

The Innholders' Charitable Foundation
Trustee's Report and Financial Statements
For the Year Ended 30 September 2022

The Innholders' Charitable Foundation

Contents

	Page
Reference and Administrative Details of the Charity, its Trustee and Advisers	1 - 2
Trustee's Report	3 - 9
Independent Auditor's Report on the Financial Statements	10 - 13
Statement of Financial Activities	14
Balance Sheet	16
Statement of Cash Flows	17
Notes to the Financial Statements	18 - 27

The Innholders' Charitable Foundation

Reference and Administrative Details of the Charity, its Trustee and Advisers For the Year Ended 30 September 2022

Trustee	The Worshipful Company of Innholders
Charity registered number	1158457
Principal office	Innholders' Hall 30 College Street London EC4R 2RH
The members of the Court of Assistants are:	
Master	Mr DC Brann
Upper Warden	Mr I Mullins
Middle Warden	Mr TS Richardson
Renter Warden	Sir JGM Wates CBE
Court Assistants	Mr IJ White Mr T J Mellery-Pratt Mr AJ Brighton Mr AFG Groom FRCS Mrs JL Sibley MBE Mr CH Attlee Mr NW Rettie FIH MI The Rev'd Cannon WJ Christianson FNI Mr K Harrison The Rt Hon The Viscount Thurso PC FIH MI Mr AG McKenzie FIH MI Dr RJ Wylde FREng Mr C Chaplin Mr D Morgan-Hewitt FIH MI Mr S Molony Mr NH Fox Mrs Beth Aarons (from 5 October 2021) Mr J D Beck (from 1 November 2022) Mr JP Essenhigh Mrs AS Jeffs

The Innholders' Charitable Foundation

Reference and Administrative Details of the Charity, its Trustee and Advisers
For the Year Ended 30 September 2022

Independent auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Lloyds Banking Group Plc 2nd Floor 39 Threadneedle Street London EC2R 8AU C. Hoare & Co 37 Fleet Street London EC4Y 1BT
Solicitors	Cripps LLP 12 Mount Ephraim Tunbridge Wells TN4 8AS
Investment Manager	Cazenove Capital 1 London Wall Place London EC2Y 5AU

The Innholders' Charitable Foundation

Trustee's Report For the Year Ended 30 September 2022

The Worshipful Company of Innholders ("the Company") is a City Livery Company founded under Royal Charter in 1514 and is represented by its Court of Assistants. The Court of Assistants ("the Court") acts on behalf of the Company, which is the sole Corporate Trustee ("the Trustee") of the Innholders' Charitable Foundation ("the Foundation").

The Trustee presents its annual report together with the audited financial statements of the Foundation for the year 1 October 2021 to 30 September 2022.

A. Objectives and Activities

Objects

The objects of the Foundation reflect those of the seven unincorporated charities which were amalgamated into the Foundation when it was established.

The objects of the Foundation are:

i) The Young and Furtherance of Education

To advance the education for the public benefit, in such ways as the Trustee sees fit including awarding scholarships, bursaries or similar awards to young people, particularly but not exclusively those from the Greater London area, and pupils attending schools owned and operated by the Licensed Trade Charity, and such other schools and educational establishments as the Trustee may, from time to time, see fit to support.

ii) The Elderly and their Welfare

To relieve financial hardship, sickness and poor health amongst elderly persons, particularly but not exclusively, those formerly employed within the hospitality industry by the provision of grants and helping in the development of nursing staff employed in the care and nursing of such persons.

iii) General Charitable Purposes

Such other charitable purposes for the public benefit as are exclusively charitable according to the laws of England and Wales as the Trustee may from time to time determine.

The Foundation also supports the advancement of the hospitality industry in recognition of the Company's historic links with the sector.

Meeting the Charitable Objectives

The Trustee is satisfied that its procedures ensure that recipients of its grants are identified, and awards are allocated and distributed, in a fair way. While traditional links between a particular charity and the recipients of charitable support are, wherever possible, maintained, care is exercised to ensure that a recipient is not able to claim a right to charitable support.

Activities during the Year under Review:

i) The Young and Furtherance of Education

In a 50/50 partnership with the City of London Corporation, the Foundation continues to fund places at each of the City of London Schools for exceptional candidates nominated and means-tested by the schools. In the year under review this funding was £51,326. The Foundation also continued as a Donation Governor of Christ's Hospital. This year the Foundation's funding of £8,000 continued to support a scholarship for the BTEC Subsidiary Diploma in Hospitality at the Licensed Victuallers' School, to encourage students wishing to develop a career in the hospitality industry to join the course.

