase moderately its level of charitable activity in each financial year. It is intended to reinvest into the portfolio any funds in excess of the working capital and charitable requirements of the Charity to bolster the capital and ensure that the portfolio will be available well into the future.

From time to time the Charity may need to draw on the capital of the investment portfolio to meet working capital or charitable obligations where fundraising income has not been at expected levels. Such drawdowns require the approval of the Finance and Investment Committee. As a result, the Charity does not currently maintain any free reserves, as it is possible to meet any requirement for free reserves from the designated fund if required. The Charity is aiming to reach a position in the future where any such drawdown is not required and free reserves can be maintained separately from the designated fund.

The investment portfolio is monitored daily and reserve balances are reported to the Finance and Investment Committee each quarter.

The Trustees are required to review this reserves policy annually.

In the early months of 2020, we drew down £160k from the investment portfolio. In view of the uncertainty surrounding the charity's revenue, Hospitality Action negotiated a £1m loan facility with Cazenove, as an alternative to withdrawing further capital from the investment portfolio. An initial drawdown of £500k was made in June 2020, with the balance available for withdrawal until June 2021. The charity paid off an initial £200k in December 2021, and has paid off the remaining balance of £300k in June 2022. Since the investment portfolio's year-end valuation of £6.115m, we have seen its value fluctuate through the first half of 2022 between a high of £6.129m in early January and a low of £5.763m in early March, no doubt due to the conflict in Ukraine and the global impact of rising energy costs. Despite these factors, by early April, the portfolio had rallied to a value of £6.082m. As at 4th July the portfolio stood at £5.820m.

FINANCIAL REVIEW (continued)

Reserves policy and financial position (continued)

For approximately the last 10 years, the Trustees' strategy has been to fund any operating losses through capital drawdowns from the investment portfolio. The impact of this upon the investment portfolio has been tracked closely and long-term financial forecasting undertaken to ensure that the level of retained reserves remains sufficient.

Each year, the Charity aims to reduce as much as practical, its reliance on capital drawdowns from the portfolio and to be self-sufficient from fundraising income. When circumstances allow, excess funds will be used to top up the portfolio to previous levels. Once this has been achieved, the Charity will review its charitable activities and may release excess funds for charitable purposes. At present we continue to rely upon income from the investment portfolio to finance our charitable activity.

Going Concern

Hospitality Action continues to experience the effects of the fall-out of the Covid-19 pandemic. It has also been impacted by the war in Ukraine, the global impact of rising energy costs and the growing cost of living crisis here in the UK. Meanwhile, the aftershocks of Brexit are being felt across the sector, as operators struggle to fill vacant roles and, therefore, to operate at full capacity. We expect to see a steady rise in hospitality business closures through 2022, due to unsustainable energy and product prices and a squeeze on consumers' disposable income.

The trustees are aware of these ongoing issues and are satisfied that the charity is well positioned to continue as a going concern for the next twelve months and beyond. Reasons for this confident outlook include:

- ◆ The continuing positive response from hospitality operators and their suppliers, customers and guests to our initial Covid appeal and our evolving response to contemporary challenges, which confirms the strength of the charity's support base.
- ◆ The fact that awareness and recognition of the charity's existence and work has grown exponentially since 2020.
- ◆ The fact that the UK Government vaccination programme would appear to have stemmed the tide of the pandemic.
- ◆ Our ongoing success of maintaining subscription levels to the Employee Assistance Programme since the start of the pandemic, and the strong pipeline of new clients to the programme.
- ◆ The fact that the charity's long-term asset base as represented by our well-managed investment portfolio has coped well with the challenges of the past three years.

FINANCIAL REVIEW (continued)

Investment policy

Under the Constitution the Trustees have general powers to invest in any trust funds or in the purchase of land or buildings. The agreed investment objectives were to achieve an annual income of 3.5% with the preservation of capital in real terms over the long term. The investment objectives are supported by an agreed asset allocation that is socially, environmentally and ethically sound, and which is approved by the Finance and Investment Committee and Trustees. The Investment Managers meet periodically with the Charity's Finance and Investment Committee to review investment performance against agreed indices.

Grant Policy

The charity provides financial assistance, support and advice to serving, former and retired workers in the hospitality industry. Qualification for assistance is as follows:

- ◆ currently working in the industry within the UK
- ◆ have worked 5 or more years in the industry in the UK

Applicants or the supporting agent from a referring organisation (with the consent of the applicant) are required to complete a Hospitality Action application form. The majority of applications need to be supported by an appropriate independent organisation such as Social Services, Citizens Advice Bureau, Housing Association or charities such as Macmillan, Crisis etc. A copy of the grant rules is sent out on request by the Grants & Advisory Team.

GOVERNANCE, STRUCTURE AND MANAGEMENT

Legal status and governing document

Hospitality Action is a charitable company limited by guarantee, incorporated in England and registered with Companies House. It is also registered with the Charity Commission in England and Wales.

It is governed by its memorandum and articles of association which are publically available via www.companieshouse.co.uk

Structure

Hospitality Action has a wholly-owned subsidiary, Hospitality Action (Trading) Limited, (registered company 03332706 – England and Wales), which administers the Employee Assistance Programme. The results and net assets of the subsidiary are consolidated into these accounts.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Appointment and training of trustees

Trustees are elected at the annual general meeting and serve for two years when they may offer themselves for re-election for two further terms of office. Trustees are drawn from senior management across the industry, retired members of the industry and those with specialist skills pertinent to the aims and objectives of the Charity. All new trustees go through a formal induction process with the Chief Executive and are issued with an induction pack that includes the memorandum and articles of association of the charity, a Charity Commission summary of responsibilities of charity trustees, a copy of the annual accounts and a formalised outline of the role of a trustee. Trustees meet quarterly.

Chief executive and staff

The Chief Executive, Mark Lewis, is responsible for the day to day operations of the Charity. Staff remuneration including that of Key Management is set to be competitive for the role in the charity sector and based in London.

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 accounts comply with the Charities Act 2011, the relevant Charity (Accounts and Reports) Regulations and the provisions of the charity's constitution. 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.

The trustees are responsible for the maintenance and integrity of the financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Risk management, and principal risks and uncertainties

The Trustees continue to review and identify the major risks faced by the Charity and have implemented systems and controls to mitigate the risks wherever practicable.

The Charity's risk register is reviewed and updated annually and has policies in place to comply with whistleblowing, anti-fraud and anti-money laundering regulations.

Though a third Lockdown and continuing social distancing measures meant we continued to work remotely for much of 2021, steps previously taken to update our computer hardware and move all systems onto the Cloud ensured that our ability to deliver our services was never compromised. These upgrades, and the adoption of a videoconferencing solution at our headquarters, mean that we are now able to work to a hybrid pattern of homeworking and travelling into the office, with no adverse effect on our ability to continue our fundraising and services efforts.

We are now once again able to hold in-person events, meaning the full range of fundraising options is once again available to us. Moreover, the digital and 'guest pays' revenue streams we developed during Lockdowns continue to yield a return, adding to our financial resilience.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Risk management, and principal risks and uncertainties (continued)

Happily, our Employee Assistance Programme did not suffer anything like the client attrition we feared at the start of the pandemic. Indeed, ongoing staffing shortages affecting the sector we serve have led to a spike in new business enquiries, as hospitality operators have sought to introduce employee benefits that differentiate them from their competitors.

The anomalous levels of generosity we experienced through 2020 and 2021 have levelled off and the crisis in Ukraine has inevitably and entirely understandably drawn focus from domestic charities. Nevertheless, we continue to see a steady stream of third parties wishing to support us. And our flagship fundraising event, April's Back to the Floor, raised over £250,000, making it far and away the single most profitable fundraising instance in our charity's history. By building upon the exponential growth in brand awareness we achieved during the pandemic, we are taking positive steps towards futureproofing our income streams.

While the current spike in the cost of living and the effects of Covid mean that demand for financial support remains unusually high, we are financially well placed to deal with any increase in grant applications as a result of a surge in hospitality redundancies. The adoption of AccountScore, a technology platform that speeds up the process of collating applicants' financial data, has helped here.

Equal Opportunities Statement For Employees

Hospitality Action complies fully with all statutory requirements and has robust policies regarding what it expects of its staff and trustees. The charity has given consideration to the Charity Governance Code, in particular the latest updates to the Code surrounding equality, diversity and inclusion. This is of particular relevance in recruiting new trustees, new members of staff and ensuring all personnel are treated equally and fairly.

Hospitality Action is strongly committed to equal opportunities for all. Every possible step will be taken to ensure that individuals are treated equally and fairly and that decisions on recruitment, selection and training of employees are based on solely objective and role related criteria regardless of their age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

Our policy is to respect both the spirit and the letter of the laws regarding equality of opportunity and non-discrimination in Hospitality Action's activities and to value the diversity of individuals throughout the community. We consider this to be an integral part of our ethos when recruiting employees to Hospitality Action.

This commitment extends to all areas, both within the working environment, as well as in relation to social and recreational programmes.

No employee or potential employee will be disadvantaged by any conditions of employment or requirements that cannot be justified as necessary on operational grounds.

Decisions about appointments, training, developments and promotion will be made on the basis of merit or ability.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Equal Opportunities Statement For Employees (continued)

All employees and volunteers are expected to support and co-operate in these efforts to ensure equal opportunity for all.

Any complaints of discrimination will be dealt with under Hospitality Action's Complaints Procedure.

Any employee who conducts himself or herself in a discriminatory manner (whether on the grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation) towards another employee, beneficiary or member of the public will be guilty of gross misconduct and will be subject to disciplinary action.

Fundraising Statement

As explained above, we are now once again able to host in-person fundraising events. But we continue to receive donations via our website; to host an annual virtual challenge using the Umbali platform; to receive the funds raised by third parties using Just Giving and Virgin Money Giving; and to host online auctions via Givergy. And our guest-pays activation, Invisible Chips, is still live, with all participating operators instructed in how to manage any VAT implications. No moneys are raised via public, on-street collections. When collecting monies, we at all times adhere to GDPR best practice guidelines. We renew our PCI DSS Compliance annually. We adhere to the conditions that credit card details should not be stored or sent electronically and are to be destroyed as soon as a payment is processed. We do not store credit card details in any form. And as soon as the fundraising team has processed a credit card payment, they destroy the card details. Our compliance requirements are relatively light since any receipts via our website are via PayPal and we are not an e-commerce provider.

We are members of the Association of Charitable Organisations (ACO) and the Fundraising Regulator and follow and track their fundraising due diligence recommendations and code. Hospitality Action has not received any complaints about its fundraising activities.

Trustees' Responsibilities

The Trustees, who are also the directors for the purposes of Company Law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Trustees' Responsibilities (continued)

The law applicable to charities in England & 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 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 directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors also confirm that:-

- ♦ So far as each director is aware, there is no relevant information of which the company's auditors are unaware; and
- ♦ Each director has taken all steps that he/she ought to have taken to make himself/herself aware of any relevant matters and to ensure that the company's auditors are aware of such information.

