

World Sustainable Hospitality Alliance Foundation

England & Wales · Charity number 1188731

Details

Other names	SUSTAINABLE HOSPITALITY ALLIANCE
Status	Registered
Legal form	Charitable company
Company number	12373950
Registered	2020-03-24
Register	View on the Charity Commission register

Contact

Address	2 Putney Hill London SW15 6AB
Phone	02030967869
Email	info@sustainablehospitalityalliance.org
Website	www.sustainablehospitalityalliance.org

Activities

Objects: THE CHARITY'S OBJECTS ARE, FOR THE PUBLIC BENEFIT, ANYWHERE IN THE WORLD, TO:1. ADVANCE EDUCATION, TO PREVENT AND RELIEVE POVERTY AND TO RELIEVE UNEMPLOYMENT, IN PARTICULAR BUT NOT EXCLUSIVELY AMONGST DISADVANTAGED YOUNG PEOPLE (INCLUDING THOSE WITH LITTLE OR NO EDUCATION, SURVIVORS OF HUMAN TRAFFICKING, PEOPLE WITH DISABILITIES, REFUGEES AND MIGRANTS) BY ENCOURAGING THE DEVELOPMENT AND PROVISION OF WORK AND OTHER OPPORTUNITIES, IN CONJUNCTION WITH PARTICIPANTS IN THE GLOBAL HOSPITALITY INDUSTRY, FOR THEM TO DEVELOP LIFE AND WORK SKILLS;2. ADVANCE HUMAN RIGHTS (AS SET OUT IN THE UNIVERSAL DECLARATION OF HUMAN RIGHTS, THE UNITED NATIONS GUIDING PRINCIPLES ON BUSINESS AND HUMAN RIGHTS AND SUBSEQUENT UNITED NATIONS DECLARATIONS AND CONVENTIONS), BY RAISING AWARENESS AND PROMOTING RESPECT AND COLLECTIVE ACTION FOR HUMAN RIGHTS IN PARTICULAR MODERN SLAVERY AND/OR FORCED LABOUR, AMONGST INDIVIDUALS AND CORPORATIONS IN PARTICULAR PARTICIPANTS IN THE GLOBAL HOSPITALITY INDUSTRY AND ITS SUPPLY CHAIN; AND3 PROMOTE THE PROTECTION AND PRESERVATION OF THE NATURAL ENVIRONMENT AND SUSTAINABLE DEVELOPMENT AMONGST PARTICIPANTS IN THE GLOBAL HOSPITALITY INDUSTRY BY DEVELOPING TOOLS FOR ASSESSING AND MONITORING THE USE OF WATER, CARBON AND OTHER EMISSIONS AND WASTE, AND THE IMPACT OF GLOBAL SUPPLY CHAINS ON THE ENVIRONMENT, AND ENCOURAGING THE ADOPTION OF GOOD ENVIRONMENTAL PRACTICES AND COLLECTIVE ACTION IN REDUCING SUCH IMPACTS. FOR THE PURPOSES OF THIS OBJECT "SUSTAINABLE DEVELOPMENT" MEANS DEVELOPMENT THAT MEETS THE NEEDS OF THE PRESENT WITHOUT COMPROMISING THE ABILITY OF FUTURE GENERATIONS TO MEET THEIR OWN NEEDS; AND4 FURTHER SUCH OTHER EXCLUSIVELY CHARITABLE PURPOSES ACCORDING TO THE LAW OF ENGLAND AND WALES AS THE TRUSTEES IN THEIR ABSOLUTE DISCRETION FROM TIME TO TIME DETERMINE.

Activities: The Chairty's objectives are for the public benefit, anywhere in the world to advance education, prevent and relieve poverty and to relieve unemployment, (including those with little or no education, survivors of human trafficking, people with disabilities, refugees and migrants). Advance Human rights, promote the protection & preservation of the natural environment and sustainable development.

Classification

- **How:** Makes Grants To Organisations, Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** General Charitable Purposes, Education/training, Disability, The Prevention Or Relief Of Poverty, Environment/conservation/heritage, Human Rights/religious Or Racial Harmony/equality Or Diversity
- **Who:** Children/young People, People With Disabilities, The General Public/mankind

Geography

- Bangladesh
- Costa Rica
- Dominican Republic
- Egypt
- Ethiopia
- Guatemala
- India
- Indonesia
- Jordan
- Kenya
- Kuwait
- Maldives
- Mexico
- Nepal
- Nicaragua
- Nigeria
- Oman
- Panama
- Qatar
- Saudi Arabia
- Senegal
- Sierra Leone
- Sri Lanka
- Thailand
- Uganda
- Vietnam
- Zambia
- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£1,629,904	£1,602,178	£522,560	10
2023-12-31	£1,462,301	£1,684,576	£494,836	12
2022-12-31	£1,234,437	£1,184,787	£717,111	12
2021-12-31	£1,012,951	£909,754	£667,461	9
2020-12-31	£323,319	£215,111	-	-

Trustees

Name	Role	Appointed
Daniella Foster	Chair	2023-03-08
Denise Naguib		2023-10-01
Inge Huijbrechts		2023-10-16
Jonathan Hugh Worsley		2023-10-16
Stephen Farrant		2020-09-16
Timothy John Bebb Davis		2022-03-31
Vivek Jain		2025-04-10

World Sustainable Hospitality Alliance Foundation

England & Wales - Charity number 1188731

Accounts

Sustainable Hospitality Alliance
(A company limited by guarantee)

World Sustainable Hospitality Alliance is the trading name of Sustainable Hospitality Alliance.

Report and Financial Statements
Year ended 31 December 2024

Charity number 1188731
Company number 12373950

Report of the trustees for the year ended 31 December 2024

The trustees are pleased to present their annual directors' report together with the consolidated financial statements of the charity for the period ended 31 December 2024 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and the 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, 2nd Edition) effective 1 January 2019.

Reference and administrative details

Directors and trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law. The trustees and officers serving during the period and since the period end were as follows:

Board of Trustees:

Wolfgang M. Neumann, Chair (Resigned 30th June 2024)
 Daniella Foster, Vice-Chair (Appointed 8th March 2023 & Appointed as Chair 30th June 2024)
 Catherine Hammond, Treasurer
 Tim Davis
 Yasmin Diamond
 Stephen Farrant
 Jonathan Worsley (Appointed 16th October 2023)
 Denise Naguib (Appointed 01st October 2023)
 Inge Huijbrechts (Appointed 16th October 2023 & Appointed Vice-Chair 30th June 2024)

Members of Board Sub-committees serving during the period and since the period end were as follows:

Finance Risk and Audit Committee:

Catherine Hammond, Chair
 Wolfgang M. Neumann
 Daniella Foster, Vice Chair (Appointed to FRAC 8th March 2023)
 Mike Reilly
 Inge Huijbrechts (Appointed to FRAC 30th June 2024)

Key management personnel

Senior Management Team:

Glenn Mandziuk, CEO
 Simon Le Gouais, Director of Finance and Resources & Company Secretary (until 30 May 2024) (resigned as company secretary 28 June 2023)
 Chris Wilde, Interim Finance Director (from 1 May 2024 to 30th October 2024)
 Nelson Garcia-Narvaez, Director of Finance & Operations (from 5th August 2024)
 Lauryn Venters, Company Secretary (Resigned December 2024)

Reference and administrative details

Registered charity name	Sustainable Hospitality Alliance
Charity registration number	1188731
Company registration number	12373950
VAT registration number	GB 450 0405 46
Registered address	2 Putney Hill, London, SW15 6AB
Auditor	HaysMac LLP, 10 Queen Street, London EC4R 1AG
Bankers	HSBC UK, 172 Upper Richmond Road, Putney, London, SW15 2SH
Solicitors	Russell-Cooke LLP, 8 Bedford Row, London WC1R 4BX

Chair's report

It is with great pride that I present the 2024 Annual Report of the World Sustainable Hospitality Alliance.

This year has seen significant progress towards our vision of a Net Positive hospitality industry, one that gives back more than it takes across people, planet, place, and prosperity.

A key highlight was the expansion of our **Employability Programme**, supporting over 700 young people in India, Sri Lanka, and Egypt to overcome barriers and secure employment in hospitality. This initiative continues to demonstrate the sector's power to create inclusive opportunities and build skilled, diverse talent pipelines.

We also launched the **World Academy for Sustainable Hospitality**, a landmark in industry-led education. With the debut of the Net Positive Simulation Tool and foundational training courses, the Academy is set to equip over 1 million hospitality workers globally with the skills to drive environmental and social impact.

At **COP29**, we unveiled the **Universal Sustainability KPIs**, developed with UN Tourism. These standardised metrics, covering emissions, energy, water, and waste, lay the groundwork for consistent, transparent ESG reporting across the sector. We also co-authored the *Decarbonising Hotel Food Systems* white paper, outlining a strategy to cut emissions by 70 million tonnes of CO₂ by 2030.

In human rights, we led a research-driven initiative across eight African countries to strengthen local supply chains and promote ethical procurement. This work positions the Alliance as a global advocate for embedding social value into hospitality operations.

Strategic influence grew through high-level **industry summits**, the **inaugural World Sustainable Travel & Hospitality Awards**, and our participation in global forums such as COP29 and COP16. Our rebranding to the **World Sustainable Hospitality Alliance** reinforced our bold identity and global leadership.

Looking forward, we aim to double our membership, expand regional presence, and scale local solutions through our new **Global Accelerator Programme**. We will also launch the **Net Positive Impact Fund** to drive innovation and investment in sustainability-focused hospitality ventures.

I extend sincere thanks to our members, partners, and supporters. Together, we are proving that hospitality can be a catalyst for positive change, delivering meaningful outcomes for communities, ecosystems, and future generations.

Thank you for your continued commitment.

Daniella Foster, Chair, World Sustainable Hospitality Alliance



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Objectives and activities

Our vision and mission

Our vision is a prosperous and responsible hospitality sector that gives back to the destination more than it takes.

Our mission is to accelerate the path to net positive hospitality through strategic industry leadership, collaborative action, harmonisation of metrics and regenerative solutions.

We do this by bringing together engaged hospitality companies and strategic partners and using the collective power of the industry to deliver impact locally and on a global scale.

Summary of the purposes of the charity

The Charity's objects are, for the public benefit, anywhere in the world, to:

- advance education to prevent and relieve poverty and to relieve unemployment, in particular, but not exclusively amongst disadvantaged young people.
- advance human rights (as set out in the Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights and subsequent United Nations declarations and conventions).
- promote the protection and preservation of the natural environment and sustainable development amongst participants in the global hospitality industry.
- further such other exclusively charitable purposes according to the law of England and Wales as the trustees in their absolute discretion from time to time determine.

The trustees confirm that they have referred to the information contained in the Charity Commission's general guidance on public benefit when reviewing the World Sustainable Hospitality Alliance's aims and objectives, and in planning activities and setting strategy for the year ahead.

Summary of main activities

To achieve our objectives, we work with our members, partners and other stakeholders, to assess the key global challenges affecting our planet and its people. We then prioritise our activities and programmes to identify where we can collectively deliver the most positive impact towards our mission.

Aligned with the United Nations Sustainable Development Goals (SDGs), we commit to drive continued action in the following areas:

People – Advancing fair and inclusive opportunities for people and communities now and for future generations.

- **Equity, diversity and inclusion:** Promoting access to fair opportunities and creating environments that support inclusive employment and encourage advancement.
- **Human rights:** Supporting respect for human rights across the hospitality industry, addressing risks and strengthening ethical recruitment and employment.
- **Employability:** Enabling young people and those from particularly vulnerable backgrounds to get started in their careers by leveraging the power of the hospitality industry.

Planet – Safeguarding our natural environment for a thriving and diverse world for all.

- **Climate action:** Driving decarbonisation of the hospitality industry, limiting key drivers

of climate change, and maximising our regenerative impact.

- **Water stewardship:** Addressing water risk within communities, embedding water stewardship programmes and furthering water-use efficiency.
- **Responsible resourcing:** Advancing sustainable procurement and consumption, enabling effective resource management, and minimising pollution and waste.

Place – Working in harmony with our communities and habitats

- **Nature Protection:** Supporting destinations in biodiversity restoration and impact reduction. Integrating local stakeholders to regenerate and protect ecosystems.
- **Community Partnerships:** Enabling community-led action and innovation. Local sourcing and support for SMEs are key pillars, ensuring community benefit and engagement.
- **Customer Welfare:** Integrating customer engagement and welfare into hotel-level training, empowering frontline staff to make sustainable decisions that also enhance guest experiences.

Prosperity – Ensuring economic successes and opportunities benefit all

- **Economic Inclusion:** Promoting prosperity through local economic development, equitable opportunities, and supporting innovation and sustainability pilots.
- **Standards and Certification:** Harmonising industry metrics, performance KPIs, and the upcoming Net Positive Certification System are being deployed to ensure transparency, drive performance, and recognise leadership.
- **Capacity Building:** Equipping the workforce with practical, role-specific training modules across departments, ensuring all employees—from GMs to housekeeping—contribute to long-term economic and environmental sustainability.

Policy on social investment and grant making

The charity works in partnership with its members and with aligned organisations to implement integrated social investment programmes, particularly where members and partners can extend the reach and impact of the Alliance's objectives.

The trustees are mindful of their duties with respect to ensuring the charity is carrying out its purposes for the public benefit. They recognise that safeguarding responsibilities are a governance priority and a fundamental part of its operations. When working through partners, especially internationally, trustees have legal duties and responsibilities in carrying out due diligence checks and monitoring in relation to the charity's involvement with external bodies and individuals and verifying the end use of charitable funds.

Thus, when working with partners, the charity:

- conducts careful due diligence prior to entering formal partnerships, and signs clear agreements setting out the work to be carried out, monitoring requirements, financial accountability and operational standards to be upheld.
- requires grantees to comply with its policies on Safeguarding, Anti-Bribery and Anti-Corruption, Anti-Fraud and Anti-Money Laundering, and Data Privacy and Protection.
- develops working relationships through training programmes and workshops that

explain the Alliance's approach on safeguarding, tackling financial crime and data protection.

During the year the charity funded work with the following partners:

- The Kherwadi Social Welfare Association (Goa, Bengaluru and Mumbai, India),
- Spence Evoluzione Charitable Trust (Colombo, Sri Lanka)
- World Vision (Mexico City and Silau, Mexico)

All were programmes training young vulnerable people for entry into the hotel industry.

Contribution made by members and volunteers

The members of the World Sustainable Hospitality Alliance are the corporate organisations supporting the Alliance through annual financial donations and involvement in our work. They do not have a formal governance role.

The members currently include 35 world-leading hotel companies with a combined reach of over 55,000 properties, 7.5 million rooms and more than 300 brands, including large and small hotel companies with both international and regional portfolios. Our growing network also includes 23 owners, investors, suppliers, academic institutions, and other collaborators, all working together to drive joined-up action for a better and more sustainable future.

The purpose of affiliate membership is to invite influential players across the value chain to participate in dialogue with each other and with our hospitality members, to share expertise and learning, to influence our pathway to net positive and to challenge, enable and inspire the movement through collaboration. Affiliate members have an advisory rather than a governance role. There are currently 26 affiliate members in place.

As our members differ in the size and scale of their operations, ownership structures, geographic footprint and the stage of organisational maturity on their sustainability journey, this gives us unique insights into the industry, and awareness of what is needed to drive progress on sustainability across the industry. With their technical know-how and expertise, we design and pilot solutions, create tools and resources, and showcase best practices to help any hotel, anywhere in the world, get started and progress on its sustainability agenda.

Our members also, from time to time, offer us additional support, in terms of secondments and resources, to help us get skills, resources and expertise in support of our work, either operationally or programmatically, and operate in a cost-effective way.

We were grateful to Marriott for its partnership in welcoming us to their London office, enabling our team to convene, work closely with colleagues and provide a welcoming space for our visiting members and partners.

Partnerships programme update

Strategic Growth and Diversification

Since its inception in 2023, the partnerships programme has expanded to include over 50 official partners, encompassing philanthropic organisations, non-profits, governments, and private sector entities. These partners are categorised into strategic, delivery, knowledge, supplier, funding, or implementing partners, each playing a pivotal role in addressing shared sustainability challenges.

Notable Developments in 2024

- **Belize Tourism Board:** In a historic move, Belize became the first country to join the Alliance as a Destination Partner. This partnership underscores a national commitment to sustainable tourism and climate goals.
- **WISE Sustainability:** This strategic partnership focuses on integrating responsible technology solutions to drive energy, water, and waste savings in hotels. WISE Sustainability also contributed to the Alliance's Sustainability Foundational Courses, aiming to upskill hotel staff industry-wide.