The Foundation made a further grant of £25,000 to Teach-First to support the 'Leading Together' programme, which provides leadership development for state schools most badly affected by the Covid-19 pandemic. The Foundation also made a grant of £7,500 to the London Academy of Excellence to provide extra-curricular and enrichment activities to students in the school's sixth form in support of their career development and university applications.

The Innholders' Charitable Foundation

Trustee's Report (continued) For the Year Ended 30 September 2022

An award of £1,000 was made to a new pan-livery programme put together by Livery Schools Link which aims to identify and support under-resourced London state schools. It is hoped that long term relationships with such schools will develop from this initiative.

The Foundation has continued to fund two bursaries of £5,000 each at the Guildhall School of Music and Drama the only conservatoire in the City of London. It also renewed its support to the London Music Fund, sponsoring the music tuition of a primary school pupil for four years at a cost of £1,000 per year. The London Symphony Orchestra received £5,000 to support its 'Music in the Classroom' programme.

The Foundation continued to support Jamie's Farm with the third tranche of a three-year grant of £25,000 pa towards the rental costs of a fourth farm in Lewes. An award was made to the Amy Winehouse Foundation of £5,000 to support its work developing resilience among young people through schools.

ii) *The Elderly and their Welfare*

In continuation of its support to the elderly and the wider hospitality community, the Foundation made awards of £10,000 each to Hospitality Action, the Licensed Trade Charity and The Drinks Trust for relief-in-need grants to former employees of the hospitality industry and drinks trade.

The Foundation continues to fund projects in support of the elderly. A grant was made to Hospitality Action in the year of £44,000 to provide supplementary winter fuel grants to the elderly. A further £21,000 went to Hospitality Action's 'Golden Friends' scheme to fund its newsletter together with £15,000 to support a 'digital upskilling' project for its members.

The Licensed Trade Charity was awarded £20,880 towards its work supporting workers in the hospitality trade with mental health and resilience training and counselling.

iii) *Hospitality Industry*

The Innholder Scholarship Programme is the biggest of all the projects within the Foundation's support to the hospitality industry. Following its suspension for a year during the pandemic, the programme recommenced during the latter part of 2021 with the selected scholars attending their courses during 2022. Nine students attended the course at Cranfield and 3 students attended Cornell. Of the total expenditure on the programme of around £130,000, £80,000 was funded by contributions from the Savoy Educational Trust (£50,000), the Master Innholders Charitable Trust (£20,000) and the Lord Forte Foundation (£10,000) with the total support given by the Innholders Foundation for the year being approximately £50,000.

The Foundation continued its relationship with the Springboard Charity by awarding £5,141 towards a summer school for young people interested in pursuing a career in hospitality. £5,000 was awarded to the Royal Academy of Culinary Arts for the Adopt A School programme for the second of three years. Encouragement was offered for student chefs and serving staff through an award of £1,200 to the Wessex Salon Culinaire – a two day competition programme organized by the Craft Guild of Chefs.

The promotion of the hotel industry as a career choice through the development of The Hoteliers' Charter, members of which commit to providing a workplace environment built on the foundations of respect, fairness, equality, diversity and opportunity; and to placing colleagues' wellness and career development at the heart of our operations, was supported with an award of £5,000. In recognition of the Innholders' origins in the licensed trade, £16,000 was paid to the Plunkett Foundation, a national charity that supports rural communities across the UK to tackle the issues they face through community businesses, in support of its 'Inn It Together' campaign supporting rural pub ownership by communities.

The Innholders' Charitable Foundation

Trustee's Report (continued) For the Year Ended 30 September 2022

iv) *General*

A further award of £15,000 was made to The Big Issue Foundation during the year towards the salary costs of a London Frontline Team Leader responsible for managing a team of six frontline staff and ensuring their own caseload of 60-70 Big Issue vendors continue to receive expert information, advice and guidance relating to any health, housing, financial and/or other support needs they are encountering as a result of the Covid-19 pandemic.

Funding of £30,000 pa for three years was awarded to the Clink Charity towards the salary of a support worker at HMP Brixton who will work with prisoners to operate the Clink Restaurant at the prison.

In response to the invasion of Ukraine in February 2022, £4,000 was donated to the Disasters Emergency Committee ('DEC') Appeal for Ukraine.

In addition to the awards made by the Patronage Committee detailed above, smaller grants of between £1,000 and £5,000 were made by the Charity Committee to small charities mainly based in London amounting to £39,800.

Past Master Keith Harrison donated his £10,000 exceptional 'Master's List' allocation to the Snowdrop Children's Hospice (£5,000) and Samaritans UK (£5,000).

B. Structure, governance and management

The Foundation is a Charitable Incorporated Organisation (CIO), which is registered with the Charity Commission as Charity Number 1158457.