Approved by order of the board of Trustees and signed on its behalf by



W. Baxter
Chairman

Approved by the board of trustees on: 5 July 2022

Independent auditor's report to the members of Hospitality Action

Opinion

We have audited the financial statements of Hospitality Action for the year ended 31 December 2021, which comprise the consolidated statement of financial activities, the charity-only statement of financial activities, the consolidated and charity-only balance sheets, the consolidated statement of cash flows and the 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 United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2021 and of the group's income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Trustee's Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the trustees' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- ◆ We obtained an understanding of the legal and regulatory frameworks applicable to the charity and the sector in which it operates. We determined that the following laws and regulations were most significant: Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.
- ◆ We understood how the charity is complying with those legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of Board minutes and papers provided to the Audit, Risk and Compliance Committee.
- ◆ We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - ◇ Identifying and assessing the design effectiveness of controls in place to prevent and detect fraud;

Auditor's responsibilities for the audit of the financial statements (continued)

- ◇ Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- ◇ Challenging assumptions and judgements made by management in its significant accounting estimates;
- ◇ Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and
- ◇ Assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the relevant financial statement item to which they relate.

We did not identify any irregularities, including fraud.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Hugh Swainson (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

28 July 2022

Consolidated statement of financial activities (including an income and expenditure account)
Year ended 31 December 2021

			Year ended 31 December 2021 £		Year ended 31 December 2020 £	
Notes	Unrestricted funds £	Restricted funds £		Unrestricted funds £	Restricted funds £	
Income and endowments from:						
<i>Donations and legacies</i>						
Donations	1 1,179,127	—	1,179,127	2,097,640	415	2,098,055
Donated services and facilities	1 92,000	—	92,000	61,250	—	61,250
Members donations	12,037	—	12,037	13,297	—	13,297
Grants receivable	2 226,000	68,500	294,500	18,430	121,500	139,930
<i>Other trading activities</i>						
Fundraising events	536,832	—	536,832	166,700	—	166,700
<i>Charitable activities</i>						
Employee assistance programme	633,111	—	633,111	626,504	—	626,504
<i>Investments</i>	3 113,218	—	113,218	136,616	—	136,616
Total	2,792,325	68,500	2,860,825	3,120,437	121,915	3,242,352
Expenditure on:						
<i>Raising funds</i>						
Cost of raising voluntary income	654,688	—	654,688	596,918	—	596,918
Fundraising events and activities	166,332	—	166,332	33,174	—	33,174
Investment management fees	20,134	—	20,134	19,296	—	19,296
Sub-total	841,154	—	841,154	649,388	—	649,388
<i>Charitable activities</i>						
Welfare	4, 6 1,358,178	57,250	1,415,428	1,727,234	70,066	1,797,300
Employee assistance programme	4 410,625	—	410,625	393,887	—	393,887
Other support and advice	4 —	—	—	—	—	—
Sub-total	1,768,803	57,250	1,826,053	2,121,121	70,066	2,191,187
Total	2,609,957	57,250	2,667,207	2,770,509	70,066	2,840,575
Net income before net gains/(losses) on investments	182,368	11,250	193,618	349,928	51,849	401,777
Net gains/(losses) on investments	11 562,382	—	562,382	(142,968)	—	(142,968)
Net income	744,750	11,250	756,000	206,960	51,849	258,809
Transfer between funds	14 87,573	(87,573)	—	—	—	—
Net movement in funds	832,323	(76,323)	756,000	206,960	51,849	258,809
Reconciliations on fund:						
Fund balances brought forward	6,793,885	108,723	6,902,608	6,586,925	56,874	6,643,799
Fund balances carried forward	7,626,208	32,400	7,658,608	6,793,885	108,723	6,902,608

The notes on pages 28 to 37 form part of these financial statements.

Statement of financial activities (charity only) Year ended 31 December 2021

	Year ended 31 December 2021 £			Year ended 31 December 2020 £		
	Unrestricted funds £	Restricted funds £		Unrestricted funds £	Restricted funds £	
Income and endowments from:						
<i>Donations and legacies</i>						
Donations	1,179,127	—	1,179,127	2,097,640	415	2,098,055
Gift Aid from subsidiary company	233,101	—	233,101	177,849	—	177,849
Donated services and facilities	92,000	—	92,000	61,250	—	61,250
Members donations	12,037	—	12,037	13,297	—	13,297
Grants receivable	226,000	68,500	294,500	18,430	121,500	139,930
<i>Other trading activities</i>						
Fundraising events	536,832	—	536,832	166,700	—	166,700
<i>Investments</i>	113,218	—	113,218	136,616	—	136,616
Total	2,392,315	68,500	2,460,815	2,671,782	121,915	2,793,697
Expenditure on:						
<i>Raising funds</i>						
Cost of raising voluntary income	654,688	—	654,688	596,918	—	596,918
Fundraising events and activities	166,332	—	166,332	33,174	—	33,174
Investment management fees	20,134	—	20,134	19,296	—	19,296
Sub-total	841,154	—	841,154	649,388	—	649,388
<i>Charitable activities</i>						
Welfare	1,358,178	57,250	1,415,428	1,727,234	70,066	1,797,300
Support and advice	—	—	—	—	—	—
Sub-total	1,358,178	57,250	1,415,428	1,727,234	70,066	1,797,300
Total	2,199,332	57,250	2,256,582	2,376,622	70,066	2,446,688
Net income before net gains/(losses) on investments	192,983	11,250	204,233	295,160	51,849	347,009
Net gains/(losses) on investments	562,382	—	562,382	(142,968)	—	(142,968)
Net income	755,365	11,250	766,615	152,192	51,849	204,041
Transfer between funds	87,573	(87,573)	—	—	—	—
Net movement in funds	842,938	(76,323)	766,615	152,192	51,849	204,041
Reconciliations on fund:						
Fund balances brought forward	6,561,268	108,723	6,669,991	6,409,076	56,874	6,465,950
Fund balances carried forward	7,404,206	32,400	7,436,606	6,561,268	108,723	6,669,991

Balance sheet Year ended 31 December 2021

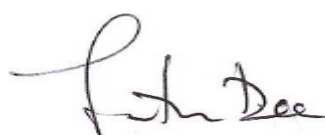
	Notes	2021		2020	
		Group £	Charitable Company £	Group £	Charitable Company £
Fixed assets					
Tangible assets	9	911,119	911,119	923,437	923,437
Intangible assets	10	52,291	52,291	73,211	73,211
Investments	11	6,115,292	6,115,292	5,579,410	5,579,410
		7,078,702	7,078,702	6,576,058	6,576,058
Current assets					
Debtors	12	312,079	215,897	176,668	76,914
Cash at bank and in hand		1,114,488	706,512	1,029,289	906,121
		1,426,567	922,409	1,205,957	983,035
Liabilities					
Creditors: amounts falling due within one year	13	(846,661)	(564,505)	(879,407)	(889,102)
Net current assets		579,906	357,904	326,550	93,933
Net assets		7,658,608	7,436,606	6,902,608	6,669,991
Funds:					
Restricted funds	15	32,400	32,400	108,723	108,723
Unrestricted funds:					
General funds		—	—	—	—
Subsidiary		222,002	—	232,617	—
Designated funds (fixed assets and investments) including a revaluation reserve of £968,243 (2020: £565,306)		7,404,206	7,404,206	6,561,268	6,561,268
		7,658,608	7,436,606	6,902,608	6,669,991

The notes on pages 28 to 37 form part of these financial statements.

The financial statements were approved and authorised for issue by the board of the Trustees and signed on their behalf by:



W. Baxter
Chairman



J. Dee
Treasurer



M. Lewis
Chief Executive

Approved on: 5 July 2022

Consolidated statement of cash flows Year ended 31 December 2021

	Notes	2021 £	2020 £
Net cash flows from operating activities:			
Net cash (used in)/provided by operating activities	A	(28,404)	744,059
Cash flows from investing activities:			
Investment income		113,218	136,616
Payment to acquire tangible and intangible fixed assets		(26,115)	(91,169)
Proceeds from sales of investments		1,571,795	2,517,983
Payments to acquire investments		(1,545,295)	(2,314,748)
Net cash provided by investing activities		113,603	248,682
Change in cash for the year		85,199	992,741
Cash at bank and in hand at the start of the year		1,029,289	36,548
Cash at bank and in hand at the end of the year	B	1,114,488	1,029,289

A Reconciliation of net income to net cash (used in)/provided by operating activities

	2021 £	2020 £
Net income	756,000	258,809
Depreciation and amortisation	59,353	39,559
(Gains) Losses on investments	(562,382)	142,968
Investment income	(113,218)	(136,616)
(Increase) decrease in debtors	(135,411)	62,137
(Decrease) increase in creditors	(32,746)	377,202
Net cash used in operating activities	(28,404)	744,059

B Analysis of cash

	2020 £	Cash flow £	2021 £
Cash at bank and in hand	1,029,289	85,199	1,114,488

C Analysis of changes in net debt

	At 1 January £	Movement in year £	At 31 December £
Cash at bank and in hand	1,029,289	85,199	1,114,488
Cash held by the investment manager	442,718	116,628	559,346
Loan	(500,000)	199,773	(300,227)
Total net debt	972,007	401,600	1,373,607

Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), and with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The financial statements are presented in sterling and rounded to the nearest pound.

The charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value. Investments are restated at fair value at the balance sheet date.

All transactions are derived from continuing activities. All recognised gains and losses are included in the Statement of Financial Activities. These accounts consolidate the results, assets and liabilities of Hospitality Action's subsidiary company on a line by line basis.

Critical accounting estimates and areas of judgement

There are no areas of material estimation uncertainty affecting the accounts and no significant areas of judgment affecting the figures, aside from the following:

- ♦ The full impact following the global coronavirus pandemic is still unknown. It is therefore not currently possible to evaluate all the potential implications for the charity's beneficiaries, funding, suppliers and the wider economy.

Going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect of a period of one year from the date of approval of these financial statements. In making this decision, the trustees have taken into consideration the risks and uncertainties arising from the Coronavirus pandemic (as highlighted in the trustees' report).

The trustees have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. With regard to the next accounting period, the year ending 31 December 2021, the most significant areas that affect the carrying value of the assets held by the Trust are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the trustees report for more information).

Fund accounting

Unrestricted funds comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of the Trustees in furtherance of the general charitable objectives. Restricted funds comprise monies raised for, and their use restricted to, a specific purpose, or donations subject to donor imposed conditions. Designated funds represent those funds which the trustees have earmarked for specific purposes and equate to the carrying value of the charity's fixed assets.

Income

Income is recognised on a receivable basis and principally comprises grants, events income, income from the delivery of services and donations receivable. Any income received which is not attributed to the year of receipt, is included within deferred income in creditors. Donated services and facilities (gifts in kind) are included in the financial statements at the best estimate of the value to the charity. Legacy income is recognised when the criteria of entitlement, probability and measurability have been met.