Collaborative Initiatives

- **Universal Sustainability KPIs:** Launched at COP29, this first wave of KPIs provide a structured framework for the hospitality sector to measure and report on essential environmental metrics, aligning with global ESG goals.
- **Sustainable Hospitality Challenge 2024:** The Alliance supported this global student competition, encouraging innovative solutions in sustainable hospitality. The 10th edition saw participation from over 70 universities worldwide.
- **World Sustainable Travel & Hospitality Awards:** In collaboration with the World Travel Awards, the Alliance launched this programme to recognise impactful contributions in sustainable travel and tourism.

Leadership and Strategic Direction

Daniella Foster, formerly Vice-Chair, assumed the role of Chair in 2024, succeeding Wolfgang M. Neumann. Under her leadership, the Alliance continues to advance its ambitious five-year strategy (2023–2028), focusing on harmonising industry standards, training, and launching scalable initiatives.

Key achievements and performance: People

Empowering Youth Through Employability

In 2024, our **Employability Programme** continued to create meaningful pathways into the workforce for vulnerable and disadvantaged young people, helping to build both talent pipelines for the hospitality sector and brighter futures for those facing barriers such as poverty, those living without parental care, displacement, survivors of human trafficking, disability, and lack of formal education.

The programme combines 100 hours of classroom-based training, delivered through local non-profit partners, with 2–4 months of practical experience provided by private sector employers. Participants are then supported in securing long-term employment within hospitality and related industries.

Programme Highlights in 2024:

- **India:** 374 graduates, with 326 (87%) gaining employment or apprenticeships.
- **Sri Lanka:** 90 graduates, 76 (84%) employed or in apprenticeships.
- **Egypt:** 284 graduates, with 58 (20%) employed by end of 2024; as of May 2025, the employment rate rose to 85%.

The programme plays a critical role in preparing young people - particularly those without higher education - for formal employment in a sector that offers accessible, entry-level opportunities. It continues to demonstrate hospitality's potential to drive inclusive growth and social impact at scale.

World Academy for Sustainable Hospitality: Building Skills for a Net Positive Future

The World Academy for Sustainable Hospitality is a key pillar of our mission to create a globally Net Positive hospitality industry. As the sector's leading sustainability training platform, the Academy equips hospitality professionals with the skills and knowledge needed to deliver meaningful environmental and social impact.

Key Developments in 2024:

- Launch of the Net Positive Simulation Tool, offering hands-on learning to support strategic sustainability thinking.
- Development of the Foundational Sustainable Hospitality Course (English), set to launch in early 2025.
- Pipeline products for 2025 include:
 - Multi-lingual versions of the Foundational Course
 - Human Trafficking Training for associates and managers

Developed with extensive input from five global hotel brands and guided by a cross-sector Academy Working Group, including representatives from industry, academia, certification bodies, and value chain partners, the Academy ensures both relevance and quality.

True to the Alliance's charitable mission, the courses are also tailored to support youth, disadvantaged

groups, and entry-level workers, helping to promote inclusive access to sustainability education and empower the workforce of the future.

Human Rights

In 2024, the World Sustainable Hospitality Alliance advanced its human rights agenda within the hospitality sector through a new initiative.

World Sustainable Hospitality Alliance: Advancing Human Rights through Local Supply Chains

Recognising the vital role local procurement plays in supporting communities and enhancing environmental sustainability, the Alliance undertook a research-led initiative across eight African countries: Ethiopia, Rwanda, Egypt, Tunisia, Morocco, Senegal, Côte d'Ivoire, and Ghana. The project aimed to understand current procurement practices, identify barriers, and explore opportunities to increase local sourcing within the hospitality industry.

Project Outcomes

The initiative provided valuable insights into:

- The obstacles hospitality brands face when sourcing locally.
- Challenges experienced by local suppliers in accessing procurement opportunities.
- The potential social and economic impact of scaling local procurement.
- Strategic recommendations for enhancing CRSD reporting readiness.

Overall Impact

There is strong potential for the industry to support suppliers to respond to the increasingly regulated and competitive environment they are operating in so that they can avoid future job losses. For example, the loss of seafood businesses that has been seen in Egypt. Further work needs to be done to continue to build on the relationships between suppliers and hotels and develop and test further tools and guidance to support local suppliers. This initiative helped position the Alliance as a strong advocate for embedding human rights and social value into global hospitality value chains. The work undertaken in 2024 lays the foundation for lasting partnerships and sustainable growth within the communities our industry serves.

Key achievements and performance: Planet

Launch of Universal Sustainability KPIs at COP29

In 2024, the Alliance marked a major milestone by launching the first wave of Universal Sustainability Key Performance Indicators (KPIs) at COP29. Developed in partnership with UN Tourism and other industry leaders, these KPIs establish a unified framework to measure and enhance sustainability performance across the hospitality sector.

The initial KPIs focus on four key environmental areas:

- Greenhouse gas emissions
- Energy consumption
- Water usage
- Waste management

This initiative reinforces the Alliance's commitment to accountability, transparency, and climate action, providing a consistent foundation for global sustainability reporting and improvement.

Decarbonising Hotel Food Systems

In 2024, the Alliance co-authored the "Decarbonising Hotel Food Systems" white paper with Iberostar Hotels & Resorts, the Sustainable Markets Initiative, and Systemiq. The report presents a roadmap for the hospitality industry to reduce food-related emissions by up to 30% by 2030, which is equivalent to 70 million tonnes of CO₂ annually.

Key strategies include:

- Using procurement power to influence sustainable food sourcing
- Optimising kitchen energy use
- Implementing waste-tracking technology to cut food waste by 50%

This initiative reinforces the Alliance's commitment to climate action and sustainable operations across the hospitality sector.

Pathway to Net Positive Hospitality – Strategic Overview

In 2024, the Alliance advanced its strategic vision for a unified **Pathway to Net Positive Hospitality**, building on its collaboration with EY to deliver a phased framework guiding the industry beyond compliance toward a Net Positive impact that gives back more to communities, ecosystems, and economies than it takes. The framework, while offering practical steps and measurable milestones, is set to be enhanced through integration with Intaconnected's modular user experience model.

Key 2025 objectives include consolidating all WSHA tools into a seamless, user-friendly pathway; broadening the scope to address 15 core ESG themes across environment, social impact, and governance; and launching a benchmark tool - **Compass to Net Positive** - to support progress tracking. A digitisation roadmap will begin with manual integration in 2025, laying the foundation for a full digital platform. Through science-based prioritisation, stakeholder co-creation, and a compelling narrative, the Alliance aims to establish a scalable, action-oriented framework for Net Positive transformation across the global hospitality sector.

Strengthening Global Partnerships for Climate Action

In 2024, the Alliance strengthened key global partnerships, collaborating with organisations such as UN Tourism and the World Travel & Tourism Council to align ESG frameworks and promote responsible tourism. These collaborations enabled the creation and distribution of tools supporting hospitality sector's transition to Net Positive Hospitality.

Notably, the Alliance was among a select group of non-state actors endorsing the COP29 Declaration on Enhanced Climate Action in Tourism, alongside 70 countries, underscoring its leadership role in advancing climate action within the industry.

Exploring a Sector-Wide Power Purchase Agreement

In 2024, the Alliance convened a series of discussions with members and key stakeholders to explore the potential for a sector-wide Power Purchase Agreement (PPA) aimed at accelerating the transition to renewable energy within hospitality. These consultations revealed strong interest across the membership. As a result, the Alliance committed to conducting an initial viability assessment to evaluate the strategic and operational feasibility of such an initiative. A suitable project partner was identified and engaged during the year to support this process. Following this groundwork, it was agreed that a detailed feasibility study would commence in 2025, contingent on securing a minimum threshold of member participation.

Raising awareness of the industry's work on global stage

Convening the industry

In 2024, we expanded our global influence and sharpened our strategic identity with the announcement of our rebranding to the World Sustainable Hospitality Alliance at the Future Hospitality Summit (FHS) in Riyadh. Our CEO, Glenn Mandziuk, emphasised how this strategic shift underscored our commitment to advancing sustainability throughout the global hospitality sector.

We hosted two high-level industry summits on Mainstreaming Net Positive Hospitality. These were exclusive events attended by C-suite leaders from across the Alliance's global network, comprising world-leading hotel brands, operators, owners, investors and other partners, alongside our strategic partners.

Our member-only Spring Summit, hosted at Amadeus' headquarters in Nice, convened over 100 C-suite leaders to shape the industry agenda for 2024 and beyond. The event focused on harmonising global sustainability standards, scaling Net Positive action, and securing funding for high-impact solutions.

Key achievements included:

- Significant progress by the Alliance's Impact Committees on carbon and waste reduction, data-driven sustainability solutions, and the development of universal standards.
- Launch of the Net Positive Impact Fund to support scalable sustainability initiatives.
- Empowerment of asset owners as drivers of change, supported by the launch of a Resilience Academy Course and a curated bank of best practices.
- Improved industry communication through the creation of a comprehensive Sustainability Glossary.
- The Summit also marked the launch of the World Sustainable Travel & Hospitality Awards, spotlighting global innovators in sustainable tourism and promoting leadership in Net Positive impact.

Our Autumn Summit brought together our network of members and partners, to share best practices, explore innovation and forge new collaborations. The Autumn Summit was held in partnership with the American Hotel and Lodging Association (AHLA) and Questex helping to bring together industry leaders to:

- Promote unified standards and sustainability reporting
- Drive behaviour changes via training and education
- Address major challenges like decarbonising food systems in the hotel sector

The Summit celebrated the launch of the World Academy for Sustainable Hospitality, our transformational learning platform providing certified training for sustainable operations. A live platform demonstration and interactive Q&A session highlighted the commitment to industry-wide capacity building.

The event also marked the release of our white paper, “Decarbonising Hotel Food Systems,” developed in partnership with Iberostar Hotels & Resorts, the Sustainable Markets Initiative, and Systemiq, which details how the sector can eliminate up to 70 million tonnes of CO₂ annually.

United Nations Climate Conference

At COP29 in 2024, our CEO, Glenn Mandziuk, unveiled the Environmental Universal Sustainability KPIs for Hospitality as part of the COP29 Declaration on Enhanced Climate Action in Tourism. This landmark initiative establishes a standardised ESG framework for the sector, enabling transparent, measurable progress on sustainability.

In his address at COP29, Glenn highlighted the KPIs’ benefits for consumers, corporate clients, and OTAs, reinforcing their role in driving accountability and aligning the industry with global climate goals.

Advancing Nature Positive Tourism

On Earth Day 2024, we launched the landmark ‘Nature Positive Travel & Tourism in Action’ report in collaboration with UN Tourism and the World Travel & Tourism Council (WTTC), forming the Nature Positive Partnership. The report presents a clear roadmap to halt and reverse biodiversity loss by 2030, offering practical guidance, case studies, and actionable pathways for tourism businesses to embed nature-positive practices.

Later in the year, the Partnership - including our CEO Glenn Mandziuk - addressed world leaders at COP16 in Colombia, advocating for the stronger inclusion of tourism in national biodiversity strategies. The delegation reinforced the sector’s vital role in delivering positive outcomes for nature, communities, and climate, underscoring our global commitment to ecosystem preservation.

Celebrating Global Leadership in Sustainable Tourism

On World Tourism Day 2024, Belize hosted the inaugural World Sustainable Travel & Hospitality Awards, developed in partnership with the World Travel Awards and the Belize Tourism Board. This landmark event honored 21 exemplary organisations, leaders, and initiatives advancing Net Positive transformation in tourism.

With over 400 entries and 6,000 votes from nearly 150 countries, the Awards highlighted global momentum for sustainability, recognising achievements across categories such as community engagement, environmental impact, and innovative partnerships.

The ceremony also showcased Belize’s leadership in responsible tourism and its commitment to preserving natural and cultural heritage - marking a significant step forward in celebrating and scaling best practices across the sector.

Guiding wider industry thinking

As the experts in sustainable hospitality, the Alliance continues to sit on various industry committees including:

- United Nation's Technical Experts for Transforming the Tourism Value Chain – a panel of experts providing guidance and support on projects which aim to improve sustainability of tourism in developing states.
- United Nation's One Planet advisory groups on food waste and plastics reduction.
- Cornell University's advisory group for the Cornell Hotel Sustainability Benchmark (CHSB), the industry's largest sustainability benchmarking index.
- Advisory Council of the International Council on Hotel, Restaurant, and Institutional Education

Plans for future periods

The World Sustainable Hospitality Alliance continues to develop its long-term strategy with a focus on responsible growth, practical progress, and collaborative engagement across the global hospitality industry. While the Alliance has made strong strides in several areas, future plans are being paced to ensure realistic delivery, alignment with partner capacity, and responsiveness to ongoing sector challenges.

Organisational Development

The Alliance remains committed to expanding its global reach and strengthening internal capabilities. Since December 2021, membership has grown by 400%, reaching 54 organisations. The goal remains to broaden this network, aiming to reach 100 members by 2026, though progress will be paced in line with sector needs and operational capacity.

This growth supports the Alliance's mission to build a truly global, inclusive sustainability movement in hospitality. Strategic expansion is focused on key markets such as Asia, North America, and the Middle East, with a new membership category for asset and property owners introduced to broaden industry engagement. To support this growth, the Alliance is implementing formal systems for relationship and risk management, and plans to establish local representatives in Saudi Arabia, the UAE, Hong Kong, and North America in 2025.

WSHA Net Positive Solution Lab Series

In place of traditional summits, the Alliance will launch the **Net Positive Solution Lab Series**- a dynamic programme of regionally tailored, immersive workshops aligned with major industry events. Each lab brings together 30-50 senior leaders from across the hospitality value chain to engage in collaborative, gamified learning and practical solution-building around critical sustainability themes such as energy, water, food, and human rights. Designed to accelerate progress toward Net Positive Hospitality, the labs strengthen the business case for action, deepen member engagement, build leadership capacity, and extend the Alliance's global reach. The series is intended to generate strategic insights to inform future offerings and drive broader adoption of the Pathway to Net Positive Hospitality.

People

Looking ahead, the Alliance is set to significantly scale its **Employability Programme**, aiming to support 3,000 vulnerable individuals worldwide through life skills and practical hospitality training. Building on over 15 years of impact and more than 7,000 beneficiaries to date, the expanded programme will address workforce shortages while advancing inclusion and economic opportunity.

With a target of raising £2 million, achieving an 85% post-programme employment rate, and increasing female participation to 50–75%, this initiative will deliver measurable social value and provide the industry with a pipeline of job-ready talent. Strategic sponsorship opportunities will offer partners visibility, impact reporting, and meaningful engagement in advancing workforce development and social equity.

The World Academy for Sustainable Hospitality is pioneering the first global training platform designed by the industry to equip hospitality workers with the skills needed to embed sustainability into every role—from front desk to finance. By making sustainability practical, personal, and actionable, the Academy drives real progress toward Net Positive Hospitality, where the sector gives back more than it takes.

Partnerships are key to this mission, enabling translation and localisation of training for underserved regions, supporting inclusion of youth, refugees, seasonal workers, and empowering small and independent hotels often excluded from formal programs. This initiative delivers measurable ESG impact while positioning partners as leaders in sustainable business, inviting hotel groups, service providers, investors, and others to join in scaling this critical movement.

Planet:

The Alliance will continue to advance its environmental strategy, with a focus on completing the updates to the **Hotel Carbon Measurement Initiative (HCMI)** and **Hotel Water Measurement Initiative (HWMI)**. These revised methodologies are designed to include expanded Scope 3 emissions and water data, ensuring alignment with global regulatory requirements and climate science. While delivery has been slightly delayed, the work is progressing, and we remain committed to aligning with global climate science and regulatory developments. Once finalised, the work will equip the sector with credible, standardised tools to enhance sustainability reporting and accelerate progress towards Net Positive Hospitality.

To help streamline data collection and improve consistency in reporting, the Alliance is exploring the development of a digital ESG data management platform. This user-friendly, industry-driven platform is envisioned to integrate with our updated KPIs and methodologies. The platform aims to improve access to standardised environmental data and facilitate sector-wide collaboration.

The Alliance will also continue to work on the development of Universal Social KPIs for the global hospitality industry - continuing to build the standardised, science-aligned framework to measure and manage social impact and ecosystem protection. Co-designed with industry leaders, community voices, and environmental experts, these KPIs will align with global frameworks such as the TNFD, SBTN, and UN SDGs. The initiative aims to drive consistent ESG reporting, integrate sustainability into procurement and operations, and support more inclusive, nature-positive hospitality worldwide — enabling companies to demonstrate meaningful progress for people, planet, and place.