The CIO was established by amalgamating seven existing Innholders' charities which were: The Rydon Trust, The Violet Halliwell Charitable Trust, the Worshipful Company of Innholders General Charity Fund, The Wates Charitable Fund, The William Austin and Florence Balls Scholarship, SH Bishop Will Trust and the Innholders' Company Welfare (Pension) Fund.

Management

As laid down in the original Charter of Inspeximus of 1664 (as subsequently amended) the Court meets formally eight times per year to transact the Company's business, with additional meetings convened from time to time in the intervening months. During each meeting, as part of its formal agenda, the Court acts on behalf of the Trustee in order to transact business on Foundation-related matters. Details of decisions made by the Court acting on behalf of the Trustee are recorded separately within the minutes of the Court meetings.

Administration

Day-to-day administration of the Foundation is exercised by Dr Rebecca Tomlin, the Clerk to the Company. The registered office, and details of advisors, investment managers, solicitors and bankers of the Foundation are given on page 1 of this report. The investments of the Foundation are managed on a discretionary basis by Cazenove Capital Management and are subject to scrutiny by a committee made up of members of the Company, who have specialised expertise within the financial sector.

The Innholders' Charitable Foundation

Trustee's Report (continued) For the Year Ended 30 September 2022

Grant Allocation

The consideration of potential grant recipients is delegated to two dedicated Committees of the Company, Patronage and Charity, which make formal recommendations of grant awards to the Trustee for approval.

The Patronage Committee identifies major long-term projects, normally over £2,000 and generally for periods of up to 3 years, for recommendation to the Trustee. The majority of grants recommended by the Patronage Committee are made on a discrete basis, although longer-term grants may be agreed from time to time for a maximum period of seven years, particularly in respect of bursary funding. Recipients of these grants are required to report annually to the Committee for review. This Committee meets formally three times per year to consider reports and applications, and more frequently by circulation of emails and by telephone calls, when necessary.

The Trustee also allocates an annual sum of £40,000 for general charitable donations, particularly to smaller charities, for which the Charity Committee is responsible. This Committee identifies small requests for funding, usually between £1,000 and £5,000 each, for recommendation to the Trustee. These grants are typically made to charities that are local to the City of London and the surrounding boroughs; charities in which individual members of the Company are active participants; or to areas and organisations with which the Company has historical links. The Charity Committee meet formally twice per year to make their recommendations to the Trustee.

Each year a sum of up to £1,000 is made available to the Master of the Company to support individual charities of his/her choice. Whilst the chosen charities are selected by the Master, the Patronage Committee ensures that they conform to the overall charitable objectives of the Foundation.

Whenever possible, members of the Patronage and Charity Committees visit the projects/charities that have received financial support from the Foundation. Having been suspended during the pandemic, this activity has now been resumed.

Public Benefit

The Trustee considers that, as a grant-making foundation, providing public benefit is at the core of the Foundation's activities, as demonstrated in this report. The Trustee considers that it has due regard for the guidance of the Charity Commission on public benefit when reviewing the Foundation's aims and objectives and in planning future activities and setting grant making policy. In assessing public benefit, the Trustee has had due regard to the Charity Commission's *Guidance for Charity Trustees* and is satisfied that all grants have been made to beneficiaries who fall within the objectives of the Foundation.

No geographical restrictions are made on potential beneficiaries except in the case of grants made by the Charity Committee, which may make grants where there is a specific restriction such as "from within the London Borough of..." within the aims and objectives of a recipient organisation. The Trustee is satisfied that this is not an unreasonable restriction since in such cases, all applicants from within that borough who met the criteria could benefit. The Trustee is satisfied that grants for relief-in-need by their very nature meet the requirement to have a purpose which is beneficial to the community.

Where awards are made for educational purposes, the school or college nominates candidates for bursaries and the Trustee requires that means testing is carried out before the award is made. Such bursaries are paid directly to the school/college bursary trust and not to the individual. Innholder Scholarships are made to members of the hospitality industry which is a significant employer in the UK and are therefore available to a wide sector of the population.

The Innholders' Charitable Foundation

Trustee's Report (continued) For the Year Ended 30 September 2022

C. Financial Review and Investment Policy

The total income of the Foundation was £399,465 (2021: £290,419). This included a donation made by the Company of £30,963 (2021: £52,108). The income from the Foundation's investments amounted to £256,068 (2021: £216,959) which included rent of £12,000 (2021: £12,000). Donations of £ 80,000 (2021: £nil) were also received for the Innholder Scholarship Programme. The balance of £32,434 (2021: £21,352) was made up of donations from members of the Company (including Gift Aid) and a legacy of £10,000 (2021: £nil).