Expenditure recognition

Expenditure including irrecoverable VAT is charged to the Statement of Financial Activities on an accruals basis. Expenditure is classified as either costs of raising funds (which includes fundraising and events costs as well as investment manager's fees) or charitable activities costs being the costs the charity incurs in furthering its charitable objectives. Direct costs are allocated to the activity headings to which they relate. Support costs relate to indirect costs including the costs of governance. These are directly allocated where possible and otherwise apportioned on a consistent basis.

Grants

Grants expenditure is recognised when there is a constructive obligation to pay monies to a beneficiary, that is, when the charity has notified the beneficiary of the payment of the grant. It includes the payment of monetary grants to beneficiaries, expenditure made in providing beneficiaries with goods and services and the costs of distributing and administering such direct provision. The cost of such provision, and that in respect of monetary grants in particular, is recognised as it becomes payable according to the Charity's rules.

Tangible fixed assets

Tangible assets are shown at cost less provision for depreciation. Provision is made for depreciation on all tangible assets at rates calculated to write off the cost, less estimated residual value over their useful lives which are estimated to be:

Leasehold property	over the length of the lease
Furnishing	20% straight line
Office refurbishment	10% straight line
Computer equipment	33% straight line

Intangible fixed assets

Intangible assets are shown at cost less provision for amortisation. Provision is made for amortisation on all intangible assets at rates calculated to write off the cost, less estimated residual value over their useful lives which is estimated to be four years.

Investments

Investments are restated at fair value as at the balance sheet date. Investment gains and losses are disclosed in the Statement of Financial Activities.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Pension costs

The Charity operates a stakeholder pension scheme. Contributions are charged to expenditure as they fall due.

Financial instruments

The charity only holds basic financial instruments as defined by FRS102. The financial assets and liabilities of the charity are as follows:

Financial assets – donations due and trade debtors are basic financial instruments and are debt instruments measured at amortised cost. Investments are basic financial instruments held at fair value. Accrued income and prepayments are not financial instruments. Cash at bank and short term deposits are classified as basic financial instruments and measured at face value.

Financial liabilities – trade creditors, grants payable, and accruals are financial instruments and are measured at amortised cost. Social security and other taxes are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability as the cash settlement has already taken place and there is no obligation to deliver services rather than cash or another financial instrument.

1 Donations

	2021 £	2020 £
Unrestricted		
Amanda Hyndman	—	11,000
Antonio Carluccio Foundation	—	25,000
Barclays Community Foundation	—	100,000
BeerHawk	—	102,192
Burger King UK	—	20,000
Bidfood	26,727	37,690
Compass	—	18,333
CVC Strategic Opportunities	—	91,779
Farncombe Estate	12,800	—
Fazenda	10,177	—
Hawksmoor	25,259	—
Home Grown Hotels	30,000	—
Jagermeister	—	10,778
Knight Frank	65,874	—
LVMH	—	167,572
Master Innholders Charitable Trust	—	12,500
Master of Malt	36,510	210,775
Navarac	13,566	—
No15 Grand Pulteney	2,145	11,765
Papa John's	—	22,936
Park Plaza Westminster Bridge	—	75,600
Remy Cointreau	35,000	—
Savoy Educational Trust	—	50,000
Scents of Normality	—	12,015
Sketch	20,603	17,234
Tabasco	—	20,000
Table Talk Foundation	11,000	—
The Berkeley	10,000	—
The Dorchester Collection	25,000	25,000
The Vintners Company	—	100,000
The Worshipful Company of Cooks	—	30,000
Whibread	50,000	—
Unilever	—	17,400
Other donations	804,466	908,071
Total unrestricted donations	1,179,127	2,097,640
Restricted		
Alcohol & Drug Awareness Programme	—	415
Total donations	1,179,127	2,098,055
Donated services and facilities		
The Caterer	38,000	37,000
Design & creative	—	11,250
Staff Canteen, Dewberry, H2O	54,000	13,000
Total gifts in kind	92,000	61,250

2 Grants receivable

	2021 £	2020 £
Unrestricted:		
Worshipful Company of Innholders	10,000	10,000
Savoy Educational Trust	150,000	—
Society of Golden Keys	—	6,185
Master Innholders	12,500	2,245
Others	53,500	—
Total unrestricted grants	226,000	18,430
Restricted fund:		
Drug and Alcohol awareness programme/welfare		
Savoy Educational Trust	—	50,000
Worshipful Company of Innholders	67,000	70,000
Excel Trust	1,500	1,500
Total restricted grants	68,500	121,500
Total grants	294,500	139,930

3 Investment income

	2021 £	2020 £
From listed investments	113,186	136,546
Interest on cash deposits	32	70
	113,218	136,616

4 Expenditure

Analysis of 2021 expenditure	Notes	Grants	Other direct costs £	Support costs £	Total 2021 £
Raising funds:					
Cost of raising voluntary income		—	413,352	241,336	654,688
Fundraising events and activities		—	166,332	—	166,332
Investment management		—	20,134	—	20,134
Charitable activities:					
Welfare	6	902,290	271,882	241,256	1,415,428
Employee assistance programme		—	347,916	62,709	410,625
Total		902,290	1,219,616	545,301	2,667,207

Analysis of 2021 support costs	Expenditure on raising funds £	Expenditure on charitable activities £	Total 2021 £
Staff costs	185,462	236,043	421,505
Office rent and shared office costs	55,875	67,921	123,796
	241,337	303,964	545,301

Notes to the financial statements Year ended 31 December 2021

4 Expenditure (continued)

Analysis of 2020 expenditure

	Notes	Grants	Other direct costs £	Support costs £	Total 2020 £
<i>Raising funds:</i>					
Cost of raising voluntary income		—	375,945	220,973	596,918
Fundraising events and activities		—	33,174	—	33,174
Investment management		—	19,296	—	19,296
<i>Charitable activities:</i>					
Welfare	6	1,328,708	219,680	248,912	1,797,300
Employee assistance programme		—	332,829	61,058	393,887
Total		1,328,708	980,924	530,943	2,840,575

Analysis of 2020 support costs

	Expenditure on raising funds £	Expenditure on charitable activities £	Total 2020 £
Staff costs	176,828	250,318	427,146
Office rent and shared office costs	44,145	59,652	103,797
	220,973	309,970	530,943

The allocation of support costs is on a per capita basis, having regard to time spent by staff on either fundraising or charitable activities.

5 Analysis of governance costs

	2021 £	2020 £
Audit fees	13,664	13,094
Legal and professional	1,026	1,026
Trustees expenses	279	24
Other	10,137	9,795
	25,106	23,939

6 Welfare expenditure

	2021 £	2020 £
Top up grants	49,495	61,074
Essential needs grants	267,468	265,604
Short term crisis grants	28,402	55,371
Christmas grants	37,943	26,621
Winter fuel grants	43,350	60,600
Covid-19 grants	451,600	834,900
TV licence and phone grants	3,153	2,953
Golden Friends' scheme	12,463	8,537
Other grants	8,316	13,048
Volunteers' expenses	100	—
	902,290	1,328,708
Grant management and other beneficiary support services	513,138	468,592
Total cost of grant making and other beneficiary support services	1,415,428	1,797,300

7 Employees and staff costs

	2021 Number	2020 Number
The average number of persons employed by the Charity during the year	17	15

Staff costs were as follows:

	2021 £	2020 £
Wages and salaries	685,026	670,667
Social security costs	75,763	74,445
Pension costs	71,917	66,695
	832,706	811,807

One employee received remuneration in the range of £70,000 - £80,000 (2020: one).

One employee received remuneration in the range of £110,000 - £120,000 (2020: one).

No other employees received remuneration in excess of £60,000 (2020: none)

The charity considers that the Key Management Personnel for financial reporting purposes comprises the trustees and the Chief Executive. The total Key Management Remuneration, including employer's national insurance and pension contributions, was £143,287 (2020: £155,019).

Trustees' remuneration and reimbursed expenses

In 2021 £45 was spent on a gift to a trustee who was ill and £234 was spent on hosting a trustee meeting. In 2020 £24 was spent relating to a trustee strategy day.

8 Net movement in funds

	2021 £	2020 £
This is stated after charging:		
Depreciation	19,131	15,596
Amortisation	40,222	23,963
Auditors' remuneration:		
. Parent charitable company audit	9,800	9,500
. Subsidiary company audit	1,650	1,700
. Other (tax)	1,600	1,500

9 Tangible fixed assets – group and charitable company

	Leasehold property £	Office refurbishments £	Furniture and fittings £	Office and other equipment £	Total £
Cost					
At 31 December 2020	863,339	116,065	31,982	136,920	1,148,306
Additions	—	—	—	6,813	6,813
Disposals	—	—	—	(84,860)	(84,860)
At 31 December 2021	863,339	116,065	31,982	58,873	1,070,259
Depreciation					
At 31 December 2020	12,320	66,925	31,456	114,168	224,869
Charge for the year	880	5,040	134	13,077	19,131
On disposals	—	—	—	(84,860)	(84,860)
At 31 December 2021	13,200	71,965	31,590	42,385	159,140
Net book value					
At 31 December 2021	850,139	44,100	392	16,488	911,119
At 31 December 2020	851,019	49,140	526	22,752	923,437

The depreciation charge on the long leasehold property reflects the length of the leasehold which is 978 years.

10 Intangible fixed assets – group and charitable company

	Total £
Cost	
At 31 December 2020	109,734
Additions	19,302
At 31 December 2021	129,036
Amortisation	
At 31 December 2020	36,523
Charge for the year	40,222
At 31 December 2021	76,745
Net book value	
At 31 December 2021	52,291
At 31 December 2020	73,211

11 Investments – group and charitable company

	2021 £	2020 £
Market value		
As at 1 January	5,579,410	5,925,613
Additions at cost	1,545,295	2,314,748
Disposals	(1,571,795)	(2,517,983)
Realised (losses)	(4,381)	(17,776)
Unrealised gains (losses)	566,763	(125,192)
As at 31 December	6,115,292	5,579,410
Analysed as follows:		
United Kingdom investments	1,949,869	2,016,585
Non-United Kingdom investments	3,606,077	3,120,107
Cash and commodities held for investment	559,346	442,718
	6,115,292	5,579,410
Historical cost	5,147,049	5,014,104

The following holdings exceed 5% of portfolio value – Vanguard S&P 500 UCITS ETF (11%), and the Charities Property Fund (7%). The cash balances are not available for day to day transactions but are for the trading of investment assets.

The early months of 2022 saw the markets affected by the crisis in Ukraine. As at 4th July the portfolio stood at £5,820,136.