Place

The Alliance will launch its Global Accelerator Programme to pilot scalable, locally grounded solutions that address systemic sustainability challenges in hospitality and tourism. Through public-private collaboration, the programme will focus on critical areas such as sustainable food systems, nature-positive practices, energy transition, and technology for sustainability. The initial pilots are expected to begin in a limited number of destinations, with gradual expansion as capacity and partnerships allow by 2026, supported by trends reports, measurable impact, and shared learnings.

Offering engagement opportunities through research, leadership, and sponsorship, the programme aims to catalyse innovation, strengthen destination resilience, and reinforce the industry's role in delivering Net Positive outcomes.

Prosperity

Net Positive Impact fund

In 2025, the Alliance will launch the Net Positive Impact Fund to accelerate sustainability innovation in hospitality by investing in growth-stage startups focused on energy transition, food system transformation, and nature-positive practices. The Fund aims to forge strategic partnerships with leading brands, technology providers, and sustainability stakeholders to drive industry-wide transformation toward net positive outcomes.

Expected impacts include empowering people, reducing carbon emissions, enhancing destination appeal, and generating strong financial and ESG returns. Partners can engage through co-investment, implementing innovations, or sponsorship—gaining early access to cutting-edge solutions, strengthening brand appeal, and demonstrating leadership in sustainable hospitality. The Fund will deliver tangible impacts across people, planet, place, and prosperity

Conclusion

While the Alliance remains committed to its mission of fostering a Net Positive Hospitality sector, future activities will be shaped by realistic timelines, ongoing collaboration, and adaptive planning. Continued progress across all pillars—People, Planet, Place, and Prosperity—will rely on partnership engagement, funding support, and the collective will to build a more sustainable and inclusive global industry.

Financial review

The Charity was registered on 24 March 2020 and launched independent operations on 1 October 2020, having separated as a programme from Business in the Community (BITC), a registered charity (297716).

During 2024, the World Sustainable Hospitality Alliance recorded a net surplus on operations during the period of £27,726, reached after Income of £1,629,904 and Expenditure of £1,602,178

Our income came from Charitable Grants of £517,023 where support is received under specific agreements supporting activities aligned to our objectives from a range of Institutional Donors, Foundations and Trusts and Corporate Bodies, as listed in the Notes to the Accounts.

Membership contributions of £775,894 related to the contributions from our corporate members, and Donations of £72,955, including in-kind donations of £72,735, by members for use of office space, and Carbon Offsetting Costs for Summit 2024.

Expenditure comprises Support Costs (including the value of In-Kind donations), Staff Costs, and Grants to Partners and is analysed in the accounts to Fundraising and publicity, and Expenditure on charitable activities, split between the major activities of the Alliance, as set out in the Notes to the Accounts, the highest expenditure being on Climate Action, Human Rights and Youth Employment work.

At 31 December 2024, Total Funds stood at £522,562. Net Assets included Cash held of £847,101, with Accruals and deferred income standing at £1,004,877 the majority of which is Deferred income and largely explains the excess of Cash over Net Assets.

Funds were made up of Restricted Funds of £72 and Unrestricted Funds of £522,488.

Structure, Governance and Management

Governing document

The Sustainable Hospitality Alliance is a company limited by guarantee governed by its Memorandum and Articles of Association dated 16 December 2019. It is registered as a charity with the Charity Commission.

Appointment of trustees

As set out in the Articles of Association the business of the Charity is governed by the Board of Trustees, the first members of which were the four subscribers to the registration of the Alliance and a Company. The number of Trustees must be a minimum of three and no more than nine. Trustees may be appointed by a resolution of the Board and serve for a term of up to three years and can be eligible for re-appointment for a further period of three years.

Trustee induction and training

New trustees undergo orientation to brief them on their legal obligations under charity and company law, the Charity Commission guidance on public benefit, and inform them of the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the charity. During orientation they meet key employees and other trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Organisation

The Board of Trustees, which can have up to twelve members, administers the charity. The Board normally meets quarterly and has one sub-committee, the Finance Risk and Audit Committee, which also meets quarterly in advance of Board meetings or as often as necessary. A Chief Executive Officer is appointed by the Trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the Chief Executive Officer has delegated authority, within terms of delegation approved by the Trustees, for operational matters including finance and employment.

Related parties and co-operation with other organisations

None of our trustees receive remuneration or other benefit from their work with the charity other than reimbursement of expenses.

Trustees must declare any direct or indirect interest that conflicts, or may conflict with the interests of the Charity, because the Trustee or a Connected Person may receive a benefit from the Charity or has some separate interest or duty in a matter to be decided, or in relation to information which is confidential to the Charity. Declarations and updates are requested at each team meeting.

Similarly, all payments are reviewed monthly for related party transactions.

Pay policy for senior staff

The pay of the senior staff has been determined by Management together with the Finance Risk and Audit Committee on a review of pay levels in other similar organisations and in accordance with our Performance Related pay Policy.

Principal risks and uncertainties

The trustees have a risk management strategy which comprises:

- The Finance Risk and Audit Committee (FRAC) which works to undertake monitoring and supervision of both the current and future financial position of the Sustainable Hospitality Alliance, and associated risks.
- Maintenance of an Organisational Risk Register that identifies risks at an organisational level. The Register is developed and proposed by Senior Management initially to FRAC, and then to the Board of Trustees quarterly. The Register scores the risk in terms of impact and probability, provides a narrative commentary for the quarter, and details controls and mitigations in place and planned.
- Active involvement in emerging risk management, with Senior Management members, particularly through the Chair of the Board of Trustees and Chair of FRAC.

The Trustees have assessed the risks that the Alliance is exposed to and have identified the principal risk categories and put in mitigations as follows:

Risk	Mitigations in place
1. Relevance	
We become irrelevant, fail to innovate and to communicate Net Positive Hospitality effectively.	We have defined and are using "Net Positive Hospitality" to galvanise members and the industry, we use Member surveys to check relevance of proposed funding streams, and our Standing committees, launched in 2023, ensure relevance.
Our strategy fails on those metrics or that we fail to deliver it well	We have consulted widely on our relevance and mission as we embark on the five-year strategy, keeping in touch through regular member summits and the Standing Committees
Our purpose, vision and mission are misunderstood or not communicated clearly and consistently.	Our strategy defined our purpose, vision and mission clearly, our programmes have been scoped as part of the strategy launch and endorsed by stakeholders
2. Operating Model	
We fail to grow or retain membership, affiliate membership and partnerships that add value.	Membership recruitment is the primary focus of two staff: the Director of Business Development and Relationships Manager, supported by the CEO, and partnership management is assigned to different members of the Senior Leadership Team
Our delivery programmes & training fail to attract partners, funding and do not reach goals.	The Senior Leadership team continue to focus on fundraising as a priority, developing funding applications for the employability programme. In addition, we are developing a Partnerships model, which has been successful in attracting funders for programmes such as the Net Positive Academy, the Resource Directory and Net positive simulator, thus broadening income streams.
The advisory committees become disengaged, fail to endorse our strategy or reject it.	We will continue to consult widely on our relevance and mission as we embark on the five-year strategy and have seen positive engagement in feedback sessions, using the summits and Standing Committees launched in 2023.
3. Financial & Human Resource	
We do not attract the funding necessary to deliver our strategy over the next financial year.	We set internal fundraising targets for unrestricted income, including corporate sources, regular internal meetings ensuring joint responsibility towards funding targets.
Failure to retain staff, ensure staff well-being and professional development and recruit effectively.	We use performance related pay processes with appraisals, conduct a regular staff engagement survey, invest in specific training for individual members of staff relevant to their progression. All staff are now on permanent contracts and modern office space and facilities are secured.
4. Governance & Compliance	
We fail an audit, suffer significant data breaches, put employees, partners and beneficiaries at risk.	We invest in legal and expert financial advice on potential risk areas such as membership, Charitable law requirements, VAT regulations, co-operation agreements

Reserves policy and going concern

The Trustees, having considered the risks outlined above have determined a desired range of reserve levels to be held in light of these risks to lie between £431,000 and £718,000.

The reserves to be deployed should be unencumbered by prior obligation and held as liquid assets.

Currently the organisation holds £522,488 of Unrestricted Reserves, of which £500,732 are unencumbered and free to be deployed to use. This level is within the required reserves range.

The Trustees judged that the level of reserves was sufficient and within the required range. However, the budget for 2025 plans to increase reserves towards the higher value of the recommended reserves requirement.

The Trustees review the financial circumstances of the Alliance as part of the quarterly FRAC review and consider that adequate resources continue to be available to fund the activities of the company for the foreseeable future. The Trustees are of the view that the company is a going concern.

Our approach to fundraising activities

The charity raises funds from member contributions, from institutional donors including Trusts and Foundations, International Development Organisations and Government Institutions in the UK and internationally. We have developed an Ethical Fundraising Policy to guide decisions on solicitation and acceptance of funds.

The charity does not currently actively fundraise from the public or run legacy campaigns or undertake similar fundraising activities. The trustees are though pleased to receive unsolicited gifts and legacies from patrons and supporters who generously support our work.

No complaints have been received from funders or beneficiaries in respect of fundraising activities undertaken by the alliance.

Trustees' responsibilities in relation to the financial statements

The charity trustees (who are also the directors of the Sustainable Hospitality Alliance for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing the 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 UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Statement as to disclosure to our auditors

In accordance with company law, the Company's Directors confirm that:

- so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- as the Directors of the Company they have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

In preparing the Report of the Trustees the trustees have taken advantage of the exemptions available to small companies.

This report was approved by the board of trustees and signed on their behalf by Daniella Foster, Chair:

Signed by:

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Date: 14/08/2025

Independent Auditors report to the Trustees of World Sustainable Hospitality Alliance

Opinion

We have audited the financial statements of World Sustainable Hospitality Alliance for the period ended 31 December 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and 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 charitable Company's affairs as at 31 December 2024 and of the charitable company's net movement in funds, including the income and expenditure, for the period 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 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 charitable 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 directors 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 Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

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' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' 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 company; or
- the charitable 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

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on pages 21 and 22, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Based on our understanding of the charitable company and the sector in which it operates, we identified that the principal risks of non-compliance related to Charity and Company law applicable in England and Wales, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as Companies Act 2006 and the Charities Act 2011, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to related to posting inappropriate journal entries and management bias in certain accounting estimates and judgements such as the recognition of income and expenditure at the year-end. Audit procedures performed by the engagement team included:

- Inspecting correspondence with appropriate regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.



Adam Halsey

Senior Statutory Auditor

For and on behalf of HaysMac LLP, Statutory Auditors

Date: 3/09/2025

10 Queen Street Place

London

EC4R 1AG

WORLD SUSTAINABLE HOSPITALITY ALLIANCE STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure account)

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Unrestricted Funds	Restricted Funds	Total Funds Year ended 31-Dec-24	Total Funds Year ended 31-Dec-23
		£	£	£	£
INCOME FROM:					
Donations and legacies	2a	72,954	-	72,954	91,022
Alliance Membership contributions		775,894	-	775,894	597,813
Charitable activities					
Grants	3	-	749,677	749,677	739,408
Investment income	4	16,222	-	16,222	12,299
Other Trading Activity	4a	10,400	4,757	15,157	21,759
TOTAL INCOME		<u>875,470</u>	<u>754,434</u>	<u>1,629,904</u>	<u>1,462,301</u>
EXPENDITURE ON:					
Raising funds					
Fundraising and publicity	6	105,932	-	105,932	110,893
Charitable activities					
Human Rights		9,516	-	9,516	65,719
Youth Employment		111,691	403,642	515,333	527,284
Climate Action		39,672	242,047	281,719	272,809
Water Stewardship		39,068	72,766	111,834	69,777
Cross organisational activities		541,687	36,157	577,844	638,094
TOTAL EXPENDITURE	6	<u>847,566</u>	<u>754,612</u>	<u>1,602,178</u>	<u>1,684,576</u>
NET INCOME	5	27,904	(178)	27,726	(222,275)
Transfer between funds		-	-	-	-
NET MOVEMENT IN FUNDS		27,904	(178)	27,726	(222,275)
Reconciliation of funds:					
Total funds brought forward		494,586	250	494,836	717,111
TOTAL FUNDS CARRIED FORWARD		<u>522,490</u>	<u>72</u>	<u>522,562</u>	<u>494,836</u>

WORLD SUSTAINABLE HOSPITALITY ALLIANCE STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure account)

FOR THE PERIOD ENDED 31 DECEMBER 2023

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds Year ended 31-Dec-23 £
INCOME FROM:				
Donations and legacies	2a	77,822	13,200	91,022
Alliance Membership contributions		597,813	-	597,813
Charitable activities				
Grants	3	40,616	698,792	739,408
Investment income	4	12,299	-	12,299
Other Trading Activity	4a	7,200	14,559	21,759
TOTAL INCOME		<u>735,750</u>	<u>726,551</u>	<u>1,462,301</u>
EXPENDITURE ON:				
Raising funds				
Fundraising and publicity		110,893	-	110,893
Charitable activities				
Human Rights		-	65,719	65,719
Youth Employment		29,228	498,056	527,284
Climate Action		233,042	39,767	272,809
Water Stewardship		69,777	-	69,777
Cross organisational activities		506,721	131,373	638,094
TOTAL EXPENDITURE	6	<u>949,661</u>	<u>734,915</u>	<u>1,684,576</u>
Net gains/(losses) on investments		-	-	-
NET INCOME	5	<u>(213,911)</u>	<u>(8,364)</u>	<u>(222,275)</u>
Transfer between funds		-	-	-
NET MOVEMENT IN FUNDS		<u>(213,911)</u>	<u>(8,364)</u>	<u>(222,275)</u>
Reconciliation of funds:				
Total funds brought forward		708,499	8,612	717,111
TOTAL FUNDS CARRIED FORWARD		<u><u>494,588</u></u>	<u><u>248</u></u>	<u><u>494,836</u></u>

WORLD SUSTAINABLE HOSPITALITY ALLIANCE
Company Number 12373950
BALANCE SHEET AS AT 31 DECEMBER 2024

		2024		2023	
	Note	£	£	£	£
FIXED ASSETS					
Tangible assets	9		8,739		4,716
Intangible assets	9a		13,017		26,336
			<u>21,756</u>		<u>31,052</u>
CURRENT ASSETS					
Debtors	13	910,761		209,787	
Cash at bank and in hand		<u>847,101</u>		<u>983,630</u>	
		1,757,862		1,193,417	
CREDITORS: amounts falling	14	(1,257,058)		(729,633)	
due within one year					
NET CURRENT ASSETS			500,804		463,784
TOTAL ASSETS LESS CURRENT LIABILITIES			522,560		494,836
NET ASSETS			<u>522,560</u>		<u>494,836</u>
FUNDS	15				
Restricted funds			72		248
Unrestricted funds:					
Designated funds			-		-
General funds			<u>522,488</u>		<u>494,588</u>
			<u>522,488</u>		<u>494,588</u>
			<u>522,560</u>		<u>494,836</u>

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies' regime. The financial statements were approved and authorised for issue by the Trustees on 14/08/2025 and were signed below on its behalf by:

Signed by: **Daniella Foster. Chair.**

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World Sustainable Hospitality Alliance STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 £	2023 £
Cash Flow from operating activities	21	(129,309)	(350,586)
Cash flows from investing activities			
Income from listed investments		-	-
Other interest receivable		-	-
Payments to acquire tangible fixed assets		(7,220)	(30,228)
Disposal of tangible fixed assets		-	-
Purchase of investments		-	-
Sale of investments		-	-
Cash used in investing activities		<u>(7,220)</u>	<u>(30,228)</u>
Increase/(Decrease) in cash and cash equivalents in the year		<u>(136,529)</u>	<u>(380,814)</u>
Cash and cash equivalents at the beginning of the year		<u>983,630</u>	<u>1,364,444</u>
		847,101	983,630
Change due to exchange rate movements		-	-
Total cash and cash equivalents at the end of the year		<u><u>847,101</u></u>	<u><u>983,630</u></u>
Cash and cash equivalents			
Cash at bank and in hand		847,101	983,630
Cash held by investment manager		-	-
Cash at bank and in hand at the end of the reporting period		<u><u>847,101</u></u>	<u><u>983,630</u></u>

1 Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements have been prepared in accordance with the 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)) (2nd Edition effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

World Sustainable Hospitality Alliance 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 note(s).

b) Preparation of the accounts on a going concern basis

The World Sustainable Hospitality Alliance reported net income of £27,726 for the period. The trustees are of the view that ongoing funding agreements and membership contributions have secured the immediate future of the World Sustainable Hospitality Alliance for the next 12 to 18 months, and that the current cash position and future projections indicate sufficient levels to continue operations without interruption, and that on this basis the charity is a going concern for the foreseeable future and that there are no material uncertainties in relation to the ability of the charity to continue as a going concern.