Total expenditure for the year was £607,527 (2021: £435,511) resulting in net expenditure before investment gains and losses of £208,062 (2021: £145,092).

Reserves Policy

All of the Foundation's funds at 30 September 2022 are unrestricted. At that date, the value of the Foundation's funds totalled £12,662,370 (2021: £13,904,373). While the Trustee is legally able to distribute any of the Foundation's funds, it has designated funds ('the designated fund') that it regards as being capital in nature, being the capital amounts transferred to the Foundation by its amalgamated predecessor charities, plus a gift from the Worshipful Company of Innholders of £1m, all indexed by CPI from the date they were received into the Foundation. The value of these funds at 30 September 2022 was £11,853,678 (2021: £10,792,437). The investment property at Halliwell is also considered to be capital in nature and so its value of £500,000 is also included in the designated fund. This leaves general funds of £308,692 at 30 September 2022.

The Trustee has reviewed its reserves subsequent to the year end and considers that they will be more than sufficient to meet all future commitments.

Investment Policy and Objectives

The Trustee has directed that the investment portfolio should be managed on a discretionary basis by Cazenove Capital Management. The Trustee has opted for a medium risk approach to the charitable investments and the assets are managed with the objective of maintaining real capital values while generating a sustainable level of investment income to support current charitable grant making. The investment portfolio is managed on a total return basis and the overall investment objective set for the year was a total return of CPI plus 3.5% per annum net of expenses. The portfolio has a spread of investments in all the major asset classes.

The Trustee's policy is that the Foundation should retain the real value of its designated funds (see above) to fund charitable grants from the total return achieved. In line with this policy, the Trustee operates a total return distribution policy such that grants awarded do not exceed an agreed percentage of a three-year moving average of the Foundation's net invested assets (regardless of income flows). This was approved by the Trustee and the policy has been adopted from 1 October 2020 for the foreseeable future. The effect of this policy is that grants awarded are likely to exceed investment income received, with the deficit being made up out of distributable reserves. The amount to be transferred each quarter is determined on an annual basis by the Investment Committee in conjunction with Cazenove Capital Management, and is subject to regular review.

Going concern

The Court of Assistants, acting as the Trustee of the Foundation, has considered whether it is appropriate to prepare the Foundation's financial statements on a going concern basis. In doing so it has considered:

- the substantial assets of the Foundation;
- the substantial assets of the WCI, the Court of which acts on behalf of the Trustee of the Foundation; and
- the discretionary nature of the grants awarded, and the prudent nature of the commitments given by the Foundation to the charities it supports.

The Court of Assistants, acting as the Trustee of the Foundation, has a reasonable expectation that the Foundation will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment. In the opinion of the Trustee, it is appropriate to prepare the Foundation's accounts for the year ended 30 September 2022 on a going concern basis. It has identified no material uncertainties to the Foundation's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements.

The Innholders' Charitable Foundation

Trustee's Report (continued) For the Year Ended 30 September 2022

Risks to which the Charity is exposed

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

The Foundation relies on its investment income and capital growth to fund its grant making. Most grants are for projects which have time horizons of two to three years. Grants for school scholarships are, by their nature, six-year commitments. The Trustee maintains a three-year rolling investment plan to ensure that its grant making is fully sustainable. The key risks to the long-term sustainability of the Foundation's ability to maintain its grant making expenditure are inflation and the long-term lower returns from investments experienced over recent years. The Trustee has addressed this by moving to a total-return based distribution as described above.

The Foundation's assets are invested widely according to the general power of investment and are diversified by asset class and security.

As part of an overall review of Risk Management within the Worshipful Company, the Finance and General Purposes Committee oversees an on-going full Risk Management assessment for both the Worshipful Company and for the Foundation. The Risk Management assessment for the Foundation was endorsed by the Patronage Committee, agreed by the Finance and General Purposes Committee and adopted by the Trustee, and is subject to regular review.

The Foundation's risk management policy has ensured that it is well placed to mitigate the risks presented by the war in Ukraine, the after effects of the Covid-19 pandemic and the anticipated recession in the UK economy. It has sufficient reserves to sustain a conservative total returns distribution policy and it can manage its grant commitments to ensure that it does not incur a long-term deficit of expenditure over distributable total returns either by deferring awards for projects that have been postponed or by not renewing previous grants beyond the original commitment.

Plans for the future

The Foundation plans to continue to meet its charitable objectives of supporting the elderly, the young and the hospitality industry, and at the time of reporting no major changes are anticipated.

The Innholders' Charitable Foundation

Trustee's Report (continued) For the Year Ended 30 September 2022

Statement of Trustee's responsibilities

The Trustee is responsible for preparing the Trustee's Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Charity law requires the Trustee to prepare financial statements for each financial year. Under charity law, the Trustee must not approve the financial statements unless it is satisfied that they give a true and fair view of the state of affairs of the Foundation and of the income and expenditure, of the Foundation for that period.