12 Debtors

	Group 2021 £	Charitable company 2021 £	Group 2020 £	Charitable company 2020 £
Fundraising debtors	—	5,175	—	—
Trade debtors	96,460	—	99,744	—
Amounts due from trading subsidiary	—	31,268	—	—
Prepayments and accrued income	215,619	179,454	76,924	76,914
	312,079	215,897	176,668	76,914

13 Creditors: amounts falling due within one year

	Group 2021 £	Charitable company 2021 £	Group 2020 £	Charitable company 2020 £
Grants approved but unspent at year end	13,566	13,566	13,361	13,361
Trade creditors	47,412	23,757	36,194	18,205
Taxation and social security	19,184	19,184	20,756	20,756
Accruals and deferred income	406,092	147,591	257,275	103,034
Loan from Cazenove*	300,227	300,227	500,080	500,080
Amounts due to trading subsidiary	—	—	—	181,925
Amounts due to related charity (note 21)	60,180	60,180	51,741	51,741
	846,661	564,505	879,407	889,102

13 Creditors: amounts falling due within one year (continued)

Deferred income comprises:

	2021 £
Balance at the beginning of the year	223,338
Amount released to income in the year	(223,338)
Amount deferred in the year	179,975
Balance at the end of the year	179,975

Income is deferred until the charity has met any performance related conditions attached to the income.

* The loan was drawn down in June 2020 and is subject to 1.5% interest per annum. The loan is technically repayable on demand, however in reality it may be paid back in instalments over five years. The loan is secured over a portion of the charity's investment portfolio. A substantial portion of the loan was repaid post year-end prior to the signing of these financial statements.

14 Unrestricted funds

	Balance at 31 December 2020 £	Income £	Expenditure £	Transfers £	Gains on investments £	Balance at 31 December 2021 £
Charity						
General	—	2,159,214	(2,139,979)	(19,235)	—	—
Designated	6,561,268	—	(59,353)	339,909	562,382	7,404,206
Subsidiary company	232,617	633,111	(410,625)	(233,101)	—	222,002
Total	6,793,885	2,792,325	(2,609,957)	87,573	562,382	7,626,208

Transfers from the subsidiary company fund to the general fund relate to the payment of the company's profit to the parent charity via a gift-aided donation. Transfers from designated funds to general funds are made to cover the charity's general day-to-day expenses.

Comparative information

	Balance at 31 December 2019 £	Income £	Expenditure £	Transfers £	Gains on investments £	Balance at 31 December 2020 £
Charity						
General	—	2,493,933	(2,337,063)	(156,870)	—	—
Designated	6,409,076	—	(39,559)	334,719	(142,968)	6,561,268
Subsidiary company	177,849	626,504	(393,887)	(177,849)	—	232,617
Total	6,586,925	3,120,437	(2,770,509)	—	(142,968)	6,793,885

15 Restricted funds

	Balance at 31 December 2020 £	Income £	Expenditure £	General fund Transfers £	Balance at 31 December 2021 Total £
Welfare	21,150	68,500	(57,250)	—	32,400
Alcohol and drug awareness	87,573	—	—	(87,573)	—
	<u>108,723</u>	<u>68,500</u>	<u>(57,250)</u>	<u>(87,573)</u>	<u>32,400</u>

Comparative information

	Balance at 31 December 2019 £	Income £	Expenditure £	General fund Transfers £	Balance at 31 December 2020 Total £
Welfare	19,716	71,500	(70,066)	—	21,150
Alcohol and drug awareness	37,158	50,415	—	—	87,573
	<u>56,874</u>	<u>121,915</u>	<u>(70,066)</u>	<u>—</u>	<u>108,723</u>

The longstanding Alcohol and Drug Awareness Programme for students in the hospitality industry was wound down in the early months of 2019. It was felt appropriate to release the surplus funds to the charity's General Funds.

Welfare covers three specific programmes: the Golden Friends scheme, Winter Fuel grants and phone line rentals.

16 Pensions obligations

Stakeholder pensions

The Charity operates a stakeholder pension scheme. The assets of the scheme are held separately from those of the Charity, being invested with an insurance company.

	2021 £	2020 £
Total employer cost	71,917	66,695

17 Analysis of net assets between funds

	General funds £	Designated funds £	Restricted funds £	Total 2021 £	Total 2020 £
Fund balances at 31 December 2021 are represented by:					
Tangible assets	—	963,410	—	963,410	996,648
Investments	—	6,115,292	—	6,115,292	5,579,410
Net current assets	—	547,506	32,400	579,906	326,550
Net assets	<u>—</u>	<u>7,626,208</u>	<u>32,400</u>	<u>7,658,608</u>	<u>6,902,608</u>

17 Analysis of net assets between funds (continued)

Comparative information

	General funds £	Designated funds £	Restricted funds £	Total 2020 £
<i>Fund balances at 31 December 2020 are represented by:</i>				
Tangible assets	—	996,648	—	996,648
Investments	—	5,579,410	—	5,579,410
Net current assets	—	217,827	108,723	326,550
Net assets	—	6,793,885	108,723	6,902,608

18 Financial instruments

	Group 2021 £	Charitable company 2021 £	Group 2020 £	Charitable company 2020 £
Financial assets held at fair value	6,115,292	6,115,292	5,579,410	5,579,410
Financial assets held at amortised cost	96,171	—	99,744	—
Financial liabilities held at amortised cost	(796,209)	(545,322)	(850,496)	(868,346)

19 Taxation

Hospitality Action is a registered charity and therefore is not liable to income tax or corporation tax on income or gains derived from its charitable activities, as they fall within the various exemptions available to registered charities. Whilst the Charity's trading subsidiary company is not exempt from corporation tax on its taxable profits it is not expected that any taxation will arise as it is the intention of the company's directors to donate any such profits to the parent Charity.

20 Subsidiary undertaking

The subsidiary undertaking is Hospitality Action (Trading) Limited (registered company 03332706) which is incorporated in England and had net assets of £222,012 as at 31 December 2021 (31 December 2020: net assets of £232,627). In the year ended 31 December 2021 it had turnover of £633,111 (year ended 31 December 2020: £626,504) and expenditure of £410,625 (year ended 31 December 2020: £393,887). It will gift aid its taxable profit to the parent charity in 2021.

21 Related charity

The Charity was incorporated in 2003 and took over the majority of the assets of an unincorporated charity also known as Hospitality Action (Charity Number 208855). The unincorporated charity continues to own a leasehold flat which is occupied by an assured tenant.

22 Related party

The Charity holds 20% of the shares of 62 Britton Street Ltd, a company, which holds the Charity's interest in the freehold of its premises. There are no outstanding balances between the Charity and the company.

23 Other related party transactions

Owing to the nature of the charity's operations and the composition of the Board of Trustees being drawn from the hospitality sector, it is inevitable that transactions will take place with organisations in which a member of the Board of Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and on normal business terms.

Accounts

Hospitality Action

Annual Report and Consolidated Financial Statements

31 December 2020

Company Limited by Guarantee
Registration Number 04914871
Charity Registration Number 1101083

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Reference and administrative information

Board of Trustees	William Baxter CBE (Chairman) Jon Dee ACA (Treasurer) Kevin Charity (appointed 9 June 2020) Hazel Detsiny Simon Dobson (Vice Chairman) Simon Esner Ringo Francis Chris Garside Andrew Guy MBE Matt Johnson Simon Jones Tim Jones Andrew Latham Kate Nicholls Jonathan Raggett Ian Sarson Andrew Selley David Walker
Chief Executive	Mark Lewis
Company secretary	Greg Minter
Principal office	62 Britton Street London EC1M 5UY
Charity registration number	1101083
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Royal Bank of Scotland Brooklands Close Sunbury on Thames TW16 7DX
Investment managers	Cazenove Capital Management 1 London Wall Place London EC2Y 5AU

Reference and administrative information

Solicitors	Trowers and Hamlin 3 Bunhill Row London EC1Y 8YZ
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Reference and administrative information

The Board of Trustees thanks the Chairpersons and Committee members who gave so generously of their time during 2020:

Finance and Investment	Jon Dee ACA (Chair) Simon Dobson Tim Doubleday Tim Jones
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Grants and Advisory	Andrew Latham (Chair) Valerie Barrow Flavia Gapper Dawn Jackson Jane Morris Ian Sarson
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Reference and administrative information

The Board of Trustees thanks its Patrons, whose ongoing patronage brings credibility, authority and brand awareness to the charity. These are:

Patrons	Jason Atherton (Principal Patron)
	Surinder Arora
	Raymond Blanc OBE
	Heston Blumenthal OBE
	Michael Caines MBE
	Patrick Dempsey OBE
	George Goring OBE
	Sir Garry Hawkes CBE
	Nigel Haworth
	Paul Heathcote MBE
	Phil Hooper
	Tom Kerridge
	Donald Macdonald OBE
	Sinead Mallozzi
	Anton Mosimann OBE
	Harry Murray MBE
	Jamie Oliver MBE
	Michel Roux Senior OBE
	Phil Vickery MBE
	The Viscount Lord Thurso
	Brian Turner CBE
	Robert Walton MBE

The Trustees, who are also the directors, present the annual accounts for Hospitality Action for the year ended 31 December 2020 prepared in accordance with the Statement of Recommended Practice for Charities (SORP) 2015 and the Companies Act 2006. The reference and administrative information on pages 1-4 forms part of this report.

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

The Charity is a Benevolent Society whose objects are for the relief of persons who work or have worked in the hotel, catering and/or hospitality industries and the widows, widowers, partners, orphans and other dependants of such persons by the provision of monetary grants and/or advice, assistance and support and/or education and training.

Hospitality Action was founded in 1837 as unincorporated and for much of that time it was known as the Hotel and Catering Benevolent Association (HCBA). The charity was incorporated in 2003 as Hospitality Action having taken over the majority of the assets of the unincorporated charity.

The principal activities undertaken by the Charity in pursuance of its objects relate to the provision of:

- ◆ A grants programme to alleviate poverty and support beneficiaries in times of crisis
- ◆ An outreach programme aiming to keep loneliness and isolation at bay for retired hospitality employees, called the Golden Friends scheme
- ◆ Expert triaging, advice, guidance and signposting to other potential sources of support and, where appropriate, funded counselling.
- ◆ An Employee Assistance Programme – commercial scheme offering specialist advice, support and assistance on a range of issues for hospitality employees

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

Chief Executive

Mark Lewis had his third full year as Chief Executive.

ACHIEVEMENTS AND PERFORMANCE

In terms of helping more people, we offered grants to 3,562 people in 2020 as opposed to 1,172 in 2019; awarded 4,698 grants compared to 923 in 2019; increased grants spend year on year from £732,752 to £1,328,708 and grew the number of client employees supported by our Employee Assistance Programme from 146,000 to 147,000.

Meanwhile, in terms of decreasing our ongoing deficit and stabilising the finances of the charity, we grew year on year revenue from £2,179,889 to £3,242,352, and improved our year on year position from an operating deficit of £217,326 to a surplus of £401,777.

The events programme was significantly curtailed due to the pandemic but the response to our appeal meant we had record annual revenue. Despite the situation we increased Employee Assistance Programme revenues year on year from £603,541 to £626,504.

We also recruited a cohort of 250 industry professionals to support an outreach programme to offer moral and practical support to over 2,000 hospitality industry retirees, our 'Golden Friends' and we created an online Wellbeing Hub offering advice and information to hospitality workers whose mental health was being affected by the pandemic.

