

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

	Year ended 31 December 2023 £			Year ended 31 December 2022 £		
	Unrestricted funds £	Restricted funds £		Unrestricted funds £	Restricted funds £	
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

	Notes	Grants	Other direct costs £	Support costs £	Total 2023 £
Analysis of 2023 expenditure					
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

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>		<u>824,589</u>	<u>1,460,640</u>	<u>566,266</u>	<u>2,851,495</u>

<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
	<u>255,586</u>	<u>310,680</u>	<u>566,266</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

	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
	<u>35,532</u>	<u>35,887</u>

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	5,935,394	5,739,357
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
	5,935,394	5,739,357
Historical cost	5,297,397	5,324,743

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
	666,272	423,406	433,647	569,180

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
	810,873	509,283	672,124	263,665

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.