In preparing these financial statements, the Trustee is required to:

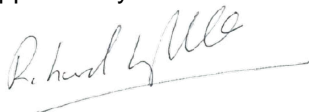
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject 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 Foundation will continue in operation.

The Trustee is responsible for keeping adequate accounting records that are sufficient to show and explain the Foundation's transactions and disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with the Charities Act 2011, applicable Charity Regulations and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

The auditor, Buzzacott LLP, will be proposed for reappointment in accordance with the Charities Act 2011.

Approved by the Trustee on 4th April 2023 and signed on its behalf by:



Dr Richard Wylde FEng
Treasurer



Dr Rebecca Tomlin
Clerk to the Trustee

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE INNHOLDERS' CHARITABLE
FOUNDATION**

Opinion

We have audited the financial statements of The Innholders' Charitable Foundation (the 'Charity') for the year ended 30 September 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements including the principal 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 Charity's affairs as at 30 September 2022 and of its 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 Charities Act 2011.

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 Charity 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 Trustee's 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 Trustee with respect to going concern are described in the relevant sections of this report.

The Innholders' Charitable Foundation

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE INNOLDERS' CHARITABLE FOUNDATION (continued)

Other information

The Trustee is responsible for the other information. The other information comprises the information included in the Trustee's 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 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 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustee's report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Trustee

As explained more fully in the statement of Trustee's responsibilities, the Trustee is 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 Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee is responsible for assessing the Charity'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 Trustee either intends to liquidate the Charity or to cease operations, or has no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE INNOLDERS' CHARITABLE
FOUNDATION (continued)**

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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- we identified the laws and regulations applicable to the Charity through discussions with those charged with governance and other management, and from our knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Charity, including the Charities Act 2011, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and 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 (Charities SORP FRS 102); and
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence. We corroborated our enquiries through our review of minutes of meetings of those charged with governance.

We assessed the susceptibility of the Charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected financial relationships;
- performed substantive testing of expenditure including testing the authorisation thereof; and
- tested journal entries to identify unusual transactions.

The Innholders' Charitable Foundation

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE INNOLDERS' CHARITABLE FOUNDATION (continued)

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

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- reviewing legal expenses incurred in the year; and
- enquiring of management as to actual and potential litigation and claims.

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 Trustee 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 Charity's Trustee, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Charity's Trustee those matters we are required to state to it 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 Charity and the Charity's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.



Buzzacott LLP
Statutory Auditor
130 Wood Street,
London
EC2V 6DL

Date: 11 May 2023

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

The Innholders' Charitable Foundation

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)
For the Year Ended 30 September 2022

	Notes	Restricted funds £	Unrestricted funds £	2022 Total funds £	2021 Total funds £
Income from:					
Donations and legacies	3	80,000	63,397	143,397	73,460
Investments	4	—	256,068	256,068	216,959
Total income		80,000	319,465	399,465	290,419
Expenditure on:					
Raising funds	5	—	75,440	75,440	59,935
Charitable activities	6	80,000	452,087	532,087	375,576
Total expenditure		80,000	527,527	607,527	435,511
Net expenditure before investment gains and losses		—	(208,062)	(208,062)	(145,092)
Investment (losses) gains	8	—	(1,033,941)	(1,033,941)	1,822,498
Net (expenditure) income and net movement in funds		—	(1,242,003)	(1,242,003)	1,677,406
Reconciliation of funds					
Balances brought forward at 1 October 2021		—	13,904,373	13,904,373	12,226,967
Balances carried forward at 30 September 2022		—	12,662,370	12,662,370	13,904,373

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 18 to 27 form part of these financial statements.

The Innholders' Charitable Foundation

**COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND
EXPENDITURE ACCOUNT)
For the Year Ended 30 September 2021**

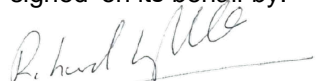
	Notes	Restricted funds £	Unrestricted funds £	2021 Total funds £
Income from:				
Donations and legacies	3	125	73,335	73,460
Investments	4	—	216,959	216,959
Total income		<u>125</u>	<u>290,294</u>	<u>290,419</u>
Expenditure on:				
Raising funds	5	—	59,935	59,935
Charitable activities	6	3,048	372,528	375,576
Total expenditure		<u>3,048</u>	<u>432,463</u>	<u>435,511</u>
Net expenditure before gains on investments		(2,923)	(142,169)	(145,092)
Net gains on investments	8	—	1,822,498	1,822,498
Net (expenditure) income and net movement in funds		(2,923)	1,680,329	1,677,406
Total funds brought forward at 1 October 2020		2,923	12,224,044	12,226,967
Total funds carried forward at 30 September 2021		<u>—</u>	<u>13,904,373</u>	<u>13,904,373</u>