Proud as we are of our response to the pandemic, we do not expect the peculiarly high levels of donations and external fundraising initiatives to be sustained, into the future. That said, we do expect the spike in brand awareness we experienced in 2020 to drive future fundraising beyond 2019 levels.

Review of achievements in 2020	2020	2019
Beneficiary grants	£1,328,708	£732,752
Number of persons awarded grants	3,562	1,172
Number of companies subscribed to EAP	345	292
Number of employees covered by the EAP	146,500	145,800

ACHIEVEMENTS AND PERFORMANCE (continued)

Welfare, support and advice

Grants – (welfare)

It was decided to continue to focus more on one-off help and crisis assistance and continue the assistance given with long term top-up grants. This was achieved during 2020 as follows:

	2020	2019
Top up grants	45 beneficiaries Grants £61,000	43 beneficiaries Grants £67,000
Crisis grants	49 beneficiaries Grants £55,000	62 beneficiaries Grants £82,000
Essential needs grants	528 beneficiaries Grants £266,000	820 beneficiaries Grants £462,000
Other grants	3,706 beneficiaries Grants £947,000	247 beneficiaries Grants £122,000

Overall grant spend of £1,329,000.

Golden Friends Scheme – (welfare)

The objective was to increase the number of members and enhance the support offered via the volunteer visitor scheme.

- ◆ The number of members increased to 1,585 in 2020 from 1,579 in 2019.
- ◆ The charity had 265 volunteers spread nationally across the UK during 2020, including phone friends, visitors and office volunteers. Of these 167 were matched with Golden Friends.
- ◆ The number of contacts was 3,938 with phone befriending and visits.
- ◆ There were no Golden Friends' lunches or teas held during the year due to the pandemic (2019: 37).
- ◆ Gift vouchers to a value of £28,620 were distributed to 1,597 beneficiaries (2019: £20,419 to 1,587 beneficiaries).

Information and signposting – (support and advice)

Hospitality Action continues to offer a debt advice scheme, in conjunction with Step Change, a debt management charity. The counselling scheme, in conjunction with CiC, the service provider for our Employee Assistance Programme, has continued to be offered where applicable.

ACHIEVEMENTS AND PERFORMANCE (continued)

Welfare, support and advice (continued)

Employee assistance programme

The programme is specific to the hospitality industry and provides a source of help, support and guidance for the employees of subscribing companies. A confidential assistance line. Live Chat service and web based help sheets via the Well Online portal are available to assist with the following:

Health and wellbeing

Working Life

Financial Matters

Personal advice

Support for alcohol, drugs, gambling and other addictive behaviours

Legal advice

The programme also allows for face-to-face, telephone or online counselling and parenting coaching support where needed. The EAP also provides access to a Whistleblowing hotline for subscribers.

This is a commercial programme which trades under a subsidiary company. Hospitality companies are charged a fixed amount per employee per year when they sign up to the programme. Profits are gifted to the charity. The programme had its official industry launch in January 2013 and as at December 2020 345 companies have signed up employing 146,500 employees.

In addition to the subscriber services provided by the EAP, HA operate a 24/7 helpline to provide 'in the moment support', advice and signposting to anyone working in or retired from the hospitality industry, it is utilised by non-EAP employees and members of our Golden Friends scheme.

Responding to the Covid-19 pandemic in 2020, we developed an online Wellbeing Advice Hub on our website providing access to help sheets and signposting on key topics such as Virus Anxiety, Home Schooling and Managing your Finances whilst on Furlough.

ACHIEVEMENTS AND PERFORMANCE (continued)

Review of the year and future plans

Plans for 2021

We view 2021 as a transitional year from both a fundraising and services perspective. When we set our budget in Autumn 2020, we assumed next to no income from fundraising events. Instead, we focussed on cementing our transition to third party fundraising, by which we mean devolving fundraising to hospitality operators and their customers and guests through 'pound in the bill'-style programmes. We aim to capitalise on the step-change in awareness of our brand around hospitality and the general public that we achieved in 2020. That said, we will remain alert to opportunities to create fundraising events that may arise, as social distancing restrictions ease and we will continue to innovate, for example through our Chefs at Home recipe book, our Invisible Chips initiative, and our 'Hell and Back' Virtual Challenge.

Similarly, in terms of grants disbursement, we plan to draw together our grant-giving streams, after running parallel Covid-19 emergency and 'business as usual' grant application processes throughout 2020. We will merge all Covid-related grants into our ongoing case management to reflect the need among applicants for longer-term support, rather than emergency payments.

We will look to backfill any EAP clients and headcounts through new client acquisition, supported by a marketing campaign stressing that there has never been a more important time to support your employees' health and wellbeing. We will also conduct a strategic review of our EAP offer, to identify opportunities to grow its product set and footprint.

We do not anticipate running any 'in person' events for our Golden Friends industry retirees, for obvious reasons; but we aim to grow the reach of the Golden Friends programme and augment its benefits.

FINANCIAL REVIEW

Income for the year was £3,242,352 (2019: £2,179,889) and expenditure £2,840,575 (2019: £2,397,215) giving rise to an operating surplus of £401,777 (2019: deficit of £217,326).

Income was well ahead of 2019 with huge growth in donated income in response to the Covid-19 appeal, which compensated for drops in income from investments and fundraising events. Expenditure of £2,840,575 was up £443,360 on 2019. Expenditure on charitable activity associated with grants, advice and support was £2,191,187, an increase of £615,132, as the charity responded to the huge demand for assistance due to the pandemic.

After losses on investments of £142,968 the overall result for the year was a surplus of £258,809 resulting in a corresponding increase in the balance of funds which stood at £6,902,608 as at 31 December 2020.

FINANCIAL REVIEW (continued)

Reserves policy and financial position

The total funds held by the group at the end of the year were £6,902,608 (2019: £6,643,799).

Of the above total £108,723 (2019: £56,874) related to restricted funds not available for the general purposes of the Charity. As at 31 December 2020 £232,617 of funds were held within the subsidiary company (2019: £177,849). All of the remaining funds of the Charity totalling £6,561,268 (2019: £6,409,076) have been set aside in a designated fund by the trustees.

In order to ensure that the charity is able to sustain its capacity to provide support for its beneficiaries in perpetuity, the Trustees' policy is to seek to maintain the approximate current levels of reserves after allowing for fluctuations in the value of its investment portfolio.

The Charity's investment portfolio is intended to generate returns to maintain or add to minimum reserve levels. Income generated from the portfolio is to be reinvested where possible or can be transferred to the current account of the Charity for working capital or charitable purposes.

The reserves are maintained to safeguard the Charity's ability to operate and provide essential services to its beneficiaries in the case of unforeseeable reductions in fund raising income. The reserves are also available for investment in opportunities that may have an enduring benefit to the Charity.

The Charity aims to maintain or increase moderately its level of charitable activity in each financial year. It is intended to reinvest into the portfolio any funds in excess of the working capital and charitable requirements of the Charity to bolster the capital and ensure that the portfolio will be available well into the future.

From time to time the Charity may need to draw on the capital of the investment portfolio to meet working capital or charitable obligations where fundraising income has not been at expected levels. Such drawdowns require the approval of the Finance Committee. As a result, the Charity does not currently maintain any free reserves, as it is possible to meet any requirement for free reserves from the designated fund if required. The Charity is aiming to get to a position in the future where any such drawdown is not required and free reserves can be maintained separately from the designated fund.

The investment portfolio is monitored daily and reserve balances are reported to the Finance Committee each quarter.

The Trustees are required to review this reserves policy annually.

In the early months of 2020, we drew down £160k from the investment portfolio. In view of the uncertainty surrounding the charity's revenue, Hospitality Action negotiated a £1m loan facility with Cazenove, as an alternative to withdrawing further capital from the investment portfolio. An initial drawdown of £500k was made in June, with the balance available for withdrawal until June 2021. The charity is unlikely to need to draw down the balance of the loan and will consider a repayment plan as 2021 progresses.

FINANCIAL REVIEW (continued)

Reserves policy and financial position

For approximately the last 10 years, the Trustees' strategy has been to fund any operating losses through capital drawdowns from the investment portfolio. The impact of this upon the investment portfolio has been tracked closely and long-term financial forecasting undertaken to ensure that the level of retained reserves remains sufficient.

Each year, the Charity aims to reduce as much as practical, its reliance on capital drawdowns from the portfolio and to be self-sufficient from fundraising income. When circumstances allow, excess funds will be used to top up the portfolio to previous levels. Once this has been achieved, the Charity will review its charitable activities and may release excess funds for charitable purposes. At present we continue to use income from the portfolio for the purposes of the charity. The plan from the start of 2022 is to reinvest income from investments back into the portfolio.

Going Concern

The trustees are aware of the ongoing issues which surround the global Covid-19 pandemic. They are satisfied that the charity is well positioned to continue as a going concern for the next twelve months and beyond. Reasons for this confident outlook include:

- ◆ The hugely positive response from the industry to our emergency appeal, which confirms the strong support base for the charity within the industry.
- ◆ The success of maintaining subscription levels to the Employee Assistance Programme since the start of the pandemic, despite major retrenchment of staff numbers in the industry.
- ◆ The charity's long-term asset base as represented by our well-managed investment portfolio, which has coped well with the crisis.

Investment policy

Under the Constitution the Trustees have general powers to invest in any trust funds or in the purchase of land or buildings. The agreed investment objectives were to achieve an annual income of 3.5% with the preservation of capital in real terms over the long term. The investment objectives are supported by an agreed asset allocation that is socially, environmentally and ethically sound, and which is periodically reviewed by the Finance & Investment Committee. The Investment Managers meet regularly with the Charity's Finance & Investment Committee to review investment performance against agreed indices.

Grant Policy

The charity provides financial assistance, support and advice to serving, former and retired workers in the hospitality industry. Qualification for assistance is as follows:

- ◆ currently working in the industry within the UK
- ◆ have worked 5 or more years in the industry in the UK

Applicants or the supporting agent from a referring organisation (with the consent of the applicant) are required to complete a Hospitality Action application form. The majority of applications need to be supported by an appropriate independent organisation such as Social Services, Citizens Advice Bureau, Housing Association or charities such as Macmillan, Crisis etc. A copy of the grant rules is sent out on request by the Grants & Advisory Team.

GOVERNANCE, STRUCTURE AND MANAGEMENT

Legal status and governing document

Hospitality Action is a charitable company limited by guarantee, incorporated in England and registered with Companies House. It is also registered with the Charity Commission in England and Wales.

It is governed by its memorandum and articles of association which are publically available via www.companieshouse.co.uk

Structure

Hospitality Action has a wholly-owned subsidiary, Hospitality Action (Trading) Limited, (registered company 03332706 – England and Wales), which administers the Employee Assistance Programme. The results and net assets of the subsidiary are consolidated into these accounts.