The trustees remain vigilant of the need to secure on-going financial support and to monitor financial commitments and cash flows to maintain the organisation's financial viability.

c) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred.

Grant income received in advance of performance or provision of other specified service it is deferred until the criteria for income recognition are met (see note 23).

d) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general time of volunteers not recognised; refer to the trustees' annual report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity 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.

e) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

f) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity.

Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Sustainable Hospitality Alliance's work or for specific projects being undertaken by the Sustainable Hospitality Alliance.

g) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise fundraising and publicity and their associated support costs.
- Expenditure on charitable activities includes the costs of undertaking specific activities and projects in Human Rights, Youth Employment, Climate Action, Water Stewardship and Cross organisational activities and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

h) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back-office costs, finance, personnel, other organisational running costs and are classified between Office expenses, Governance costs and Other support costs. These costs have been allocated between cost of raising funds and expenditure on charitable activities.

Support costs have been allocated to activities (whether raising funds or charitable activities) on the following bases:

- Where a support cost can be specifically attributed to an activity it is directly allocated
 - Where the support costs have a general effect on activities, they are apportioned to activities on the basis of staff time recorded undertaking the activities

Support costs related to publicity and promotion are not reapportioned to charitable activities.

i) Tangible fixed assets

Individual fixed assets costing £1,500 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight-line basis as follows:

Asset Category

Computer equipment	Over 3 years
--------------------	--------------

j) Intangible fixed assets

Intangible fixed assets represent software developments owned by the Alliance and which are capitalised where their cost can be measured reliably and exceeds £5,000 in respect of individually identifiable assets, and where they have a probable future benefit to the Alliance. Intangible fixed assets are amortised over their expected useful lives on a straight-line basis as follows:

Asset Category

Training software	Over 2 years
-------------------	--------------

Alliance Membership Directory software	Over 3 years
--	--------------

If any asset is found to have a carrying value materially higher than its recoverable amount, it is written down accordingly.

k) Debtors

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

l) Cash at bank and in hand

Cash at bank and cash 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.

m) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

n) Pensions

Existing employees of the charity were entitled to join the defined contribution Group Personal Pension Plan operated by Scottish Widows which is funded by contributions from employee and employer.

o) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Trustees do not consider there are any critical judgements or sources of estimation uncertainty affecting assets or liabilities at the balance sheet date which is likely to result in a material adjustment to their carrying amount in the next financial year.

p) Financial Instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at the settlement value.

NOTES TO THE ACCOUNTS YEAR ENDED 31 December 2024

2 DONATIONS AND LEGACIES

	<i>Unrestricted</i>	<i>Restricted</i>	Year Ended 31-Dec-24
	£	£	£
Donations	218	-	218
Gifts in kind	72,736	-	72,736
	<u>72,954</u>	<u>-</u>	<u>72,954</u>

DONATIONS AND LEGACIES 2023

	<i>Unrestricted</i>	<i>Restricted</i>	Year Ended 31-Dec-23
	£	£	£
<i>Donations</i>	1,806	-	1,806
<i>Gifts in kind</i>	76,016	13,200	89,216
	<u>77,822</u>	<u>13,200</u>	<u>91,022</u>

The value of consultants and corporate entities time is estimated at £72,000 (£89,216 in 2023). We have included the value where it is quantifiable but recognise that the Charity received a significant level of support.

3 CHARITABLE ACTIVITIES

	<i>Unrestricted</i>	<i>Restricted</i>	Year Ended 31-Dec-24
	£	£	£
Grants			
Expedia Inc	-	41,245	41,245
GIZ GmbH	-	131,729	131,729
Academy	-	145,531	145,531
Hyatt Community Grants Fund	-	68,122	68,122
The IHG Foundation (UK) Trust	-	12,923	12,923
Summits 2023 -24	-	13,382	13,382
Marriott International	-	20,722	20,722
Recognition and awards	-	9,000	9,000
Net Positive Hospitality Simulator	-	79,233	79,233
Power Purchasing A	-	76,344	76,344
Net Positive Pathways - Standard & Reporting	-	89,411	89,411
TUI Care Foundation	-	66,791	66,791
	<u>-</u>	<u>754,433</u>	<u>754,433</u>

CHARITABLE ACTIVITIES 2023

	<i>Unrestricted</i>	<i>Restricted</i>	Year Ended 31-Dec-23
	£	£	£
Grants			
Expedia Inc	-	38,446	38,446
GIZ GmbH	-	252,785	252,785
Hyatt Community Grants Fund	-	149,300	149,300
The IHG Foundation (UK) Trust	-	17,077	17,077
International Organisation for Migration (Geneva)	-	65,719	65,719
Marriott International	40,616	63,848	104,464
Net Positive Hospitality Simulator	-	40,112	40,112
TUI Care Foundation	-	71,505	71,505
	<u>40,616</u>	<u>698,792</u>	<u>739,408</u>

4. INVESTMENT INCOME

	<i>Unrestricted</i>	<i>Restricted</i>	Year Ended 31-Dec-24
	£	£	£
Income from investments	-	-	-
Other interest receivable	<u>16,222</u>	<u>-</u>	<u>16,222</u>
	<u><u>16,222</u></u>	<u><u>-</u></u>	<u><u>16,222</u></u>

	<i>Unrestricted</i>	<i>Restricted</i>	Year Ended 31-Dec-23
	£	£	£
Income from investments	-	-	-
Other interest receivable	<u>12,299</u>	<u>-</u>	<u>12,299</u>
	<u><u>12,299</u></u>	<u><u>-</u></u>	<u><u>12,299</u></u>

4a. OTHER TRADING ACTIVITY

	<i>Unrestricted</i>	<i>Restricted</i>	Year Ended 31-Dec-24
	£	£	£
Fundraising & Sponsorship	-	-	-
Corporate Income (services)	<u>10,400</u>	<u>4,757</u>	<u>15,157</u>
	<u><u>10,400</u></u>	<u><u>4,757</u></u>	<u><u>15,157</u></u>

	<i>Unrestricted</i>	<i>Restricted</i>	Year Ended 31-Dec-23
	£	£	£
Fundraising & Sponsorship	-	14,380	14,380
Corporate Income (services)	<u>7,200</u>	<u>179</u>	<u>7,379</u>
	<u><u>7,200</u></u>	<u><u>14,559</u></u>	<u><u>21,759</u></u>

5. NET INCOME FOR THE YEAR

This is stated after charging the following:

- Depreciation	3,197	5,158
- Auditors remuneration for audit services		
for audit services	16,360	18,060
for other services	1,800	1,800
- Operating lease rentals		

The costs above include support costs which are allocated on the basis of expenditure undertaken.

6. EXPENDITURE

a) ANALYSIS OF EXPENDITURE

	Support Costs £	Staff Costs £	Grants to Partners £	Other Direct £	Total 2024 £	Total 2023 £
Raising Funds						
Fundraising and publicity	73,392	32,540	-	-	105,932	110,893
Expenditure on charitable activities:						
Human Rights	9,516	-	-	-	9,516	65,719
Youth Employment	318,248	-	105,953	91,131	515,332	527,284
Climate Action	184,571	-	604	96,544	281,719	272,809
Water Stewardship	78,787	-	-	33,049	111,836	69,777
Cross organisational activities	<u>-173,326</u>	<u>689,647</u>	<u>-</u>	<u>61,525</u>	<u>577,846</u>	<u>638,094</u>
TOTAL EXPENDITURE	<u><u>491,188</u></u>	<u><u>722,187</u></u>	<u><u>106,557</u></u>	<u><u>282,249</u></u>	<u><u>1,602,181</u></u>	<u><u>1,684,576</u></u>

The costs above include support costs which are allocated on the basis of expenditure undertaken.

b) ANALYSIS OF SUPPORT COSTS

	Office expenses £	Governa nce costs £	Other support costs £	Reallocation £	Total 2024 £	Total 2023 £
Raising Funds						
Fundraising and publicity	-	-	73,392	-	73,392	45,166
Expenditure on charitable activities:						
Human Rights	-	-	3,045	6,471	9,516	51,295
Youth Employment	143	-	213,299	104,806	318,248	326,853
Climate Action	-	-	124,887	59,684	184,571	232,295
Water Stewardship	-	-	52,735	26,052	78,787	68,349
Cross organisational activities	<u>90,316</u>	<u>24,357</u>	<u>-84,975</u>	<u>-203,024</u>	<u>-173,326</u>	<u>-296,442</u>
TOTAL SUPPORT COSTS:	<u><u>90,459</u></u>	<u><u>24,357</u></u>	<u><u>382,383</u></u>	<u><u>-6,011</u></u>	<u><u>491,188</u></u>	<u><u>427,516</u></u>

The basis for apportionment of Support costs is set out in Note 1 i).

Included in Other support costs is the value of £72,000 of in-kind contributions received.

c) GOVERNANCE COSTS

Legal and professional, including audit

Year Ended 31-Dec-24 £	Year Ended 31-Dec-23
<u>24,357</u>	<u>24,317</u>
<u>24,357</u>	<u>24,317</u>

d) Grants paid to institutions

	<i>Unrestricted</i>	<i>Restricted</i>	Year Ended 31-Dec-24	Year Ended 31-Dec-23
Kherwadi Social Welfare Association	-	46,482	46,482	65,926
Stanforte Edge	-	-	-	906
Spence Evoluzione Charitable Trust	-	43,799	43,799	26,185
World Vision Mexico	-	15,672	15,672	15,215
		<u>105,953</u>	<u>105,953</u>	<u>108,232</u>

7. STAFF NUMBERS AND COSTS

The average number of persons employed during the year were as follows

	2024 No.	2023 No.
Raising funds	1.4	1.5
Charitable activities	6.5	9.0
Support	<u>2.2</u>	<u>1.8</u>
	<u>10.1</u>	<u>12.3</u>

The aggregate payroll costs of these persons were as follows

	£	£
Salaries and wages	619,955	693,535
Social security costs	65,851	72,883
Pension scheme contributions	<u>36,381</u>	<u>42,462</u>
	<u>722,187</u>	<u>808,880</u>

The number of employees whose emoluments, excluding pension contributions and employer's national insurance who were in excess of £60,000 were:

	2024	2023
	No.	No.
£60,000 - £69,999	1	2
£70,000 - £79,999	1	2
£109,999 - £119,999	-	1
£129,999 - £139,999	1	-
	<u>3</u>	<u>5</u>

Contributions of £36,381 (£42,462 in 2023) were paid on behalf of these employees into a money purchase pension scheme.

The total employee benefits of the key management personnel of the Foundation were £329,040 (£317,874 in 2023).

8. TRUSTEES' REMUNERATION AND REIMBURSED EXPENSES

Reimbursements of travelling expenses totaling £6,197.40 were paid to 7 Trustees for attendance at Trustee meetings (£3,997.23 in 2023).

9. TANGIBLE ASSETS

Group and Charity	Computer Equipment
Cost or Valuation	£
As at 1 January 2024	16,780
Additions	7,220
Disposals	-
At 31 December 2024	<u>24,000</u>
Depreciation	
As at 1 January 2024	(12,064)
Charged in Year	(3,197)
Disposals	-
At 31 December 2024	<u>(15,261)</u>
Net Book Value	
At 01 January 2024	4,716
At 31 December 2024	<u>8,739</u>

9A. INTANGIBLE ASSETS

Group and Charity	Simulator	Resource Directory	Total
Cost or Valuation	£	£	£
As at 1 January 2024	-	-	-
Additions	20,477	8,980	29,457
Disposals	-	-	-
At 31 December 2024	<u>20,477</u>	<u>8,980</u>	<u>29,457</u>
Depreciation & Amortisation			
As at 1 January 2024	(2,614)	(507)	(3,121)
Charged in Year	(10,303)	(3,016)	(13,319)
Disposals	-	-	-
At 31 December 2024	<u>(12,917)</u>	<u>(3,523)</u>	<u>(16,440)</u>
Net Book Value			
At 01 January 2024	17,863	8,473	26,336
At 31 December 2024	<u>7,560</u>	<u>5,457</u>	<u>13,017</u>

10. INVESTMENTS

There were no investments on behalf of the charity at 31 December 2024 (2023 NIL)

11. TAXATION

Sustainable Hospitality Alliance is a registered charity and, therefore, is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

12 DEBTORS

	Charity 2024	Charity 2023
	£	£
Trade debtors	762,849	161,391
Other debtors including taxation	58,128	25,709
Prepayments and accrued income	89,784	22,687
	<u>910,761</u>	<u>209,787</u>

13 CREDITORS: Amounts falling due within one year

	Charity 2024	Charity 2023
	£	£
Trade creditors	52,236	9,168
Other creditors including taxation and social security	92,582	40,210
Grant commitments	-	-
Accruals and deferred income	1,112,240	680,255
	<u>1,257,058</u>	<u>729,633</u>

Included in Accruals and deferred income is deferred income as at 31 December 2024 £1,004,877 (2023 £647,900).

14. DEFERRED INCOME

	Brought forward deferred income 01 Jan 2024	Amount released in 2024	Amount deferred in 2024	Deferred income carried forward year ended 31 Dec 2024
	£	£	£	£
Amount deferred in the year	647,900	(725,269)	1,082,246	1,004,877
	<u>647,900</u>	<u>(725,269)</u>	<u>1,082,246</u>	<u>1,004,877</u>

Deferred income represents income or membership contributions invoiced or received for use in future periods where the criteria for recognition as income in the year have not been met.

15. FUNDS	At 31 December 2023	Income	Expenditure	Transfers/ gains/ (losses)	At 31 December 2024
	£	£	£	£	£
Unrestricted Funds					
General Funds	494,588	803,470	775,568	-	522,488
	494,588	803,470	775,568	-	522,488
Restricted Funds					
Expedia Inc	-	41,245	41,245	-	-
GIZ GmbH	-	131,729	131,729	-	-
Academy	-	145,531	145,531	-	-
Hyatt Community Grants Fund	-	68,122	68,122	-	-
The IHG Foundation (UK) Trust	-	12,923	12,923	-	-
Summits 2023 -24	(274)	13,382	13,110	-	-
Marriott International	-	20,722	20,547	-	175
Recognition and awards		9,000	9,000		-
TUI Care Foundation	-	66,791	66,780	-	11
Net Positive Hospitality Simulator	522	79,233	79,756	-	-
Power Purchasing	-	76,344	76,344	-	-
Net Positive Pathways - Standard & Reporting	-	89,411	89,525	-	(114)
Grants	248	754,433	754,612	-	72
	494,836	1,557,903	1,530,180	-	522,560

FUNDS	At 31 December 2022	Income	Expenditure	Transfers/ gains/ (losses)	At 31 December 2023
	£	£	£	£	£
Unrestricted Funds					
General Funds	708,499	735,750	949,661	-	494,588
	708,499	735,750	949,661	-	494,588
Restricted Funds					
Expedia Inc	-	38,446	38,446	-	-
GIZ GmbH	-	252,785	252,785	-	-
Hilton Effect Foundation	8,612	-	8,612	-	-
Hyatt Community Grants Fund	-	149,300	149,300	-	-
The IHG Foundation (UK) Trust	-	17,077	17,077	-	-
International Organisation for Migration (Geneva)	-	65,719	65,719	-	-
Marriott International	-	63,848	63,848	-	-
Net Positive Hospitality Simulator	-	40,291	39,769	-	522
Summits 2023	-	27,580	27,854	-	(274)
TUI Care Foundation	-	71,505	71,505	-	-
Grants	8,612	726,551	734,915	-	248
	717,111	1,462,301	1,684,576	-	494,836

Designated funds represent funds received from Humanity United which the donor has allowed to be applied for general purposes

16 ANALYSIS OF FUND BALANCES BETWEEN NET ASSETS - CURRENT YEAR

At 31 December 2024

	Restricted Funds	General Funds	Designated Funds	Total
	£	£	£	£
Tangible fixed assets	-	8,739	-	8,739
Intangible Assets	-	13,017	-	13,017
Investments	-	-	-	-
Net current assets	<u>72</u>	<u>500,732</u>	<u>-</u>	<u>500,804</u>
	<u><u>72</u></u>	<u><u>522,488</u></u>	<u><u>-</u></u>	<u><u>522,560</u></u>

ANALYSIS OF FUND BALANCES BETWEEN NET ASSETS - PRIOR YEAR

At 31 December 2023

	Restricted Funds	General Funds	Designated Funds	Total
Tangible fixed assets	-	4,716	-	4,716
Intangible Assets	-	26,336	-	26,336
Investments	-	-	-	-
Net current assets	<u>248</u>	<u>463,536</u>	<u>-</u>	<u>463,784</u>
	<u><u>248</u></u>	<u><u>494,588</u></u>	<u><u>-</u></u>	<u><u>494,836</u></u>

17. CAPITAL COMMITMENTS

World Sustainable Hospitality Alliance had no capital commitments at 31 December 2024 or at 31 December 2023

18. OPERATING LEASE REQUIREMENTS

World Sustainable Hospitality Alliance had no operating lease commitments at 31 December 2024 or at 31 December 2023.