The Innholders' Charitable Foundation

BALANCE SHEET For the Year Ended 30 September 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Listed investments	8		11,957,312		13,259,875
Investment property	9		500,000		500,000
			<u>12,457,312</u>		<u>13,759,875</u>
Current assets					
Debtors	10	12,684		37,136	
Cash at bank and in hand		246,432		145,368	
		<u>259,116</u>		<u>182,504</u>	
Creditors: amounts falling due within one year	11	(54,058)		(38,006)	
Net current assets			<u>205,058</u>		<u>144,498</u>
Total net assets			<u>12,662,370</u>		<u>13,904,373</u>
Charity funds					
Designated funds	13	12,353,678		11,292,437	
General funds	13	308,692		2,611,936	
Total funds (all unrestricted)			<u>12,662,370</u>		<u>13,904,373</u>

The financial statements were approved and authorised for issue by the Trustee on 4th April 2023 and signed on its behalf by:



Dr Richard Wylde FREng
Treasurer



Dr Rebecca Tomlin
Clerk to the Trustee

The Innholders' Charitable Foundation

STATEMENT OF CASH FLOWS
For the Year Ended 30 September 2022

	Notes	2022 £	2021 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(423,626)	(302,096)
Cash flows from investing activities:			
Dividends, interests and rents from investments		256,068	216,959
Movement in cash held as part of investment portfolio		(200,075)	(372,341)
Proceeds from sale of investments		4,529,041	4,294,349
Purchase of investments		(4,060,344)	(3,791,569)
Net cash provided by investing activities		524,690	347,398
Change in cash and cash equivalents in the year		101,064	45,302
Cash and cash equivalents at the beginning of the year		145,368	100,066
Cash and cash equivalents at the end of the year	B	246,432	145,368

A. Reconciliation of net movement in funds to net cash flow from operating activities

	2022 £	2021 £
Net (expenditure) income for the period (as per the statement of financial activities)	(1,242,003)	1,677,406
Adjustments for:		
Losses (gains) on investments	1,033,941	(1,822,498)
Income from investments	(256,068)	(216,959)
Decrease in debtors	24,452	35,330
Increase in creditors	16,052	24,625
Net cash used in operating activities	(423,626)	(302,096)

B. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	246,432	145,368

No separate statement of changes in net debt has been prepared as there is no difference between the movements in cash and cash equivalents and movement in net cash (debt).

The Innholders' Charitable Foundation

Notes to the Financial Statements For the Year Ended 30 September 2022

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP 2nd Edition (FRS 102) - 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 Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Innholders' Charitable Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The functional currency of the Foundation is pounds sterling because that is the currency of the primary economic environment in which the Foundation operates. All figures are rounded to the nearest £1.

The following principal accounting policies have been applied:

1.2 Going concern

The Trustee has carried out a detailed review of its assumption that the Foundation will carry on as a going concern in light of the aftereffects of the Covid-19 pandemic, the war in Ukraine and the anticipated recession of the UK economy.

The Foundation's income is mainly derived from its investment portfolio. The value of the investment portfolio at 30 September 2022 was £11.96m (2021: £13.26m).

While the Foundation usually distributes income and capital from its investments in line with its total returns policy, it may be noted that the Foundation's entire assets are available for distribution if necessary. The Foundation has no financial commitments other than making awards.

The Trustee considers that there is no material uncertainty relating to going concern and the Foundation will continue as a going concern, and that this is therefore the appropriate basis on which to prepare its financial statements.

The Innholders' Charitable Foundation

Notes to the Financial Statements For the Year Ended 30 September 2022

1. Accounting policies (continued)

1.3 Income

Voluntary income including donations, donated services, legacies and grants that provide core funding or are of a general nature is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Investment income is recognised on a receivable basis.

Rental income is recognised on a receivable basis. The ground rent charged under the terms of a long lease is based on 4% of the market rental value of the property. Rent reviews are at 20- year intervals, the next review being in September 2030.

Donated professional services and facilities are recognised on receipt, on the basis that the value of the gift to the Foundation is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Foundation's objectives, as well as any associated support costs. Support costs of the Foundation represent the audit and accountancy fees, administration costs and bank charges.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Foundation; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 Listed investments

Listed investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities.

The Innholders' Charitable Foundation

Notes to the Financial Statements For the Year Ended 30 September 2022

1. Accounting policies (continued)

1.7 Investment property

Investment property is carried at fair value determined annually by management, taking into account any external valuations, and is derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any differences in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Financial Activities.