Appointment and training of trustees

Trustees are elected at the annual general meeting and serve for two years when they may offer themselves for re-election for two further terms of office. Trustees are drawn from senior management across the industry, retired members of the industry and those with specialist skills pertinent to the aims and objectives of the Charity. All new trustees go through a formal induction process with the Chief Executive and are issued with an induction pack that includes the memorandum and articles of association of the charity, a Charity Commission summary of responsibilities of charity trustees, a copy of the annual accounts and a formalised outline of the role of a trustee. Trustees meet quarterly.

Chief executive and staff

The Chief Executive, Mark Lewis, is responsible for the day to day operations of the Charity. Staff remuneration including that of Key Management is set to be competitive for the role in the charity sector and based in London.

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 accounts comply with the Charities Act 2011, the relevant Charity (Accounts and Reports) Regulations and the provisions of the charity's constitution. 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.

The trustees are responsible for the maintenance and integrity of the financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Risk management, and principal risks and uncertainties

The Trustees continue to review and identify the major risks faced by the Charity, and have implemented systems and controls to mitigate the risks wherever practicable.

The Charity's risk register is reviewed and updated annually and has policies in place to comply with whistleblowing, anti-fraud and anti-money laundering regulations.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Risk management, and principal risks and uncertainties (continued)

Measures introduced by the Government to combat the spread of Covid-19 have disrupted our usual working practices, with the potential to compromise our ability to deliver our services. Our purchase, last Autumn, of laptops for all team members mitigated this concern. By working from home, our employees are avoiding public transport and public spaces and therefore minimising the probability of catching Covid-19. The recent roll-out of a new VPN system and imminent roll-out of a new cloud-based telephony set-up will further improve our homeworking capabilities.

The loss of all budgeted in-person fundraising initiatives (eg chef dinners, sports challenges) has put our ability to fundraise at risk. We have responded by fast-tracking our planned move to a fundraising model based on third-party, consumer-pays activity. Our Invisible Chips" campaign (0% fat, 100% charity) is the latest example of this kind of activity and has already been adopted by c250 hospitality venues. We have also held our first ever virtual fundraising event: our 20,000 Mile Challenge, which raised c.£80,000 this summer, and will explore this approach further.

The increasing numbers of hospitality business closures and redundancies puts the profitability of our Employee Assistance Programme at risk. Despite this, the programme was only -£13k versus budget at the end of 2020. We running a major awareness campaign in H1 2021, aimed at growing the client base to backfill client attrition and decreasing employee numbers. We have seen some new business during Lockdown; and we remain confident that we can convert more new business in future. NB EAP income was £8k ahead of budget by Q1 2021.

As the number of hospitality redundancies grows, so the risk grows that we will receive an unsustainable number of applications for support from around the industry. We are building financial resilience through the means outlined above. By the end of 2020, we had replaced lost revenue streams with new streams, ones that carry lower costs, and had delivered our highest ever revenue for a calendar year. By continuing our efforts to grow awareness of our work around the industry and among its customer base, we are taking positive steps towards futureproofing our income streams.

Equal Opportunities Statement For Employees

Hospitality Action is strongly committed to equal opportunities for all. Every possible step will be taken to ensure that individuals are treated equally and fairly and that decisions on recruitment, selection and training of employees are based on solely objective and role related criteria regardless of their age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

Our policy is to respect both the spirit and the letter of the laws regarding equality of opportunity and non-discrimination in Hospitality Action's activities and to value the diversity of individuals throughout the community. We consider this to be an integral part of our ethos when recruiting employees to Hospitality Action.

This commitment extends to all areas, both within the working environment, as well as in relation to social and recreational programmes.

No employee or potential employee will be disadvantaged by any conditions of employment or requirements that cannot be justified as necessary on operational grounds.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)
Equal Opportunities Statement For Employees (continued)

Decisions about appointments, training, developments and promotion will be made on the basis of merit or ability.

All employees and volunteers are expected to support and co-operate in these efforts to ensure equal opportunity for all.

Any complaints of discrimination will be dealt with under Hospitality Action's Complaints Procedure.

Any employee who conducts himself or herself in a discriminatory manner (whether on the grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation) towards another employee, beneficiary or member of the public will be guilty of gross misconduct and will be subject to disciplinary action.

Fundraising Statement

Due to Covid we were forced, in March, to cancel all of our fundraising events and campaigns for 2020. As a result, we had to very quickly remodel our income streams to galvanise support in order to raise essential funds. We activated an emergency online donation appeal via our website; held a virtual challenge using the platform Umbali.org; encouraged other individual fundraising using both Justgiving and Virgin Money Giving; onboarded suppliers and operators with third party fundraising; activated our Invisible Chips Campaign; approached Trusts and Foundations for funding and via two key supporters held two large online auctions via Givergy. No moneys were raised by public, on street collections.

When collecting monies, we at all times adhere to GDPR best practice guidelines. We renew our PCI DSS Compliance annually. We adhere to the conditions that credit card details should not be stored or sent electronically, and are to be destroyed as soon as a payment is processed. We do not store credit card details in any form. And as soon as the fundraising team has processed a credit card payment, they destroy the card details. Our compliance requirements are relatively light since any receipts via our website are via PayPal and we are not an e-commerce provider.

We are members of the Association of Charitable Organisations (ACO) and the Fundraising Regulator and follow and track their fundraising due diligence recommendations and code. Hospitality Action has not received any complaints about its fundraising activities.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Trustees' Responsibilities

The Trustees, who are also the directors for the purposes of Company Law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & 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 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 directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors also confirm that:-

- ♦ So far as each director is aware, there is no relevant information of which the company's auditors are unaware; and
- ♦ Each director has taken all steps that he/she ought to have taken to make himself/herself aware of any relevant matters and to ensure that the company's auditors are aware of such information.

Approved by order of the board of Trustees and signed on its behalf by



Chairman

Approved by the board of trustees on 8th June 2021

Independent auditor's report to the members of Hospitality Action

Opinion

We have audited the financial statements of Hospitality Action for the year ended 31 December 2020, which comprise the consolidated statement of financial activities, the charity-only statement of financial activities, the consolidated and charity-only balance sheets, the consolidated statement of cash flows and the 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 United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2020 and of the group's income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Trustee's Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the trustees' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- ◆ We obtained an understanding of the legal and regulatory frameworks applicable to the charity and the sector in which it operates. We determined that the following laws and regulations were most significant: Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.
- ◆ We understood how the charity is complying with those legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of Board minutes and papers provided to the Audit, Risk and Compliance Committee.
- ◆ We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - ◇ Identifying and assessing the design effectiveness of controls in place to prevent and detect fraud;

Independent auditor's report Year ended 31 December 2020

- ◇ Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- ◇ Challenging assumptions and judgements made by management in its significant accounting estimates;
- ◇ Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and
- ◇ Assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the relevant financial statement item to which they relate.

We did not identify any irregularities, including fraud.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



29.7.2021

Hugh Swainson (Senior Statutory Auditor)

For and on behalf of Buzzacott LLP, Statutory Auditor

130 Wood Street

London

EC2V 6DL

Consolidated statement of financial activities (including an income and expenditure account)
Year ended 31 December 2020

				Year ended 31 December 2020 £	Unrestricted funds £	Restricted funds £	Year ended 31 December 2019 £
Notes	Unrestricted funds £	Restricted funds £		Unrestricted funds £	Restricted funds £		
Income and endowments from:							
<i>Donations and legacies</i>							
Donations	1	2,097,640	415	2,098,055	222,604	13,411	236,015
Donated services and facilities	1	61,250	—	61,250	65,000	—	65,000
Members donations		13,297	—	13,297	15,922	—	15,922
Grants receivable	2	18,430	121,500	139,930	27,179	107,500	134,679
<i>Other trading activities</i>							
Fundraising events		166,700	—	166,700	925,653	—	925,653
<i>Charitable activities</i>							
Employee assistance programme		626,504	—	626,504	603,541	—	603,541
Investments	3	136,616	—	136,616	199,079	—	199,079
Total		3,120,437	121,915	3,242,352	2,058,978	120,911	2,179,889
Expenditure on:							
<i>Raising funds</i>							
Cost of raising voluntary income		596,918	—	596,918	252,907	—	252,907
Fundraising events and activities		33,174	—	33,174	547,428	—	547,428
Investment management fees		19,296	—	19,296	20,825	—	20,825
Sub-total		649,388	—	649,388	821,160	—	821,160
<i>Charitable activities</i>							
Welfare	4, 6	1,727,234	70,066	1,797,300	1,060,530	71,580	1,132,110
Employee assistance programme	4	393,887	—	393,887	425,692	—	425,692
Other support and advice	4	—	—	-	—	18,253	18,253
Sub-total		2,121,121	70,066	2,191,187	1,486,222	89,833	1,576,055
Total	4	2,770,509	70,066	2,840,575	2,307,382	89,833	2,397,215
Net income/(expenditure) before net (losses)/gains on investments		349,928	51,849	401,777	(248,404)	31,078	(217,326)
Net (losses)/ gains on investments	11	(142,968)	—	(142,968)	571,274	—	571,274
Net income		206,960	51,849	258,809	322,870	31,078	353,948
Transfer between funds	14	—	—	-	—	—	—
Net movement in funds		206,960	51,849	258,809	322,870	31,078	353,948
Reconciliations on fund:							
Fund balances brought forward		6,586,925	56,874	6,643,799	6,264,055	25,796	6,289,851
Fund balances carried forward		6,793,885	108,723	6,902,608	6,586,925	56,874	6,643,799

The notes on pages 27 to 36 form part of these financial statements.