19. MEMBERS LIABILITY

In the event of the company being wound up, Trustees will each have a liability of £1.

20. PENSION COMMITMENTS

World Sustainable Hospitality Alliance operates a Group pension arrangement. The overall pension charge for the year was £36,381 (£42,462 in the period to 31 December 2023). At 31 December 2024, no contributions were outstanding (£6,005 as of 30 December 2023).

21 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH INFLOW

	2024	2023
	£	£
Net movement in funds	27,724	(222,275)
Investment income		
Depreciation and amortisation	16,516	7,819
Increase/ (Decrease) in creditors	527,425	(210,367)
(Increase)/ Decrease in debtors	<u>(700,974)</u>	<u>74,237</u>
Net Cash generated by operating activities	<u>(129,309)</u>	<u>(350,586)</u>

22. RELATED PARTY TRANSACTIONS

There were no related party transactions other than the trustees' payment in note 8 in the current or previous accounting period.

World Sustainable Hospitality Alliance Foundation

England & Wales - Charity number 1188731

Accounts



Sustainable Hospitality Alliance
(A company limited by guarantee)

World Sustainable Hospitality Alliance is the trading name of Sustainable Hospitality Alliance.

Report and Financial Statements
Year ended 31 December 2023

Charity number 1188731
Company number 12373950

Report of the trustees for the year ended 31 December 2023

The trustees are pleased to present their annual directors' report together with the consolidated financial statements of the charity for the period ended 31 December 2023 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and the 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, 2nd Edition) effective 1 January 2019.

Report of the trustees for the year ended 31 December 2023

Reference and administrative details

Directors and trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law. The trustees and officers serving during the period and since the period end were as follows:

Board of Trustees:

Wolfgang M. Neumann, Chair (Resigned 30th June 2024)
 Daniella Foster, Vice-Chair (Appointed 8th March 2023 & Appointed as Chair 30th June 2024)
 Catherine Hammond, Treasurer
 Tim Davis
 Yasmin Diamond
 Stephen Farrant
 Melissa Froehlich Flood (Resigned 30th September 2023)
 Jonathan Worsley (Appointed 16th October 2023)
 Denise Naguib (Appointed 01st October 2023)
 Inge Huijbrechts (Appointed 16th October 2023 & Appointed Vice-Chair 30th June 2024)

Members of Board Sub-committees serving during the period and since the period end were as follows: Finance Risk and Audit Committee:

Catherine Hammond, Treasurer
 Wolfgang M. Neumann, Chair
 Daniella Foster, Vice Chair (Appointed to FRAC 8th March 2023)
 Tim Davis (Resigned from FRAC 8th March 2023)
 Lesley Wolfenden (Resigned from FRAC 2023)
 Mike Reilly
 Inge Huijbrechts (Appointed to FRAC 30th June 2024)

Key management personnel

Senior Management Team:

Glenn Mandziuk, CEO
 Simon Le Gouais, Director of Finance and Resources & Company Secretary (until 30 May 2024) (resigned as company secretary 28 June 2023)
 Chris Wilde, Interim Finance Director (from 1 May 2024)
 Lauryn Venters, Company Secretary (Appointed 28 June 2023)

Reference and administrative details

Registered charity name	Sustainable Hospitality Alliance
Charity registration number	1188731
Company registration number	12373950
VAT registration number	GB 450 0405 46
Registered address	2 Putney Hill, London, SW15 6AB
Auditor	Haysmacintyre LLP
Bankers	HSBC UK
Solicitors	Russell-Cooke LLP

Chair's report

I am delighted to present to you the 2023 Annual Report of the World Sustainable Hospitality Alliance. This year, we have reached a pivotal milestone, outlined detailed plans, and initiated a new era of collaboration within the hospitality industry. Our ambitions are aimed at steering the industry towards a regenerative and responsible future.

After a 12-month strategic planning process, we, along with our members and partners, have launched a bold five-year strategy. Unveiled at our Spring Summit, this strategy brings a holistic approach to inspire action towards a Net Positive future. It seeks to ensure that hotels contribute more to their destinations than they take, sparking tangible change for communities, the environment, and the economy.

As part of our commitment, we released v2.0 of our Pathway to Net Positive Hospitality for the Planet, following its launch in 2022. This pathway focuses on the four pillars of people, planet, place, and prosperity. It serves as a practical roadmap, enabling hotels of all sizes to accelerate environmental and social action. It aligns with global frameworks and standards, thus combining the collective power of resources available to the industry, reducing fragmentation of effort.

In 2023, we developed the Net Positive Hospitality Business Simulation in collaboration with Sim Institute. Launched at COP28, this cutting-edge tool helps hotels understand the connection between environmental, social, and governance issues. The simulation is a core part of our newly developed World Academy for Sustainable Hospitality, providing comprehensive sustainability training for the hospitality industry.

Our strategy prioritizes ambitious collaboration. We are proud to have formed six new Standing Committees, each convening experts from across our network to drive action towards resolving the industry's biggest challenges and opportunities. We have also launched several Net Positive Accelerator projects, delivering pilot initiatives targeting systemic issues in specific destinations.

In terms of our global presence, we have successfully represented the Sustainable Hospitality Alliance at numerous prestigious events worldwide, reinforcing our position as the authoritative voice for sustainable hospitality. We have welcomed leading hospitality companies and sustainability specialists to our network, marking significant growth in our global presence and network. Our digital presence has also seen substantial growth.

As we look to the future, we remain committed to making our vision for Net Positive Hospitality a reality. This year, we have laid the foundation to translate our strategic planning into tangible action on the ground. I am confident that we will continue to catalyse significant change throughout 2024 and beyond.

None of this would be possible without the cooperation and contributions of our members, partners, and supporters. Therefore, on behalf of the Alliance, I express our profound gratitude to each company and representative for their commitment to building a better future. Together, we will show the world that the hospitality industry is taking responsibility for the destinations and communities we serve and preserving our fragile planet for future generations.

Thank you for your continued support.

Daniella Foster, Chair. World Sustainable Hospitality Alliance



Objectives and activities

Our vision and mission

Our vision is a prosperous and responsible hospitality sector that gives back to the destination more than it takes.

Our mission is to accelerate the path to net positive hospitality through strategic industry leadership, collaborative action, harmonisation of metrics and regenerative solutions.

We do this by bringing together engaged hospitality companies and strategic partners and using the collective power of the industry to deliver impact locally and on a global scale.

Summary of the purposes of the charity

The Charity's objects are, for the public benefit, anywhere in the world, to:

- advance education to prevent and relieve poverty and to relieve unemployment, in particular, but not exclusively amongst disadvantaged young people.
- advance human rights (as set out in the Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights and subsequent United Nations declarations and conventions).
- promote the protection and preservation of the natural environment and sustainable development amongst participants in the global hospitality industry.
- further such other exclusively charitable purposes according to the law of England and Wales as the trustees in their absolute discretion from time to time determine.

The trustees confirm that they have referred to the information contained in the Charity Commission's general guidance on public benefit when reviewing the World Sustainable Hospitality Alliance's aims and objectives, and in planning activities and setting strategy for the year ahead.

Summary of main activities

To achieve our objectives, we work with our members, partners and other stakeholders, to assess the key global challenges affecting our planet and its people. We then prioritise our activities and programmes to identify where we can collectively deliver the most positive impact towards our mission.

Aligned with the United Nations Sustainable Development Goals (SDGs), we commit to drive continued action in the following areas:

People – Advancing fair and inclusive opportunities for people and communities now and for future generations.

- **Equity, diversity and inclusion:** Promoting access to fair opportunities and creating environments that support inclusive employment and encourage advancement.
- **Human rights:** Supporting respect for human rights across the hospitality industry, addressing risks and strengthening ethical recruitment and employment.

- **Employability:** Enabling young people and those from particularly vulnerable backgrounds to get started in their careers by leveraging the power of the hospitality industry.

Planet – Safeguarding our natural environment for a thriving and diverse world for all.

- **Climate action:** Driving decarbonisation of the hospitality industry, limiting key drivers of climate change, and maximising our regenerative impact.
- **Water stewardship:** Addressing water risk within communities, embedding water stewardship programmes and furthering water-use efficiency.
- **Responsible resourcing:** Advancing sustainable procurement and consumption, enabling effective resource management, and minimising pollution and waste.

Policy on social investment and grant making

The charity works in partnership with its members and with organisations engaged in programmes in alignment with the Alliance's objectives to deliver integrated social investment programmes particularly where members and partners can add value and reach to the Alliance's objectives and activities as described above.

The trustees are mindful of their duties with respect to ensuring the charity is carrying out its purposes for the public benefit, that protecting people and safeguarding responsibilities are a governance priority and a fundamental part of its operations, and that where operating through partners, and especially internationally, trustees have legal duties and responsibilities in carrying out due diligence checks and monitoring in relation to the charity's involvement with external bodies and individuals and verifying the end use of charitable funds.

Thus, when working with partners, the charity:

- conducts careful due diligence prior to entering formal partnerships, and signs clear agreements setting out the work to be carried out, monitoring requirements, financial accountability and operational standards to be upheld.
- requires grantees to comply with its policies on Safeguarding, Anti-Bribery and Anti-Corruption, Anti-Fraud and Anti-Money Laundering, and Data Privacy and Protection.
- develops working relationships through training programmes and workshops that explain the Alliance's approach on safeguarding, tackling financial crime and data protection.

During the year the charity funded work with the following partners:

- The Kherwadi Social Welfare Association (Goa, Bengaluru and Mumbai, India),
- Stanforte Edge (Lagos, Nigeria),
- Spence Evoluzione Charitable Trust (Colombo, Sri Lanka)
- World Vision (Mexico City and Silau, Mexico)

All were programmes training young vulnerable people for entry to the hotel industry.

Contribution made by members and volunteers

The members of the World Sustainable Hospitality Alliance are the corporate organisations supporting the Alliance through annual financial donations and involvement in our work. They do not have a formal governance role.

The donor members make up approximately 35% of the global hotel industry by rooms and currently include 30 world-leading hotel companies with a combined reach of over 54,000 properties and 7.4 million rooms, including large and small hotel companies with both international and regional portfolios.

The purpose of affiliate membership is to invite influential players across the value chain to participate in dialogue with each other and with our hospitality members, to share expertise and learning, to influence our pathway to net positive and to challenge, enable and inspire the movement through collaboration. Affiliate members have an advisory rather than a governance role. There are currently 25 affiliate members in place.

As our members differ in the size and scale of their operations, ownership structures, geographic footprint and the stage of organisational maturity on their sustainability journey, this gives us unique insights into the industry, and awareness of what is needed to drive progress on sustainability across the industry. With their technical know-how and expertise, we design and pilot solutions, create tools and resources, and showcase best practices to help any hotel, anywhere in the world, get started and progress on its sustainability agenda.

Our members also, from time to time, offer us additional support, in terms of secondments and resources, to help us get skills, resources and expertise in support of our work, either operationally or programmatically, and operate in a cost-effective way.

We were grateful to Marriott for its partnership in welcoming us to their London office, enabling our team to convene, work closely with colleagues and provide a welcoming space for our visiting members and partners.

Partnerships programme

This year saw the launch of the Alliances partnership programme, where we seek to officially partner with philanthropic organisations, non-profits, governments and the private sector who want to work with the hospitality industry to drive action on shared sustainability challenges.

This partnerships approach will form a central pillar of our strategy for 2023 to 2028. This approach has seen immediate impact with over 50 official partners announced. These partners are categorised as strategic, delivery, knowledge, supplier, funding or implementing partners.

Key achievements and performance: People

Employability:

Supporting local vulnerable and disadvantaged populations is an area the hospitality sector has the potential to impact and influence at scale, while developing their employment and talent pipelines.

Through our employability programme, we focus on supporting young people who have faced a range of barriers (including people from low-income families, those living without parental care, survivors of human trafficking, refugees, and people with disabilities). Our programme aims to support them in developing the skills and experience to gain and sustain employment in hospitality and across many industries.

Our flexible programme delivery model consists of 100 hours of classroom training delivered through our local non-profit implementing partners. This is followed by two to four months of practical training with local employers. The trainees are then supported to find work with local businesses.

Projects:

Employability training programmes continued in India and Sri Lanka, and we launched a new programme in Mexico and Egypt, where we worked with local hotels and implementing partners to support young people from disadvantaged backgrounds. We also supported local NGOs in Zambia and Kenya to use our Core Employability Skills Curriculum and engage with local hotels to deliver the training programme.

In 2023:

- Over 642 trainees joined the employability programme
- 88% graduates were employed or returned to formal education

The Employability Programme helped to prepare and connect youth with formal employment opportunities within hospitality sector. It was especially important for young people who did not have higher education or the know-how to access hospitality jobs that have a low entry level barrier.

World Academy for Sustainable Hospitality

While it is essential to develop sustainable projects, their success relies on the actions and behaviours of individuals working within hotels and their value chains. Complementing the Pathway to Net Positive Hospitality which lays out the guiderail for businesses, we launched the World Academy for Sustainable Hospitality to support capacity building of workers. The aim of the Academy is to drive the transformation of the hospitality industry towards a sustainable and responsible future, in which hotels give back more than they take, by focusing on the education and training of individuals within the sector.

The Academy will be an on-line self-paced learning platform, forged by industry experts for industry workers and professionals, encompassing key ESG priorities for the hospitality sector. Our vision is to create a comprehensive catalogue of hospitality-specific modules, courses, and masterclasses, culminating in certification and with the potential to achieve nano degrees from recognised post-secondary institutions. These offerings will cater to all hospitality roles, from front-line workers to CEOs, aligning with the Net Positive Hospitality framework and designed around each job function to ensure practicality and relevance.

In the last quarter of 2023, we started the foundational planning work with our project partners Ernst & Young (EY) and XU Sustainable for the Academy.

Human Rights

The services industry (which includes hospitality and transportation) accounts for the largest share of forced labour exploitation impacting almost 5.5 million people globally.¹

In 2023, the World Sustainable Hospitality Alliance continued our three-year collaboration with the International Organization for Migration (IOM) on the project “Promoting Ethical Recruitment in the Hotel and Tourism Industry” to develop relevant training resources for the hospitality industry. As part of the project, IOM and the Alliance developed training for key internal stakeholders in HR, Operations and Finance/Procurement at country level, hotel level, and corporate level with the aims to establish ethical recruitment standards in cross-border labour migration and make international recruitment fair for everyone involved. Training modules included content on:

- Ethical recruitment principles and the IRIS Standard
- Policies and commitment
- Grievance, remedy, and migrant voice

Member hotel companies had the option to participate in pilot training sessions featuring corporate and regional hotel teams, including HR, Procurement, and Legal team members, and provided feedback and input to help the Alliance to enhance the training resource development.

Over 300 participants across four brands representing over 22,000 hotels took part in the Ethical Recruitment training programme at a corporate level. The programme has helped to promote consistency and coherence in the diverse ownership structures within the different geographies when approaching ethical recruitment and human rights. The programme has also made it easier for teams to work towards common goals such as the Alliance’s Principles on Forced Labour and these standards can be effectively implemented across the emerging regions of the world.

Over the three years of the project, participating members have implemented the following:

- Review of existing materials
- Developed responsible recruitment standards
- Supplemented high level human rights policies
- Added remediation guidance to Ethical Recruitment toolkits
- Identified the need to engage with HR and other key departments
- Undertook labour supply chain mapping

The next phase of the project is to implement learnings from pilots and to make the trainings available to the industry at large.

¹ ILO (2023), [Global Estimates of Modern Slavery](#)

Key achievements and performance: Planet

Striving for a Net Positive industry

The need for increased action on environmental impact – from all sectors – is now urgent and recognised by governments, business and the public. We have therefore set a global ambition for the industry of Net Positive Hospitality – giving back to our communities and destinations more than we take.