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 Liabilities and provisions

Liabilities 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.

Liabilities are recognised at the amount that the Foundation anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.11 Financial instruments

The Foundation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Apart from listed investments held at fair value as noted above, basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.12 Fund accounting

The general fund comprises unrestricted funds which are available for use at the discretion of the Trustee in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

The designated fund comprises unrestricted funds that have been set aside by the Trustee for particular purposes. The aim and use of the designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Foundation for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

The Innholders' Charitable Foundation

**Notes to the Financial Statements
For the Year Ended 30 September 2022**

2. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

The Foundation makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgement:

The most significant area of judgement and key assumptions that affect items in the financial statements is as follows:

Investment property valuation

The valuation is estimated by management, see note 9.

The Innholders' Charitable Foundation

Notes to the Financial Statements For the Year Ended 30 September 2022

3. Income from donations and legacies

	Restricted funds £	Unrestricted funds £	Total funds 2022 £
Donation from Worshipful Company of Innholders	—	30,963	30,963
General donations including gift aid	—	22,434	22,434
Legacy	—	10,000	10,000
Innholders' Scholarship Contributions	80,000	—	80,000
	80,000	63,397	143,397

A £10,000 legacy from Past Master Tony Lorkin was transferred to investment funds at the request of his family.

	<i>Restricted funds £</i>	<i>Unrestricted funds £</i>	<i>Total funds 2021 £</i>
<i>Donation from Worshipful Company of Innholders</i>	—	52,108	52,108
<i>General donations</i>	—	21,227	21,227
<i>Covid-19 appeal</i>	125	—	125
	125	73,335	73,460

Donations to the Innholder Scholarship Programme are made up as follows:

	2022 £	2021 £
Master Innholders Charitable Trust	20,000	—
Savoy Educational Trust	50,000	—
Lord Forte Foundation	10,000	—
	80,000	—

The Programme was suspended during 2021 as a result of Covid-19.

4. Investment income

	2022 £	2021 £
Interest and dividends from investments	244,047	204,959
Interest income	21	—
Rental income	12,000	12,000
	256,068	216,959

The Innholders' Charitable Foundation

**Notes to the Financial Statements
For the Year Ended 30 September 2022**

5. Expenditure on raising funds

Costs of raising investment income

	2022 £	2021 £
Investment manager fees	63,297	59,935
Investment property costs	12,143	—
	75,440	59,935

6. Analysis of expenditure on charitable activities

	Grant funding of activities £	Support Costs £	Total 2022 £
Expenditure on charitable activities	512,460	19,627	532,087

	Grant funding of activities £	Support Costs £	Total 2021 £
Expenditure on charitable activities	357,535	18,041	375,576

Analysis of grants by charitable activity:

	2022 £	2021 £
Young & Education	130,825	146,320
Hospitality Industry	162,886	19,000
The Elderly	125,280	118,751
General	53,669	37,339
Charity Committee List	39,800	35,000
Covid-19 emergency appeal	—	1,125
	512,460	357,535

Grants awarded totalled £512,460 (2021: £357,535) of which £80,000 (2021: £3,048) were from restricted funds and £422,460 (2021: £354,487) were from unrestricted funds.

Further information on grants is included in the Trustee's report.

The Innholders' Charitable Foundation

Notes to the Financial Statements For the Year Ended 30 September 2022

6. Analysis of expenditure on charitable activities (continued)

Analysis of support costs, which are all unrestricted:

	2022 £	2021 £
Donated services from the Worshipful Company of Innholders	5,500	5,500
Audit and accountancy services	13,320	11,820
Bank charges	807	721
	19,627	18,041

Governance costs comprise the auditor's remuneration of £9,720 (2021: £9,360) including VAT.

7. Trustee's remuneration and expenses

During the year, the Trustee did not receive any remuneration or other benefits (2021: £nil).

Transactions with the Trustee have been disclosed in note 14.

8. Listed investments

	2022 £	2021 £
Market value at 1 October	12,849,778	11,530,060
Additions at cost	4,060,344	3,791,569
Disposals proceeds	(4,529,041)	(4,294,349)
Realised (losses) gains	(491,279)	168,299
Unrealised (losses) gains	(542,662)	1,654,199
Market value at 30 September (excluding cash)	11,347,140	12,849,778
Cash held as part of the investment portfolio	610,172	410,097
Market value at 30 September	11,957,312	13,259,875

The historical cost of investments was £10,103,416 (2021: £9,440,348).