Statement of financial activities (charity only) Year ended 31 December 2020

	Year ended 31 December 2020 £			Year ended 31 December 2019 £		
	Unrestricted funds £	Restricted funds £		Unrestricted funds £	Restricted funds £	
Income and endowments from:						
<i>Donations and legacies</i>						
Donations	2,097,640	415	2,098,055	222,604	13,411	236,015
Gift Aid from subsidiary company	177,849	—	177,849	210,541	—	210,541
Donated services and facilities	61,250	—	61,250	65,000	—	65,000
Members donations	13,297	—	13,297	15,922	—	15,922
Grants receivable	18,430	121,500	139,930	27,179	107,500	134,679
<i>Other trading activities</i>						
Fundraising events	166,700	—	166,700	925,653	—	925,653
Investments	136,616	—	136,616	199,079	—	199,079
Total	2,671,782	121,915	2,793,697	1,665,978	120,911	1,786,889
Expenditure on:						
<i>Raising funds</i>						
Cost of raising voluntary income	596,918	—	596,918	252,907	—	252,907
Fundraising events and activities	33,174	—	33,174	547,428	—	547,428
Investment management fees	19,296	—	19,296	20,825	—	20,825
Sub-total	649,388	—	649,388	821,160	—	821,160
<i>Charitable activities</i>						
Welfare	1,727,234	70,066	1,797,300	1,060,530	71,580	1,132,110
Support and advice	—	—	—	—	18,253	18,253
Sub-total	1,727,234	70,066	1,797,300	1,060,530	89,833	1,150,363
Total	2,376,622	70,066	2,446,688	1,881,690	89,833	1,971,523
Net income/(expenditure) before net (losses)/gains on investments	295,160	51,849	347,009	(215,712)	31,078	(184,634)
Net (losses)/gains on investments	(142,968)	—	(142,968)	571,274	—	571,274
Net income	152,192	51,849	204,041	355,562	31,078	386,640
Transfer between funds	—	—	—	—	—	—
Net movement in funds	152,192	51,849	204,041	355,562	31,078	386,640
Reconciliations on fund:						
Fund balances brought forward	6,409,076	56,874	6,465,950	6,053,514	25,796	6,079,310
Fund balances carried forward	6,561,268	108,723	6,669,991	6,409,076	56,874	6,465,950

Balance sheet Year ended 31 December 2020

	Notes	2020		2019	
		Group £	Charitable Company £	Group £	Charitable Company £
Fixed assets					
Tangible assets	9	923,437	923,437	886,819	886,819
Intangible assets	10	73,211	73,211	58,219	58,219
Investments	11	5,579,410	5,579,410	5,925,613	5,925,613
		6,576,058	6,576,058	6,870,651	6,870,651
Current assets					
Debtors	12	176,668	76,914	238,805	102,713
Cash at bank and in hand		1,029,289	906,121	36,548	21,104
		1,205,957	983,035	275,353	123,817
Liabilities					
Creditors: amounts falling due within one year	13	(879,407)	(889,102)	(502,205)	(528,518)
Net current assets (liabilities)		326,550	93,933	(226,852)	(404,701)
Net assets		6,902,608	6,669,991	6,643,799	6,465,950
Funds:					
Restricted funds	15	108,723	108,723	56,874	56,874
Unrestricted funds:					
General funds		—	—	—	—
Subsidiary		232,617	—	177,849	—
Designated funds (fixed assets and investments) including a revaluation reserve of £565,306 (2019: £718,016)		6,561,268	6,561,268	6,409,076	6,409,076
		6,902,608	6,669,991	6,643,799	6,465,950

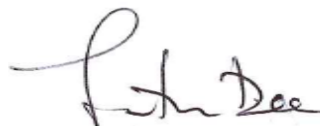
The notes on pages 27 to 36 form part of these financial statements.

The financial statements were approved and authorised for issue by the board of the Trustees and signed on their behalf by:



William Baxter

Chairman



Jon Dee

Treasurer



Mark Lewis

Chief Executive

Approved on 8th June 2021

Consolidated statement of cash flows Year ended 31 December 2020

	Notes	2020 £	2019 £
Net cash flows from operating activities:			
Net cash used in operating activities	A	744,059	(448,350)
Cash flows from investing activities:			
Investment income		136,616	199,079
Payment to acquire tangible and intangible fixed assets		(91,169)	(105,662)
Proceeds from sales of investments		2,517,983	1,301,584
Payments to acquire investments		(2,314,748)	(1,110,865)
Net cash provided by investing activities		248,682	284,136
Change in cash and cash equivalents for the year		992,741	(164,214)
Cash and cash equivalents at the start of the year		36,548	200,762
Cash and cash equivalents at the end of the year	B	1,029,289	36,548

A Reconciliation of net income (expenditure) to net cash used in operating activities

	2020 £	2019 £
Net income (expenditure)	266,964	353,948
Depreciation and amortisation	39,559	17,773
Losses (Gains) on investments	142,968	(571,274)
Investment income	(136,616)	(199,079)
Decrease (increase) in debtors	62,137	(103,443)
Increase in creditors	369,047	53,725
Net cash used in operating activities	744,059	(448,350)

B Analysis of cash and cash equivalents

	2019 £	Cash flow £	2020 £
Cash at bank and in hand	36,548	992,741	1,029,289

C Analysis of changes in net debt

	At 1 January £	Cash flows £	At 31 December £
Cash at bank and in hand	36,548	992,741	1,029,289
Total net debt	36,548	992,741	1,029,289

Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), and with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The financial statements are presented in sterling and rounded to the nearest pound.

The charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value. Investments are restated at fair value at the balance sheet date.

All transactions are derived from continuing activities. All recognised gains and losses are included in the Statement of Financial Activities. These accounts consolidate the results, assets and liabilities of Hospitality Action's subsidiary company on a line by line basis.

Critical accounting estimates and areas of judgement

There are no areas of material estimation uncertainty affecting the accounts and no significant areas of judgment affecting the figures, aside from the following:

- ♦ The full impact following the recent emergence of the global coronavirus pandemic is still unknown. It is therefore not currently possible to evaluate all the potential implications for the charity's beneficiaries, funding, suppliers and the wider economy.

Going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect of a period of one year from the date of approval of these financial statements. In making this decision, the trustees have taken into consideration the risks and uncertainties arising from the Coronavirus pandemic (as highlighted in the trustees' report).

The trustees have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. With regard to the next accounting period, the year ending 31 December 2021, the most significant areas that affect the carrying value of the assets held by the Trust are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the trustees report for more information).

Fund accounting

Unrestricted funds comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of the Trustees in furtherance of the general charitable objectives.

Restricted funds comprise monies raised for, and their use restricted to, a specific purpose, or donations subject to donor imposed conditions.

Designated funds represent those funds which the trustees have earmarked for specific purposes and equate to the carrying value of the charity's fixed assets.

Income

Income is recognised on a receivable basis and principally comprises grants, events income, income from the delivery of services and donations receivable.

Donated services and facilities (gifts in kind) are included in the financial statements at the best estimate of the value to the charity.

Legacy income is recognised when the criteria of entitlement, probability and measurability have been met.

Expenditure recognition

Expenditure including irrecoverable VAT is charged to the Statement of Financial Activities on an accruals basis. Direct costs are allocated to the activity headings to which they relate. Support costs relate to indirect costs including the costs of governance. These are directly allocated where possible and otherwise apportioned on a consistent basis.

Grants

Grants expenditure is recognised when there is a constructive obligation to pay monies to a beneficiary, that is, when the charity has notified the beneficiary of the payment of the grant. It includes the payment of monetary grants to beneficiaries, expenditure made in providing beneficiaries with goods and services and the costs of distributing and administering such direct provision. The cost of such provision, and that in respect of monetary grants in particular, is recognised as it becomes payable according to the Charity's rules.

Tangible fixed assets

Tangible assets are shown at cost less provision for depreciation. Provision is made for depreciation on all tangible assets at rates calculated to write off the cost, less estimated residual value over their useful lives which are estimated to be:

Leasehold property	over the length of the lease
Furnishing	20% straight line
Office refurbishment	10% straight line
Computer equipment	33% straight line

Investments

Investments are restated at fair value as at the balance sheet date. Investment gains and losses are disclosed in the Statement of Financial Activities.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Pension costs

The Charity operates a stakeholder pension scheme. Contributions are charged to expenditure as they fall due.

Financial instruments

The charity only holds basic financial instruments as defined by FRS102. The financial assets and liabilities of the charity are as follows:

Financial assets – donations due and trade debtors are basic financial instruments and are debt instruments measured at amortised cost. Investments are basic financial instruments held at fair value. Accrued income and prepayments are not financial instruments.

Cash at bank and short term deposits are classified as basic financial instruments and measured at face value.

Financial liabilities – trade creditors, grants payable, and accruals are financial instruments and are measured at amortised cost. Social security and other taxes are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability as the cash settlement has already taken place and there is no obligation to deliver services rather than cash or another financial instrument.

1 Donations

	2020 £	2019 £
Unrestricted		
Amanda Hyndman	11,000	—
Antonio Carluccio Foundation	25,000	—
Barclays Community Foundation	100,000	—
BeerHawk	102,192	—
Burger King UK	20,000	—
Bidfood	37,690	32,456
Bleecker Burgers	—	13,055
Compass	18,333	1,667
CVC Strategic Opportunities	91,779	—
Jagermeister	10,778	—
LVMH	167,572	—
Master Innholders Charitable Trust	12,500	—
Master of Malt	210,775	—
No15 Grand Pulteney	11,765	—
Olleco	—	25,604
Papa John's	22,936	—
Park Plaza Westminster Bridge	75,600	—
Savoy Educational Trust	50,000	—
Scents of Normality	12,015	—
Sketch	17,234	41,753
StreetSmart	—	11,000
Tabasco	20,000	—
The Dorchester Collection	25,000	—
The Vintners Company	100,000	—
The Worshipful Company of Cooks	30,000	—
Unilever	17,400	—
Other donations	908,071	97,069
Total unrestricted donations	2,097,640	222,604
Restricted		
Alcohol & Drug Awareness Programme	415	13,411
Total donations	2,098,055	236,015
Donated services and facilities		
The Caterer	37,000	37,000
Design & creative	11,250	15,000
Staff Canteen	13,000	13,000
Mercieca	—	—
Other	—	—
Total gifts in kind	61,250	65,000

2 Grants receivable

	2020 £	2019 £
Unrestricted:		
Worshipful Company of Innholders	10,000	10,000
Society of Golden Keys	6,185	13,731
Master Innholders	2,245	2,448
Others	—	1,000
Total unrestricted grants	18,430	27,179
Restricted fund:		
Drug and Alcohol awareness programme/welfare		
Savoy Educational Trust	50,000	42,000
Worshipful Company of Innholders	70,000	64,000
Excel Trust	1,500	1,500
Total restricted grants	121,500	107,500
Total grants	139,930	134,679

3 Investment income

	2020 £	2019 £
From listed investments	136,546	198,995
Interest on cash deposits	70	84
	136,616	199,079

4 Expenditure

Analysis of 2020 expenditure	Notes	Grants	Other direct costs £	Support costs £	Total 2020 £
Raising funds:					
Cost of raising voluntary income		—	375,945	220,973	596,918
Fundraising events and activities		—	33,174	—	33,174
Investment management		—	19,296	—	19,296
Charitable activities:					
Welfare	6	1,328,708	219,680	248,912	1,797,300
Employee assistance programme		—	332,829	61,058	393,887
Total		1,328,708	980,924	530,943	2,840,575

Analysis of 2020 support costs

	Expenditure on raising funds £	Expenditure on charitable activities £	Total 2020 £
Staff costs	176,828	250,318	427,146
Office rent and shared office costs	44,145	59,652	103,797
	220,973	309,970	530,943

4 Expenditure (continued)

Analysis of 2019 expenditure	Notes	Grants	Other direct costs £	Support costs £	Total 2019 £
<i>Raising funds:</i>					
Cost of raising voluntary income		—	284,111	74,902	359,013
Fundraising events and activities		—	289,247	152,075	441,322
Investment management		—	20,825	—	20,825
<i>Charitable activities:</i>					
Welfare	6	732,752	198,076	201,282	1,132,110
Employee assistance programme		—	370,042	55,650	425,692
Other advice and support		—	18,253	—	18,253
Total		732,752	1,180,554	483,909	2,397,215

Analysis of 2019 support costs

	Expenditure on raising funds £	Expenditure on charitable activities £	Total 2019 £
Staff costs	186,839	213,193	400,032
Office rent and shared office costs	40,138	43,739	83,877
	226,977	256,932	483,909

The allocation of support costs is on a per capita basis, having regard to time spent by staff on either fundraising or charitable activities.