We have been continuing to build on the work we started to support every hotel to work towards this ambition through continued development of the Pathway to Net Positive Hospitality for the Planet. Following on from the launch of the first two stages of the environmental aspects of the Pathway, we worked with EY to further define what it means to be ‘Net Positive’ and create a holistic framework incorporating topics across people, planet, place and prosperity. EY also supported through the creation of a tool for hotels and hotel companies to measure progress against the Pathway.

We launched the framework and expanded definition in March 2023 at ITB Berlin – the leading global trade fair – during a CEO Panel event focused on Connecting the dots on ESG. The announcement generated a significant amount of digital engagement, with 6 CEOs, 6 senior leaders, 8 supporting organisations, and 6 Board/Committee members posting on social media about the release.

To support the sharing of best practice case studies, we also established a Net Positive Hospitality LinkedIn page.

Throughout 2023, we continued to develop the guidance that sits under the framework, building on the existing environmental guidance by adding the third stage of the Pathway, and drafting guidance for the other topics (such as human and labour rights, and community engagement). This guidance, built in collaboration with Considerate Group, IFC, IOM and Greenview, and strengthened following consultations with the industry, includes stakeholder checklists, supporting details and tips, and practical resources.

To ensure its useability, we created an interactive online version of the Pathway. The digital version has a “freemium” model, with a headline version for non-members, and a separate login for members within which additional information and resources are available.

To help bring the Pathway to Net Positive Hospitality to life, we created the Net Positive Hospitality Simulation. Launched in October 2023, this is an online tool designed for industry professionals (such as general managers, heads of department and engineering teams) and hospitality students to engage them in the concept of Net Positive Hospitality, help them to understand the impacts of their decisions and trial their approach to implementing new ESG plans, virtually. It also helps the leaders of the future to learn how to effectively plan and implement responsible business practices.

Climate action

With increasingly dire predictions being made in reports released by organisations across the world, including the Intergovernmental Panel on Climate Change, climate action continues to be of high importance to the industry and wider world.

During April and May 2023, we co-hosted a 3-part webinar series with the International Finance Corporation (IFC), a member of the World Bank Group, focused on Unlocking Green Financing for Hotels. In total, the series had 788 unique emails registered, with roughly 250 attendees at each session. We also presented a summary of the content at a follow-up workshop hosted by the UN Global Compact Better Hospitality Initiative.

In 2023, with an aim to facilitate increased use of renewable energy across the industry, we formed a partnership with the World Travel & Tourism Council (WTTC) to investigate the potential for a joint industry virtual power purchase agreement (vPPA). Bringing Accenture and EY into the project team, we set up a project enable members of both our organisations to benefit from working together on defining renewable energy roadmaps and investigating the feasibility of creating a joint vPPA. Conversations have been positive and continued into 2024 and we are expecting the project to launch this year.

Further to this, we raised awareness of the Hotel Carbon Measurement Initiative (HCMI) through presentation at various forums. These included sharing with hotels (through an HRS webinar and a webinar with EY on decarbonisation in the industry), customers of the industry (through the BTN (Business Travel News) Travel Buyers event and BCD Travel's customer forum) and certification bodies (through the Global Sustainable Tourism Council's Tourism Impact Alliance and a Green Key webinar).

Water Stewardship

In March 2023, we launched the updated Destination Water Risk Index at a UNWTO side event during the UN Water Conference in New York. This new version expands the number of destinations assessed from 68 to 379 destinations across 63 countries and incorporates additional risk metrics. This report was also shared at the UN International Network of Sustainable Tourism Observatories event.

Responsible resourcing

There is tremendous potential for hotels to source through local supply chains, thereby increasing their positive impact in local communities as well as improving on their own environmental sustainability. Supported by funding from the German Development Agency (GIZ), a research project was carried out in 2023 to investigate the potential for the hospitality industry in Africa to increase local procurement and, thereby, increase job opportunities for local people.

The hospitality industry, at corporate and hotel level, and local suppliers were engaged with to understand the current state of local procurement, drivers and challenges of local procurement, as well as opportunities to increase it across five countries in Africa. Practical solutions to bring hotels and suppliers together were highlighted with the potential for continuation of the work in 2024.

Biodiversity

More than 80% of the value of Travel & Tourism goods and services is highly dependent on nature – from the demand for raw materials to the popularity of nature-based tourism.²

Following on from the launch of the Nature Positive Partnership, with WTTC and UN Tourism (UNWTO), at United Nations Biodiversity Conference COP15 in 2022, we carried out a consultation with 50 biodiversity experts from across travel and tourism and beyond. Based on this consultation, a report was created which will be released in 2024. The report explores the current state of actions to protect and regenerate nature in the industry, as well as the key challenges, opportunities, and recommendations for the sector. The report is accompanied by roughly 100 case studies showcasing industry best practice from across travel and tourism. The report was released with a soft launch at COP28 and a hard launch for Earth Day 2024.

Other

The EU finalised new legislation on the Corporate Sustainability Reporting Directive. The Alliance published a guidance document designed for hotel companies which are looking to report in line with CSRD, including an introduction to the legislation and who it applies to, recommended steps and tips for best practice.

Raising awareness of the industry's work on global stages

Convening the industry

In 2023, we hosted two high-level industry summits on Mainstreaming Net Positive Hospitality. These were exclusive events attended by C-suite leaders from across the Alliance's global network, comprising world-leading hotel brands, operators, owners, investors and other partners, alongside our strategic partners.

Our member-only Spring Summit brought our membership together to celebrate the launch of our bold new five-year strategy, which enables every part of the industry to contribute towards achieving the global targets set by the UN Sustainable Development Goals.

Having led the development of our strategy, we were delighted to be joined by Founder and Senior Partner of Systemiq, Jeremy Oppenheim, who gave the keynote speech. Alongside Jeremy, a range of expert speakers and panellists, from within and outside the industry, shared unique insights on the current day's sustainability challenges and shared ideas, innovations and best practices. These included Florian Huber (Co-founder and Lead, EYCarbon), Jenny Arthur (Head of Coolfood Membership Development, World Resources Institute), JoAnna Abrams (Founder and CEO, MindClick), Tiffany Kelly (Co-Founder and CEO, Beyond Bamboo), Karl Heinz Pawlizki (CEO, Arabella Hospitality) and Jörg Thomas Böckeler (Managing Director and CEO, Dorint Hotels and Resorts).

² WTTC (2022), [Nature Positive Travel and Tourism](#)

Our Autumn Summit then brought together our network of members and partners, to share best practices, explore innovation and forge new collaborations. In particular, this Summit featured the inaugural meeting of our new Standing Committees, through which we are bringing experts together to drive progress within Standards and Reporting, Financing the Transition, Risk and Resilience, Technology Transfer, Supply Chain Optimisation, and Communications and Public Relations.

At this, our biggest event of the year, we were honoured to hear from prominent Traumatologist, Consultant & Speaker, Dr. Halleh Seddighzadeh, who shared a powerful message about the importance of tackling human trafficking. Alongside a range of expert panellists and speakers, our Environment Programme Manager, Anna Dacam, gave a moving speech about 'Living in the moment and why we need a longer-term approach'. This Summit also marked the first occasion on which we invited young leaders to speak at one of our events, with Tiffany Kelly (Beyond Bamboo) joining four young people on stage to discuss the importance of attracting and retaining the workforce of the future and the steps hotels should be taking to do so.

Launching the Pathway to Net Positive Hospitality V2

At ITB Berlin, our CEO, Glenn Mandziuk, took to the stage within the Media Centre, to unveil the updated version of our Pathway to Net Positive Hospitality. This second version incorporated key social responsibility topics, including Human and Labour Rights, Supply Chain Optimisation and Equity, Diversity and Inclusion.

First launched in March 2022, this updated version of the Pathway provides a more holistic and practical four-stage roadmap to accelerate hospitality towards a sustainable and contributory future. It harnesses the power of the four pillars of people, planet, place, and prosperity combined with the industry's transformative power, innovation, and resources. It aligns with leading global frameworks and standards and integrates them into one place to combine the collective power of resources available to industry and reduce fragmentation of effort. This approach enables every hotel to advance its positive impact, regardless of size, starting point, or location.

United Nations Climate Conference

In 2021, at the United Nations Climate Conference COP26, the Sustainable Hospitality Alliance became one of the founding signatories of the Glasgow Declaration on Climate Action in Tourism, urging the acceleration of climate action by securing commitments to reduce emissions in the sector by at least 50% over the next decade and achieve Net Zero as soon as possible before 2050.

In 2023, at COP28, our CEO, Glenn Mandziuk, joined the UN World Tourism Organization, as well as colleagues from the World Travel and Tourism Council, Sustainable Markets Initiative, Kerten Hospitality and Iberostar Group, to amplify our collaborative approach to driving sustainable and responsible action. At the event, we made three significant announcements, each of which propels the industry towards a Net Positive future. Firstly, we unveiled an ambitious joint vision for the International Finance Corporation's EDGE Green Building certification and Building Resilience Index. Furthermore, we launched our ground-breaking new digital Pathway, providing a clear

roadmap to accelerate ESG progress. In addition, we introduced two innovative platforms, a Resource Directory and a Hospitality Member Directory, designed to support and empower businesses in their pursuit of sustainable practices.

Earlier in the year, Glenn also took part in the UN Water Conference, where he participated in a roundtable at the UNWTO side-event on Tourism and Water: Challenges and Opportunities. Within the session, Glenn revealed data from the second edition of our Destination Water Risk Index (DWRI), which highlights the destinations facing high water-risks, based on assessment of total of 379 destinations across 63 countries.

Guiding wider industry thinking

As the experts in sustainable hospitality, the Alliance continues to sit on various industry committees including:

- United Nation's Technical Experts for Transforming the Tourism Value Chain – a panel of experts providing guidance and support on projects which aim to improve sustainability of tourism in developing states.
- United Nation's One Planet advisory groups on food waste and plastics reduction.
- Cornell University's advisory group for the Cornell Hotel Sustainability Benchmark (CHSB), the industry's largest sustainability benchmarking index.
- Advisory Council of the International Council on Hotel, Restaurant, and Institutional Education

Plans for future periods

The Alliance is moving towards a more holistic view of sustainability which encompasses people, planet, place and prosperity to ensure our ecosystems, communities and destinations all thrive.

With the Pathway to Net Positive Hospitality now incorporating social and governance actions, we will be developing destination-based programmes to better engage communities and develop destination-specific approaches to respond to local needs and situations.

People

We have received funding from Hyatt, Marriott, TUI Care Foundation, Expedia and GIZ to continue the Employability programme into 2024. We will be aiming to develop a blended programme for youth training to incorporate foundational sustainability training for entry level workers. To scale up the Employability Programme we will be developing an online training for trainers, focusing on teachers in existing training and academic institutions to support them in offering the Employability Programme Core Curriculum.

Next year we will work to pilot test the World Academy for Sustainable Hospitality prototype. Based on feedback and industry engagement we will develop the complete suite of foundational sustainability courses for hotel teams, covering all material topics as identified in the Pathway to Net Positive Hospitality.

Planet:

Standards and Reporting

Our five-year strategy consultation process has revealed the urgent need to address the lack of harmonised metrics and benchmarking, common language across the value chain, and the evolving regulatory environment. Our members share that they spend excessive financial and human resources on reporting rather than advancing sustainability. External organisations have assumed the role of defining sustainable hospitality and are profiting from our data, rather than us defining our standards, and maintaining control of our data.

To support our vision for a Net Positive Hospitality industry, our programme of works on standards and reporting will meet the following objectives:

To create a harmonised set of criteria and metrics which are used by all stakeholders to measure and report on the sustainability of the industry.

1. To align the industry around a globally recognised carbon and water measurement methodologies and tools that are used by much of the industry to measure and report their progress.
2. To create an industry report which tracks the progress of the industry as it moves towards Net Positive.
3. To investigate the feasibility of an industry-owned and -led way of sharing sustainability data with key stakeholders.

Financial review

The Charity was registered on 24 March 2020 and launched independent operations on 1 October 2020, having separated as a programme from Business in the Community (BITC), a registered charity (297716).

During 2023 the World Sustainable Hospitality Alliance invested in the launch of its definitive 5-year strategy, drawing on reserves to consult with the industry to ensure that our strategy is created for and by the industry to ensure all stakeholders are committed to creating a prosperous and responsible hospitality sector that gives back to the destination more than it takes.

During 2023, the World Sustainable Hospitality Alliance invested from unrestricted funds, recorded a net deficit on operations during the period of £222,275, reached after Income of £1,462,301 and Expenditure of £1,684,576

Our income came from Charitable Grants of £739,408 where support is received under specific agreements supporting activities aligned to our objectives from a range of Institutional Donors, Foundations and Trusts and Corporate Bodies, as listed in the Notes to the Accounts 3. Membership contributions of £597,813 related to the contributions from our corporate members, and Donations of £91,022, including in-kind donations of £89,216, by members for use of office space, event space and accommodation.

Expenditure comprises Support Costs (including the value of In-Kind donations), Staff Costs, and Grants to Partners and is analysed in the accounts to Fundraising and publicity, and Expenditure on charitable activities, split between the major activities of the Alliance, as set out in the Notes to the Accounts, the highest expenditure being on Climate Action, Human Rights and Youth Employment work.

At 31 December 2023, both Net Assets and Funds stood at £494,836. Net Assets included Cash held of £983,630, with Accruals and deferred income standing at £729,633 the majority of which is pre-paid membership or Deferred income and largely explains the excess of Cash over Net Assets.

Funds were made up of Restricted Funds of £248 and Unrestricted Funds of £494,588.

Structure, Governance and Management

Governing document

The Sustainable Hospitality Alliance is a company limited by guarantee governed by its Memorandum and Articles of Association dated 16 December 2019. It is registered as a charity with the Charity Commission.

Appointment of trustees

As set out in the Articles of Association the business of the Charity is governed by the Board of Trustees, the first members of which were the four subscribers to the registration of the Alliance and a Company. The number of Trustees must be a minimum of three and no more than nine. Trustees may be appointed by a resolution of the Board and serve for a term of up to three years and can be eligible for re-appointment for a further period of three years.

Trustee induction and training

New trustees undergo orientation to brief them on: their legal obligations under charity and company law, the Charity Commission guidance on public benefit, and inform them of the content of the Memorandum and Articles of Association, the committee and decision-making processes,

the business plan and recent financial performance of the charity. During orientation they meet key employees and other trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Organisation

The Board of Trustees, which can have up to twelve members, administers the charity. The Board normally meets quarterly and has one sub-committee, the Finance Risk and Audit Committee, which also meets quarterly in advance of Board meetings or as often as necessary. A Chief Executive Officer is appointed by the Trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the Chief Executive Officer has delegated authority, within terms of delegation approved by the Trustees, for operational matters including finance and employment.

Related parties and co-operation with other organisations

None of our trustees receive remuneration or other benefit from their work with the charity other than reimbursement of expenses.

Trustees must declare any direct or indirect interest that conflicts, or may conflict with the interests of the Charity, because the Trustee or a Connected Person may receive a benefit from the Charity or has some separate interest or duty in a matter to be decided, or in relation to information which is confidential to the Charity. Declarations and updates are requested at each team meeting. Similarly, all payments are reviewed monthly for related party transactions.

Pay policy for senior staff

The pay of the senior staff has been determined by Management together with the Finance Risk and Audit Committee on a review of pay levels in other similar organisations and in accordance with our Performance Related pay Policy.

Principal risks and uncertainties

The trustees have a risk management strategy which comprises:

- The Finance Risk and Audit Committee (FRAC) which works to undertake monitoring and supervision of both the current and future financial position of the Sustainable Hospitality Alliance, and associated risks.
- Maintenance of an Organisational Risk Register that identifies risks at an organisational level. The Register is developed and proposed by Senior Management initially to FRAC, and then to the Board of Trustees quarterly. The Register scores the risk in terms of impact and probability, provides a narrative commentary for the quarter, and details controls and mitigations in place and planned.
- Active involvement in emerging risk management, with Senior Management members, particularly through the Chair of the Board of Trustees and Chair of FRAC.