	2022 £	2021 £
Investment analysis		
UK equities	1,842,150	2,217,353
Overseas equities	5,747,369	7,002,653
Bonds	814,907	1,090,170
Multi-asset funds	151,111	152,534
Alternatives	2,791,603	2,387,068
Cash	610,172	410,097
	11,957,312	13,259,875

The Innholders' Charitable Foundation

Notes to the Financial Statements For the Year Ended 30 September 2022

9. Investment property

Valuation	2022 £
At 1 October 2021 and 30 September 2022	500,000

The whole of the freehold interest in the Halliwell Nursing Home was previously owned by the Violet Halliwell Charitable Trust before it was transferred to the Innholders' Charitable Foundation as part of its incorporation.

The Charity commissioned external valuer Mr B Nickelson at Eddisons Taylors Commercial Valuers to carry out a valuation of the Charity's freehold property interest in March 2019 that resulted in a valuation of £500,000 being recognised from incorporation in 2017.

In the opinion of the Trustee £500,000 remains appropriate as the fair value as at 30 September 2022.

10. Debtors

Due within one year	2022 £	2021 £
Amounts owed by The Worshipful Company of Innholders	—	30,788
Prepayments and accrued income	12,684	6,348
	12,684	37,136

11. Creditors: Amounts falling due within one year

Due within one year	2022 £	2021 £
Amounts owed to The Worshipful Company of Innholders	4,000	—
Grant creditors	50,058	38,006
	54,058	38,006

12. Financial instruments

	2022 £	2021 £
Financial assets measured at fair value through income and expenditure	11,957,312	13,259,875

Financial assets measured at fair value through income and expenditure represent the listed investments held by the Foundation.

The Innholders' Charitable Foundation

Notes to the Financial Statements For the Year Ended 30 September 2022

13. Statement of funds

Statement of funds - current year

	At 1 October 2021 £	Income £	Expenditure £	Transfers in/out £	Investment losses £	At 30 September 2022 £
Unrestricted funds:						
Designated funds						
Designated capital fund	11,292,437	—	—	1,061,241	—	12,353,678
General funds						
General unrestricted fund	2,611,936	319,465	(527,527)	(1,061,241)	(1,033,941)	308,692
Total unrestricted funds	13,904,373	319,465	(527,527)	—	(1,033,941)	12,662,370
Restricted funds:						
Innholders' Scholarship Funding	—	80,000	(80,000)	—	—	—
Total restricted funds	—	80,000	(80,000)	—	—	—
Total of funds	13,904,373	399,465	(607,527)	—	(1,033,941)	12,662,370

Statement of funds - prior year

	At 1 October 2020 £	Income £	Expenditure £	Transfers in/out £	Investment gains £	At 30 September 2021 £
Unrestricted funds:						
Designated funds						
Designated capital fund	11,003,612	—	—	288,825	—	11,292,437
General funds						
General unrestricted fund	1,220,432	290,294	(432,463)	(288,825)	1,822,498	2,611,936
Total unrestricted funds	12,224,044	290,294	(432,463)	—	1,822,498	13,904,373
Restricted funds:						
Sponsored event	2,923	—	(2,923)	—	—	—
Covid-19 Emergency Appeal	—	125	(125)	—	—	—
Total restricted funds	2,923	125	(3,048)	—	—	—
Total of funds	12,226,967	290,419	(435,511)	—	1,822,498	13,904,373

The Innholders' Charitable Foundation

Notes to the Financial Statements For the Year Ended 30 September 2022

13. Statement of funds (continued)

Designated Capital Fund

The Trustee has designated part of the Foundation's funds ('the designated fund') to be capital in nature as described in its Reserves Policy in the Trustee's Report.

Restricted funds

Innholders Scholarship fund relates to monies received for the Innholder Scholarship Programme.

Unrestricted general funds

These are unrestricted funds which are available for use at the discretion of the Trustee in furtherance of the general objectives of the Foundation and which have not been designated for other purposes.

14. Related party transactions

During the year donations from the Worshipful Company of Innholders, the sole Trustee of the Innholders' Charitable Foundation were £30,963 (2021: £52,108) including donated services of £5,500 (2021: £5,500).

Amounts due to or from the Worshipful Company of Innholders are shown in notes 10 and 11.

Past Master Mrs J L Sibley MBE was Chief Executive of the Savoy Educational Trust until January 2023. The Savoy Educational Trust made a donation of £50,000 (2021: £nil) to the Innholder Scholarship Programme in the year (see note 3).

Immediate Past Master Lord Thurso is a trustee of the Master Innholders Charitable Foundation which made a donation of £20,000 (2021: £nil) to the Innholder Scholarship Programme in the year (see note 3).

Court Assistant Andrew McKenzie was a trustee of the Lord Forte Foundation which made a donation of £10,000 (2021: £nil) to the Innholder Scholarship Programme in the year (see note 3).