5 Analysis of governance costs

	2020 £	2019 £
Audit fees	13,094	12,565
Legal and professional	1,026	926
Trustees expenses	24	1,138
Other	9,795	2,214
	23,939	16,843

6 Welfare expenditure

	2020 £	2019 £
Top up grants	61,074	67,132
Essential needs grants	265,604	462,191
Short term crisis grants	55,371	82,203
Christmas grants	26,621	20,579
Winter fuel grants	60,600	59,400
Covid-19 grants	834,900	—
TV licence and phone grants	2,953	3,966
Golden Friends' scheme	8,537	10,813
School uniform Grants	—	13,140
Other grants	13,048	12,944
Volunteers' expenses	—	384
	1,328,708	732,752
Grant management and other beneficiary support services	468,592	399,358
Total cost of grant making and other beneficiary support services	1,797,300	1,132,110

7 Employees and staff costs

	2020 Number	2019 Number
The average number of persons employed by the Charity during the year	15	15

Staff costs were as follows:

	2020 £	2019 £
Wages and salaries	670,667	644,067
Social security costs	74,445	70,232
Pension costs	66,695	64,681
	811,807	778,980

1 employee received remuneration in the range of £70,000 - £80,000 (2019: one).

1 employee received remuneration in the range of £110,000 - £120,000 (2019: one).

No other employees received remuneration in excess of £60,000 (2019: none)

The charity considers that the Key Management Personnel for financial reporting purposes comprises the trustees and the Chief Executive. The total Key Management Remuneration, including employer's national insurance and pension contributions, was £155,019 (2019: £138,401).

Trustees' remuneration and reimbursed expenses

No Trustees received remuneration for their services in either 2019 or 2020. In 2020 £24 was spent relating to a trustee strategy day.

8 Net movement in funds

	2020 £	2019 £
This is stated after charging:		
Depreciation	15,596	5,213
Amortisation	23,963	12,560
Auditors' remuneration:		
. Parent charitable company audit	9,500	9,000
. Subsidiary company audit	1,700	1,500
. Other (tax)	1,500	1,500

9 Tangible fixed assets – group and charitable company

	Leasehold property £	Office refurbishments £	Furniture and fittings £	Office and other equipment £	Total £
Cost					
At 31 December 2019	863,339	65,665	31,470	135,618	1,096,092
Additions	-	50,400	512	1,302	52,214
At 31 December 2020	<u>863,339</u>	<u>116,065</u>	<u>31,982</u>	<u>136,920</u>	<u>1,148,306</u>
Depreciation					
At 31 December 2019	11,440	65,665	31,316	100,852	209,273
Charge for the year	880	1,260	140	13,316	15,596
At 31 December 2020	<u>12,320</u>	<u>66,925</u>	<u>31,456</u>	<u>114,168</u>	<u>224,869</u>
Net book value					
At 31 December 2020	<u>851,019</u>	<u>49,140</u>	<u>526</u>	<u>22,752</u>	<u>923,437</u>
At 31 December 2019	<u>851,899</u>	<u>—</u>	<u>154</u>	<u>34,766</u>	<u>886,819</u>

The depreciation charge on the long leasehold property reflects the length of the leasehold which is 978 years.

10 Intangible fixed assets – group and charitable company

	Total £
Cost	
At 31 December 2019	70,779
Additions	38,955
At 31 December 2020	<u>109,734</u>
Amortisation	
At 31 December 2019	12,560
Charge for the year	23,963
At 31 December 2020	<u>36,523</u>
Net book value	
At 31 December 2020	<u>73,211</u>
At 31 December 2019	<u>58,219</u>

11 Investments – group and charitable company

	2020 £	2019 £
Market value		
As at 1 January	5,925,613	5,545,058
Additions at cost	2,314,748	1,110,865
Disposals	(2,517,983)	(1,301,584)
Realised losses	(17,776)	(8,576)
Unrealised (losses) gains	(125,192)	579,850
As at 31 December	5,579,410	5,925,613
Analysed as follows:		
United Kingdom investments	2,016,585	3,892,201
Non-United Kingdom investments	3,120,107	1,948,660
Cash and commodities held for investment	442,718	84,752
	5,579,410	5,925,613
Historical cost	5,014,104	5,207,597

The following holdings exceed 5% of portfolio value - Trojan Income Fund (6%), Charity Equity Income Fund (5%), Vanguard FTSE UK All Share Index Fund Fund (9%), and the Charities Property Fund (7%). The cash balances are not available for day to day transactions but are for the trading of investment assets.

12 Debtors

	Group 2020 £	Charitable company 2020 £	Group 2019 £	Charitable company 2019 £
Fundraising debtors	—	—	25,338	25,338
Trade debtors	99,744	—	127,953	—
Prepayments and accrued income	76,924	76,914	85,514	77,375
	176,668	76,914	238,805	102,713

13 Creditors: amounts falling due within one year

	Group 2020 £	Charitable company 2020 £	Group 2019 £	Charitable company 2019 £
Grants approved but unspent at year end	13,361	13,361	45,561	45,561
Trade creditors	36,194	18,205	85,937	15,570
Taxation and social security	20,756	20,756	18,194	18,194
Accruals and deferred income	257,275	103,034	308,582	95,411
Loan from Cazenove*	500,080	500,080	—	—
Amounts due to trading subsidiary	—	181,925	—	309,851
Amounts due to related charity (note 21)	51,741	51,741	43,931	43,931
	879,407	889,102	502,205	528,518

Notes to the financial statements Year ended 31 December 2020

Deferred income comprises:

	2019 £
Balance at the beginning of the year	223,338
Amount released to income in the year	(223,338)
Amount deferred in the year	179,975
Balance at the end of the year	179,975

Income is deferred until the charity has met any performance related conditions attached to the income.

* The loan was drawn down in June 2020 and is subject to 1.5% interest per annum. The loan may be paid back in instalments over five years.

14 Unrestricted funds

	Balance at 31 December 2019 £	Income £	Expenditure £	Transfers £	Gains on investments £	Balance at 31 December 2020 £
Charity						
General	—	2,493,933	(2,337,063)	(156,870)	—	—
Designated	6,409,076	—	(39,559)	334,719	(142,968)	6,561,268
Subsidiary company	177,849	626,504	(393,887)	(177,849)	—	232,617
Total	6,586,925	3,120,437	(2,770,509)	—	(142,968)	6,793,885

Transfers from the subsidiary company fund to the general fund relate to the payment of the company's profit to the parent charity via a gift-aided donation. Transfers from designated funds to general funds are made to cover the charity's general day-to-day expenses.

Comparative information

	Balance at 31 December 2018 £	Income £	Expenditure £	Transfers £	Gains on investments £	Balance at 31 December 2019 £
Charity						
General	—	1,455,437	(1,863,917)	408,480	—	—
Designated	6,053,514	—	(17,773)	(197,939)	571,274	6,409,076
Subsidiary company	210,541	603,541	(425,692)	(210,541)	—	177,849
Total	6,264,055	2,058,978	(2,307,382)	—	571,274	6,586,925

15 Restricted funds

	Balance at 31 December 2019 £	Income £	Expenditure £	General fund Transfers £	Balance at 31 December 2020 Total £
Welfare	19,716	71,500	(70,066)	—	21,150
Alcohol and drug awareness	37,158	50,415	—	—	87,573
	56,874	121,915	(70,066)	—	108,723

Comparative information

	Balance at 31 December 2018 £	Income £	Expenditure £	General fund Transfers £	Balance at 31 December 2019 Total £
Welfare	25,796	65,500	(71,580)	—	19,716
Alcohol and drug awareness	—	55,411	(18,253)	—	37,158
	25,796	120,911	(89,833)	—	56,874

The Alcohol and Drug Awareness Programme represents a programme of seminars to students in the hospitality industry on the dangers of drug and alcohol abuse.

Welfare covers three specific programmes: the Golden Friends scheme, Winter Fuel grants and phone line rentals.

16 Pensions obligations

Stakeholder pensions

The Charity operates a stakeholder pension scheme. The assets of the scheme are held separately from those of the Charity, being invested with an insurance company.

	2020 £	2019 £
Total employer cost	66,695	64,681

17 Analysis of net assets between funds

	General funds £	Designated funds £	Restricted funds £	Total 2020 £	Total 2019 £
Fund balances at 31 December 2020 are represented by:					
Tangible assets	—	996,648	—	996,648	945,038
Investments	—	5,579,410	—	5,579,410	5,925,613
Net current assets	—	217,827	108,723	326,550	(226,852)
Net assets	—	6,793,885	108,723	6,902,608	6,643,799

Comparative information

	General funds £	Designated funds £	Restricted funds £	Total 2019 £
<i>Fund balances at 31 December 2019 are represented by:</i>				
Tangible assets	—	945,038	—	945,038
Investments	—	5,925,613	—	5,925,613
Net current assets	—	(283,726)	56,874	(226,852)
Net assets	—	6,586,925	56,874	6,643,799

18 Financial instruments

	Group 2020 £	Charitable company 2020 £	Group 2019 £	Charitable company 2019 £
Financial assets held at fair value	5,579,410	5,579,410	5,925,613	5,925,613
Financial assets held at amortised cost	99,744	—	153,291	25,338
Financial liabilities held at amortised cost	(850,496)	(868,346)	(449,045)	(510,324)

19 Taxation

Hospitality Action is a registered charity and therefore is not liable to income tax or corporation tax on income or gains derived from its charitable activities, as they fall within the various exemptions available to registered charities. Whilst the Charity's trading subsidiary company is not exempt from corporation tax on its taxable profits it is not expected that any taxation will arise as it is the intention of the company's directors to donate any such profits to the parent Charity.

20 Subsidiary undertaking

The subsidiary undertaking is Hospitality Action (Trading) Limited (registered company 03332706) which is incorporated in England and had net assets of £232,627 as at 31 December 2020 (31 December 2019: net assets of £177,859). In the year ended 31 December 2020 it had turnover of £626,504 (year ended 31 December 2019: £603,541) and expenditure of £393,887 (year ended 31 December 2019: £425,692). It will gift aid its taxable profit to the parent charity in 2021.

21 Related charity

The Charity was incorporated in 2003 and took over the majority of the assets of an unincorporated charity also known as Hospitality Action (Charity Number 208855). The unincorporated charity continues to own a leasehold flat which is occupied by an assured tenant.

22 Related party

The Charity holds 20% of the shares of 62 Britton Street Ltd, a company, which holds the Charity's interest in the freehold of its premises. There are no outstanding balances between the Charity and the company.

23 Other related party transactions

Owing to the nature of the charity's operations and the composition of the Board of Trustees being drawn from the hospitality sector, it is inevitable that transactions will take place with organisations in which a member of the Board of Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and on normal business terms.