The Trustees have assessed the risks that the Alliance is exposed to and have identified the principal risk categories and put in mitigations as follows:

Risk	Mitigations in place
1. Relevance	
We become irrelevant, fail to innovate and to communicate Net Positive Hospitality effectively.	We have defined and are using "Net Positive Hospitality" to galvanise members and the industry, we use Member surveys to check relevance of proposed funding streams, and our Standing committees, launched in 2023, ensure relevance.
Our strategy fails on those metrics or that we fail to deliver it well	We have consulted widely on our relevance and mission as we embark on the five-year strategy, keeping in touch through regular member summits and the Standing Committees
Our purpose, vision and mission are misunderstood or not communicated clearly and consistently.	Our strategy defined our purpose, vision and mission clearly, our programmes have been scoped as part of the strategy launch and endorsed by stakeholders
2. Operating Model	
We fail to grow or retain membership, affiliate membership and partnerships that add value.	Membership recruitment is the primary focus of two staff: the Director of Business Development and Relationships Manager, supported by the CEO, and partnership management is assigned to different members of the Senior Leadership Team
Our delivery programmes & training fail to attract partners, funding and do not reach goals.	The Senior Leadership team continue to focus on fundraising as a priority, developing funding applications for the employability programme. In addition, we are developing a Partnerships model, which has been successful in attracting funders for programmes such as the NEt Positive Academy, the Resource Directory and Net positive simulator, thus broadening income streams.
The advisory committees become disengaged, fail to endorse our strategy or reject it.	We will continue to consult widely on our relevance and mission as we embark on the five-year strategy and have seen positive engagement in feedback sessions, using the summits and Standing Committees launched in 2023.
3. Financial & Human Resource	
We do not attract the funding necessary to deliver our strategy over the next financial year.	We set internal fundraising targets for unrestricted income, including corporate sources, regular internal meetings ensuring joint responsibility towards funding targets.
Failure to retain staff, ensure staff well-being and professional development and recruit effectively.	We use performance related pay processes with appraisals, conduct a regular staff engagement survey, invest in specific training for individual members of staff relevant to their progression. All staff are now on permanent contracts and modern office space and facilities are secured.
4. Governance & Compliance	
We fail an audit, suffer significant data breaches, put employees, partners and beneficiaries at risk.	We invest in legal and expert financial advice on potential risk areas such as membership, Charitable law requirements, VAT regulations, co-operation agreements

We fail to adhere to regulations in countries we operate in.	We seek advice on international legal agreements, and the regional representational model.
5. Intellectual Property	
We fail to continue to offer tools, resources, knowledge and methodologies to the global industry as an integral part of our charitable remit.	We have developed the definition of our Pathway to Net Positive with the assistance of EY and the retention of the generated Pathway IP with the Alliance. We are developing a project to update HCMI and have completed the Plastics Methodology
We fail to enhance the equity value of the Alliance and Net Positive Hospitality brand and logo and monetize our IP, Brand and logo where appropriate.	IP ownership is a specific item in all current partnership discussions and agreements Launch of the academy and simulator enhances our IP.
6. IT Risks	
We suffer a cyber attack and staff are unable to access files and we are asked to pay a ransom.	We outsource IT Support with comprehensive cloud-based back-ups. We have Cyber security insurance with specialist support available in the event of an incident. Relevant GDPR training given to all new staff.
We suffer a significant data breach or financial loss as a result of fraud.	Training is given to all new staff, and a number of other actions, including: Regular updates as part of auditor webinars, Trial phishing campaigns sent by cyber insurance company to test staff responses, use of blockchain password software

Reserves policy and going concern

The Trustees, having considered the risks outlined above have determined a desired range of reserve levels to be held in light of these risks to lie between £431,000 and £718,000.

The reserves to be deployed should be unencumbered by prior obligation and held as liquid assets.

Currently the organisation holds £494,588 of Unrestricted Reserves, of which £463,536 are unencumbered and free to be deployed to use. This level is within the required reserves range.

The Trustees judged that the level of reserves was sufficient and within the required range. However, the budget for 2024 plans to increase reserves towards the higher value of the recommended reserves requirement.

The Trustees review the financial circumstances of the Alliance as part of the quarterly FRAC review and consider that adequate resources continue to be available to fund the activities of the company for the foreseeable future. The Trustees are of the view that the company is a going concern.

Our approach to fundraising activities

The charity raises funds from member contributions, from institutional donors including Trusts and Foundations, International Development Organisations and Government Institutions in the UK and internationally. We have developed an Ethical Fundraising Policy to guide decisions on solicitation and acceptance of funds.

The charity does not currently actively fundraise from the public or run legacy campaigns or undertake similar fundraising activities. The trustees are though pleased to receive unsolicited gifts and legacies from patrons and supporters who generously support our work.

No complaints have been received from funders or beneficiaries in respect of fundraising activities undertaken by the alliance.

Trustees' responsibilities in relation to the financial statements

The charity trustees (who are also the directors of the Sustainable Hospitality Alliance for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing the 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 UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Statement as to disclosure to our auditors

In accordance with company law, the Company's Directors confirm that:

- so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- as the Directors of the Company they have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

In preparing the Report of the Trustees the trustees have taken advantage of the exemptions available to small companies.

This report was approved by the board of trustees and signed on their behalf by Daniella Foster, Chair:

A handwritten signature in black ink, reading "Daniella Foster", is positioned above a solid black horizontal line.

Daniella Foster

Date: 10 July 2024

Independent Auditors report to the Trustees of World Sustainable Hospitality Alliance

Opinion

We have audited the financial statements of World Sustainable Hospitality Alliance for the period ended 31 December 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and 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 charitable company's affairs as at 31 December 2023 and of the charitable company's net movement in funds, including the income and expenditure, for the period 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 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 charitable 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 directors 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 Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

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' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' 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 company; or
- the charitable 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 for the financial statements

As explained more fully in the trustees' responsibilities statement set out on pages 15 and 16, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in

respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to regulatory requirements of the Charity Commission, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011, Companies Act 2006 and payroll taxes.

We evaluated management's opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in certain accounting estimates and judgements such as the income recognition policy applied to grant income. Audit procedures performed by the engagement team included:

- Inspecting correspondence with appropriate regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Review of minutes of meetings to identify expected material amounts of voluntary income; and
- Identifying and testing journals, using data analytics to select journal entries deemed to be higher risk across a number of different metrics; and
- Challenging assumptions and judgements made by management in their critical accounting estimates, including review of how grant income has been recognised at the period end.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. 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.

Vikram Sandhu
Senior Statutory Auditor
For and on behalf of Haysmacintyre LLP, Statutory Auditors
Date:

10 Queen Street Place
London
EC4R 1AG

WORLD SUSTAINABLE HOSPITALITY ALLIANCE STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure account)

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Unrestricted Funds	Restricted Funds	Total Funds Year ended 31-Dec-23
		£	£	£
INCOME FROM:				
Donations and legacies	2a	77,822	13,200	91,022
Alliance Membership contributions		597,813	-	597,813
Charitable activities				
Grants	3	40,616	698,792	739,408
Investment income	4	12,299	-	12,299
Other Trading Activity	4a	7,200	14,559	21,759
TOTAL INCOME		<u>735,750</u>	<u>726,551</u>	<u>1,462,301</u>
EXPENDITURE ON:				
Raising funds				
Fundraising and publicity	6	110,893	-	110,893
Charitable activities				
Human Rights		-	65,719	65,719
Youth Employment		29,228	498,056	527,284
Climate Action		233,042	39,767	272,809
Water Stewardship		69,777	-	69,777
Cross organisational activities		506,721	131,373	638,094
TOTAL EXPENDITURE	6	<u>949,661</u>	<u>734,915</u>	<u>1,684,576</u>
NET INCOME	5	(213,911)	(8,364)	(222,275)
Transfer between funds		-	-	-
NET MOVEMENT IN FUNDS		(213,911)	(8,364)	(222,275)
Reconciliation of funds:				
Total funds brought forward		708,499	8,612	717,111
TOTAL FUNDS CARRIED FORWARD		<u>494,588</u>	<u>248</u>	<u>494,836</u>

WORLD SUSTAINABLE HOSPITALITY ALLIANCE STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure account)

FOR THE PERIOD ENDED 31 DECEMBER 2022

	Note	Unrestricted Funds	Restricted Funds	Total Funds Year ended 31-Dec-22
		£	£	£
INCOME FROM:				
Donations and legacies	2	46,585	-	46,585
Alliance Membership contributions		544,558	-	544,558
Charitable activities				
Grants	3	-	643,294	643,294
Investment income	4	-	-	-
Other Trading Activity	4a	-	-	-
TOTAL INCOME		591,143	643,294	1,234,437
EXPENDITURE ON:				
Raising funds				
Fundraising and publicity		110,458	-	110,458
Charitable activities				
Human Rights		-	249,254	249,254
Youth Employment		6,231	390,173	396,404
Climate Action		178,506	30,922	209,428
Water Stewardship		17,988	-	17,988
Cross organisational activities		196,827	4,428	201,255
TOTAL EXPENDITURE	6	510,010	674,777	1,184,787
Net gains/(losses) on investments		-	-	-
NET INCOME	5	81,133	(31,483)	49,650
Transfer between funds		-	-	-
NET MOVEMENT IN FUNDS		81,133	(31,483)	49,650
Reconciliation of funds:				
Total funds brought forward		627,366	40,095	667,461
TOTAL FUNDS CARRIED FORWARD		708,499	8,612	717,111

WORLD SUSTAINABLE HOSPITALITY ALLIANCE
Company Number 12373950
BALANCE SHEET AS AT 31 DECEMBER 2023

		2023		2022	
	Note	£	£	£	£
FIXED ASSETS					
Tangible assets	9		4,716		8,642
Intangible assets	9a		26,336		-
Investments	10		-		-
			31,052		8,642
CURRENT ASSETS					
Debtors	13	209,787		284,024	
Cash at bank and in hand		983,630		1,364,445	
		1,193,417		1,648,469	
CREDITORS: amounts falling due within one year	14	(729,633)		(940,000)	
NET CURRENT ASSETS			463,784		708,469
TOTAL ASSETS LESS CURRENT LIABILITIES			494,836		717,111
NET ASSETS			494,836		717,111
FUNDS	15				
Restricted funds			248		8,612
Unrestricted funds:					
Designated funds			-		(73)
General funds			494,588		708,572
			494,588		708,499
			494,836		717,111

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime. The financial statements were approved and authorised for issue by the Trustees on 10 July 2024 and were signed below on its behalf by:

Daniella Foster. Chair.



World Sustainable Hospitality Alliance

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 £	2022 £
Cash Flow from operating activities	21	(350,586)	199,834
Cash flows from investing activities			
Income from listed investments		-	-
Other interest receivable		-	-
Payments to acquire tangible fixed assets		(30,228)	(5,820)
Disposal of tangible fixed assets		-	-
Purchase of investments		-	-
Sale of investments		-	-
Cash used in investing activities		<u>(30,228)</u>	<u>(5,820)</u>
Increase/(Decrease) in cash and cash equivalents in the year		<u>-</u> (380,814)	<u>-</u> 194,014
Cash and cash equivalents at the beginning of the year		<u>1,364,444</u>	<u>1,170,431</u>
		983,630	1,364,445
Change due to exchange rate movements		-	-
Total cash and cash equivalents at the end of the year		<u>983,630</u>	<u>1,364,445</u>
Cash and cash equivalents			
Cash at bank and in hand		983,630	1,364,445
Cash held by investment manager		-	-
Cash at bank and in hand at the end of the reporting period		<u>983,630</u>	<u>1,364,445</u>

1 Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements have been prepared in accordance with the 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)) (2nd Edition effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

World Sustainable Hospitality Alliance 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 note(s).

b) Preparation of the accounts on a going concern basis

The World Sustainable Hospitality Alliance reported net income of £103,198 for the period. The trustees are of the view that ongoing funding agreements and membership contributions have secured the immediate future of the World Sustainable Hospitality Alliance for the next 12 to 18 months, and that the current cash position and future projections indicate sufficient levels to continue operations without interruption, and that on this basis the charity is a going concern for the foreseeable future and that there are no material uncertainties in relation to the ability of the charity to continue as a going concern.

The trustees remain vigilant of the need to secure on-going financial support and to monitor financial commitments and cash flows to maintain the organisation's financial viability.

c) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred.

Grant income received in advance of performance or provision of other specified service it is deferred until the criteria for income recognition are met (see note 23).

d) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general time of volunteers not recognised; refer to the trustees' annual report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity 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.

e) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

f) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Sustainable Hospitality Alliance's work or for specific projects being undertaken by the Sustainable Hospitality Alliance.

g) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise fundraising and publicity and their associated support costs.
- Expenditure on charitable activities includes the costs of undertaking specific activities and projects in Human Rights, Youth Employment, Climate Action, Water Stewardship and Cross organisational activities and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

h) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back-office costs, finance, personnel, other organisational running costs and are classified between Office expenses, Governance costs and Other support costs. These costs have been allocated between cost of raising funds and expenditure on charitable activities.

Support costs have been allocated to activities (whether raising funds or charitable activities) on the following bases:

- Where a support cost can be specifically attributed to an activity it is directly allocated
- Where the support costs have a general effect on activities, they are apportioned to activities on the basis of staff time recorded undertaking the activities

Support costs related to publicity and promotion are not reapportioned to charitable activities.

i) Tangible fixed assets

Individual fixed assets costing £1,500 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight-line basis as follows:

Asset Category

Computer equipment	Over 3 years
--------------------	--------------

j) Intangible fixed assets

Intangible fixed assets represent software developments owned by the Alliance and which are capitalised where their cost can be measured reliably and exceeds £5,000 in respect of individually identifiable assets, and where they have a probable future benefit to the Alliance. Intangible fixed assets are amortised over their expected useful lives on a straight-line basis as follows:

Asset Category

Training software	Over 2 years
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Alliance Membership Directory software	Over 3 years
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If any asset is found to have a carrying value materially higher than its recoverable amount, it is written down accordingly.

k) Debtors

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

l) Cash at bank and in hand

Cash at bank and cash 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.

m) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

n) Pensions

Existing employees of the charity were entitled to join the defined contribution Group Personal Pension Plan operated by Scottish Widows which is funded by contributions from employee and employer.

o) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying

assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The Trustees do not consider there are any critical judgements or sources of estimation uncertainty affecting assets or liabilities at the balance sheet date which is likely to result in a material adjustment to their carrying amount in the next financial year.

p) Financial Instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at the settlement value.

NOTES TO THE ACCOUNTS YEAR ENDED 31 December 2023

2. DONATIONS AND LEGACIES

	<i>Unrestricted</i>	<i>Restricted</i>	Year Ended 31-Dec-23
	£	£	£
Donations	1,806	-	1,806
Gifts in kind	76,016	13,200	89,216
	<u>77,822</u>	<u>13,200</u>	<u>91,022</u>

	<i>Unrestricted</i>	<i>Restricted</i>	<i>Year Ended 31-Dec-22</i>
	£	£	£
<i>Donations</i>	4,988	-	4,988
<i>Gifts in kind</i>	57,013	-	57,013
	<u>62,001</u>	<u>-</u>	<u>62,001</u>

The value of volunteers, consultants and corporate entities time is estimated at £89,216 (£57,013 in 2022). We have included the value where it is quantifiable but recognise that the Charity received a significant level of support, which we are unable to quantify.

3. CHARITABLE ACTIVITIES

	<i>Unrestricted</i>	<i>Restricted</i>	Year Ended
	<i>£</i>	<i>£</i>	31-Dec-23
			<i>£</i>
Grants			
Expedia Inc	-	38,446	38,446
GIZ GmbH	-	252,785	252,785
Hyatt Community Grants Fund	-	149,300	149,300
The IHG Foundation (UK) Trust	-	17,077	17,077
International Organisation for Migration (Geneva)	-	65,719	65,719
Marriott International	40,616	63,848	104,464
Net Positive Hospitality Simulator	-	40,112	40,112
TUI Care Foundation	-	71,505	71,505
	<u>40,616</u>	<u>698,792</u>	<u>739,408</u>

CHARITABLE ACTIVITIES 2022

	<i>Unrestricted</i>	<i>Restricted</i>	Year Ended
	<i>£</i>	<i>£</i>	31-Dec-22
			<i>£</i>
Grants			
Global Fund to End Modern Slavery	-	11,058	11,058
Sightsavers (Royal C'wealth Society for the Blind)	-	34,775	34,775
Hyatt Community Grants Fund	-	101,709	101,709
TUI Care Foundation	-	38,102	38,102
The J. Willard and Alice S. Marriott Foundation	-	148,265	148,265
Marriott International	-	20,131	20,131
International Organisation for Migration (Geneva)	-	249,254	249,254
United Nations Environment Programme (UNEP)	-	30,922	30,922
GIZ GmbH	-	9,078	9,078
	<u>-</u>	<u>643,294</u>	<u>643,294</u>

4. INVESTMENT INCOME

	<i>Unrestricted</i>	<i>Restricted</i>	Year Ended
	<i>£</i>	<i>£</i>	31-Dec-23
			<i>£</i>
Income from investments	-	-	-
Other interest receivable	12,299	-	12,299
	<u>12,299</u>	<u>-</u>	<u>12,299</u>

There was no Investment income in 2022

4a. OTHER TRADING ACTIVITY	<i>Unrestricted</i>	<i>Restricted</i>	Year Ended
	<i>£</i>	<i>£</i>	31-Dec-23
			£
Fundraising & Sponsorship	-	14,380	14,380
Corporate Income (services)	<u>7,200</u>	<u>179</u>	<u>7,379</u>
	<u><u>7,200</u></u>	<u><u>14,559</u></u>	<u><u>21,759</u></u>

There was no Trading income in 2022.

5. NET INCOME FOR THE YEAR	Year Ended	Year Ended
	31-Dec-23	31-Dec-22
	£	£
This is stated after charging the following:		
- Depreciation	5,158	4,101
- Auditors remuneration for audit services		
for audit services	18,060	15,000
for other services	1,800	1,800
- Operating lease rentals		
	<u><u> </u></u>	<u><u> </u></u>

The costs above include support costs which are allocated on the basis of expenditure undertaken.

6. EXPENDITURE

a) ANALYSIS OF EXPENDITURE

	Support Costs	Staff Costs	Grants to Partners	Other Direct	Total 2023	Total 2022
	£	£	£	£	£	£
Raising Funds						
Fundraising and publicity	45,166	65,727	-	-	110,893	110,458
Expenditure on charitable activities:						
Human Rights	51,295	-	-	14,424	65,719	249,254
Youth Employment	326,853	-	108,232	92,199	527,284	396,404
Climate Action	232,295	-	73	40,441	272,809	209,428
Water Stewardship	68,349	-	-	1,428	69,777	17,988
Cross organisational activities	<u>(296,442)</u>	<u>743,324</u>	<u>-</u>	<u>191,212</u>	<u>638,094</u>	<u>201,255</u>
TOTAL EXPENDITURE	<u><u>427,516</u></u>	<u><u>809,051</u></u>	<u><u>108,305</u></u>	<u><u>339,704</u></u>	<u><u>1,684,576</u></u>	<u><u>1,184,787</u></u>

The costs above include support costs which are allocated on the basis of expenditure undertaken.

b) ANALYSIS OF SUPPORT COSTS

	Office expenses	Governance costs	Other support costs	Reallocation	Total 2023	Total 2022
	£	£	£	£	£	£
Raising Funds						
Fundraising and publicity	-	-	45,166	-	45,166	19,076
Expenditure on charitable activities:						
Human Rights	34	-	40,446	10,815	51,295	25,521
Youth Employment	146	-	220,612	106,095	326,853	12,871
Climate Action	-	-	126,309	105,986	232,295	23,985
Water Stewardship	-	-	37,584	30,765	68,349	1,288
Cross organisational activities	32,115	24,467	(99,363)	(253,661)	(296,442)	84,668
TOTAL SUPPORT COSTS:	<u>32,295</u>	<u>24,467</u>	<u>370,754</u>	<u>-</u>	<u>427,516</u>	<u>167,409</u>

The basis for apportionment of Support costs is set out in Note 1 i).

Included in Other support costs is the value of £89,216 of in-kind contributions received.

c) GOVERNANCE COSTS

	Year Ended 31-Dec-23 £	Year Ended 31-Dec-22
Legal and professional, including audit	<u>24,317</u>	<u>17,810</u>
	<u>24,317</u>	<u>17,810</u>

d) Grants paid to institutions

	Unrestricted £	Restricted £	Year Ended 31-Dec-23 £	Year Ended 31-Dec-22 £
Kherwadi Social Welfare Association	-	65,926	65,926	60,093
Stanforte Edge	-	906	906	27,454
Spence Evoluzione Charitable Trust	-	26,185	26,185	3,901
World Vision Mexico	-	15,215	15,215	-
Don Bosco Tech Society	-	-	-	2,564
	<u>-</u>	<u>108,232</u>	<u>108,232</u>	<u>94,012</u>

7. STAFF NUMBERS AND COSTS

	2023	2022
	No.	No.
The average number of persons employed during the year were as follows		
Raising funds	1.5	1.1
Charitable activities	9.0	9.8
Support	1.8	1.1
	<u>12.3</u>	<u>12.0</u>

	£	£
The aggregate payroll costs of these persons were as follows		
Salaries and wages	693,535	662,592
Social security costs	72,883	71,573
Pension scheme contributions	42,462	42,779
	<u>808,880</u>	<u>776,945</u>

The number of employees whose emoluments, excluding pension contributions and employer's national insurance who were in excess of £60,000 were:

	2023	2022
	No.	No.
£60,000 - £69,999	2	3
£70,000 - £79,999	2	3
£109,999 - £119,999	1	-
	<u>5</u>	<u>6</u>

Contributions of £42,462 (£42,779 in 2022) were paid on behalf of these employees into a money purchase pension scheme.

The total employee benefits of the key management personnel of the Foundation were £317,874 (£259,767 in 2022).

8. TRUSTEES' REMUNERATION AND REIMBURSED EXPENSES

Reimbursements of travelling expenses totalling £3,997.23 was paid to 7 Trustees for attendance at Trustee meetings (£997.31 paid to 2 Trustees in 2022).

9. TANGIBLE ASSETS

Group and Charity

**Computer
Equipment**

Cost or Valuation

£

As at 1 January 2023

16,009

Additions

771

Disposals

-

At 31 December 2023

16,780

Depreciation

As at 1 January 2023

(7,366)

Charged in Year

(4,698)

Disposals

-

At 31 December 2023

(12,064)

Net Book Value

At 01 January 2023

8,642

At 31 December 2023

4,716

9A. INTANGIBLE ASSETS

Group and Charity

Simulator

**Resource
Directory**

Total

Cost or Valuation

£

£

£

As at 1 January 2023

-

-

-

Additions

20,477

8,980

29,457

Disposals

-

-

-

At 31 December 2023

20,477

8,980

29,457

Depreciation & Amortisation

As at 1 January 2023

-

-

-

Charged in Year

(2,614)

(507)

(3,121)

Disposals

-

-

-

At 31 December 2023

(2,614)

(507)

(3,121)

Net Book Value

At 01 January 2023

0

0

0

At 31 December 2023

17,863

8,473

26,336

10. INVESTMENTS

There were no investments on behalf of the charity at 31 December 2023 (2022 NIL)

11. TAXATION

Sustainable Hospitality Alliance is a registered charity and, therefore, is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

12 DEBTORS

	Charity 2023	Charity 2022
	£	£
Trade debtors	161,391	234,520
Other debtors including taxation	25,709	-
Prepayments and accrued income	22,687	49,504
	<u>209,787</u>	<u>284,024</u>

13 CREDITORS: Amounts falling due within one year

	Charity 2023	Charity 2022
	£	£
Trade creditors	9,168	11,233
Other creditors including taxation and social security	40,210	29,132
Grant commitments	-	-
Accruals and deferred income	680,255	899,635
	<u>729,633</u>	<u>940,000</u>

Included in Accruals and deferred income is as at 31 December 2023 £747,899 Deferred income (2022 £860,494).

14. DEFERRED INCOME

	Brought forward deferred income 01 Jan 2023	Amount released in 2023	Amount deferred in 2023	Deferred income carried forward year ended 31 Dec 2023
	£	£	£	£
Amount deferred in the year	860,494	(879,970)	667,376	647,900
	<u>860,494</u>	<u>(879,970)</u>	<u>667,376</u>	<u>647,900</u>

Deferred income represents income or membership contributions invoiced or received for use in future periods

15. FUNDS	At 31 December 2022	Income	Expenditure	Transfers/ gains/ (losses)	At 31 December 2023
	£	£	£	£	£
Unrestricted Funds					
General Funds	708,499	735,750	949,661	-	494,588
	708,499	735,750	949,661	-	494,588
Restricted Funds					
Expedia Inc	-	38,446	38,446	-	-
GIZ GmbH	-	252,785	252,785	-	-
Hilton Effect Foundation	8,612	-	8,612	-	-
Hyatt Community Grants Fund	-	149,300	149,300	-	-
The IHG Foundation (UK) Trust	-	17,077	17,077	-	-
International Organisation for Migration (Geneva)	-	65,719	65,719	-	-
Marriott International	-	63,848	63,848	-	-
Net Positive Hospitality Simulator	-	40,291	39,769	-	522
Summits 2023	-	27,580	27,854	-	(274)
TUI Care Foundation	-	71,505	71,505	-	-
Grants	8,612	726,551	734,915	-	248
	717,111	1,462,301	1,684,576	-	494,836

FUNDS 2022

	At 31 December 2021	Income	Expenditure	Transfers/ gains/ (losses)	At 31 December 2022
	£	£	£	£	£
Unrestricted Funds					
Designated Funds					
Humanity United	36,640	-	36,713	-	(73)
General Funds	590,726	591,143	473,297	-	708,572
	627,366	591,143	510,010	-	708,499
Restricted Funds					
Global Fund to End Modern Slavery	-	11,058	11,058	-	-
Sightsavers (Royal Commonwealth Society for the Blind)	-	34,775	34,775	-	-
Hyatt Community Grants Fund	-	101,709	101,709	-	-
The IHG Foundation (UK) Trust	1	-	1	-	-
TUI Care Foundation	-	38,102	38,102	-	-
Marriott International	12,532	20,131	32,663	-	-
Hilton Effect Foundation	27,564	-	18,953	-	8,612
The J. Willard and Alice S. Marriott Foundation	-	148,265	148,265	-	-
International Organisation for Migration (Geneva)	(1)	249,254	249,252	-	-
United Nations Environment Programme (UNEP)	-	30,922	30,922	-	-
GIZ GmbH	-	9,078	9,078	-	-
Booking.com	(1)	-	(1)	-	-
Grants	40,095	643,294	674,777	-	8,612
	667,461	1,234,437	1,184,787	-	717,111

Designated funds represents funds received from Humanity United which the donor has allowed to be applied for general purposes.

16 ANALYSIS OF FUND BALANCES BETWEEN NET ASSETS - CURRENT YEAR

	AT 31 December 2023			Total £
	Restricted Funds	General Funds	Designated Funds	
	£	£	£	
Tangible fixed assets	-	4,716	-	4,716
Intangible Assets	-	26,336	-	26,336
Investments	-	-	-	-
Net current assets	248	463,536	-	463,784
	<u>248</u>	<u>494,588</u>	<u>-</u>	<u>494,836</u>

ANALYSIS OF FUND BALANCES BETWEEN NET ASSETS - PRIOR YEAR

	AT 31 December 2022			Total £
	Restricted Funds	General Funds	Designated Funds	
	£	£	£	
Tangible fixed assets	-	8,642	-	8,642
Investments	-	-	-	-
Net current assets	8,612	699,930	(73)	708,469
	<u>8,612</u>	<u>708,572</u>	<u>(73)</u>	<u>717,111</u>

17. CAPITAL COMMITMENTS

World Sustainable Hospitality Alliance had no capital commitments at 31 December 2023 or at 31 December 2022

18. OPERATING LEASE REQUIREMENTS

World Sustainable Hospitality Alliance had no operating lease commitments at 31 December 2023 or at 31 December 2022.

19. MEMBERS LIABILITY

In the event of the company being wound up, Trustees will each have a liability of £1.

20. PENSION COMMITMENTS

World Sustainable Hospitality Alliance operates a Group pension arrangement. The overall pension charge for the year was £42,462 (£42,779 in the period to 31 December 2022). At 31 December 2023, £6,005 contributions were outstanding (£6,005 as of 30 December 2022).

21. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH INFLOW

	2023	2022
	£	£
Net movement in funds	(222,275)	49,650
Investment income		-
Depreciation and amortisation	7,819	4,101
Increase/ (Decrease) in creditors	(210,367)	274,613
(Increase)/ Decrease in debtors	74,237	(128,530)
Net Cash generated by operating activities	<u>(350,586)</u>	<u>199,834</u>

22. RELATED PARTY TRANSACTIONS

There were no related party transactions other than the trustee payment in note 8 in the current or previous accounting period.

Accounts



Sustainable Hospitality Alliance
(A company limited by guarantee)

Report and Financial Statements
Year ended 31 December 2022

Charity number 1188731
Company number 12373950

Report of the trustees for the year ended 31 December 2022

The trustees are pleased to present their annual directors' report together with the consolidated financial statements of the charity for the period ended 31 December 2022 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and the 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, 2nd Edition) effective 1 January 2019.

Report of the trustees for the year ended 31 December 2022

Reference and administrative details

Directors and trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law. The trustees and officers serving during the period and since the period end were as follows:

Board of Trustees:

Wolfgang M. Neumann, Chair
 Tim Davis, Vice-Chair (appointed 31 March 2022)
 Catherine Hammond, Treasurer
 Yasmin Diamond
 Stephen Farrant
 Melissa Froehlich Flood
 Pia Heidenmark Cook (resigned 15 December 2022)
 Daniella Foster (Appointed 08 March 2023)

Members of Board Sub-committees serving during the period and since the period end were as follows:

Finance Risk and Audit Committee:

Catherine Hammond, Treasurer
 Wolfgang M. Neumann, Chair
 Tim Davis, Vice-Chair
 Lesley Wolfenden
 Mike Reilly

Key management personnel

Senior Management Team:

Glenn Mandziuk CEO (appointed 02 May 2022)
 Patrick O'Meara (Interim CEO August 2021 to May 2022, Director of Business Development)
 Simon Le Gouais (Director of Finance and Resources & Company Secretary)

Reference and administrative details

Registered charity name	Sustainable Hospitality Alliance
Charity registration number	1188731
Company registration number	12373950
Registered address	2 Putney Hill, London, SW15 6AB
Auditor	Haysmacintyre LLP
Bankers	HSBC UK
Solicitors	Russell-Cooke LLP

Chair's report

This has been a particularly significant year for Sustainable Hospitality Alliance. We celebrated 30 years since we were founded back in 1992 by the CEOs from 11 of the world's leading hotel companies. Motivated by the UN Earth Summit in Rio de Janeiro and inspired by the then Prince of Wales, King Charles III, the industry came together and, recognising the urgent need for action, the International Hotel's Environment Initiative (IHEI) was born.

Thirty years on, I am immensely proud that not only is the work of the IHEI still going strong, now as the Sustainable Hospitality Alliance, but our organisation is bigger and more impactful than ever before, addressing a wider range of environmental and social challenges, and leading the industry towards our global ambition of Net Positive Hospitality. We are also highly pleased to have renewed our connection with our Royal Patron this year through our participation in the Sustainable Markets Initiative.

But it is notable that the need for our organisation is greater than ever before. The failure to mitigate climate change remains the most severe global risk according to the World Economic Forum¹, and almost three quarters of the global population live in countries where inequality has grown². Prior to the pandemic, the travel and tourism sector accounted for over 10% of global GDP and 10% of global jobs³, and the hospitality industry recognises that it has an influential role to play in contributing towards a better and more sustainable future for all.

To enable the Alliance to take on the scale of the challenges and opportunities that lie before us, the trustees were delighted to appoint Glenn Mandziuk as our new Chief Executive Officer, who took up his appointment in June 2022. We were unanimous in our agreement that Glenn has the vision, drive and experience to lead the Alliance into its next phase of growth and influence, and this has been evident from the charity's achievements this year and ambitions for the future.

This year has seen the charity's profile raise considerably. The team and trustees have featured on the global stage at sustainability conferences including UN Climate Conference (COP27), UN Biodiversity Conference (COP15) and UN Global Compact, in addition to the largest tourism trade events including ITB Berlin and World Travel Market. We also hosted our first high-level industry summit, welcoming senior leaders from across our membership and strategic partners to convene and share learnings on the pressing sustainability issues of today.

We are also seeing a notable increase in recognition from the hospitality industry for the need to incorporate sustainability principles into their operations and developments. The business case for sustainability is becoming ever stronger – being influenced by the changing demands of our guests, clients, partners, investors, regulators, media and even staff. While meanwhile the very tangible impacts of things like climate change, unethical employment, non-inclusive practices and negative effects on our natural world are very hard to overlook.

These increases in awareness and profile have also led to a significant growth in interest in becoming part of the Alliance. Our membership has more than doubled in the past year across our members and affiliate members, and we have formed new partnerships with over 30 organisations to expand our reach and specialist expertise.

¹ World Economic Forum (2023), [Global Risks Report 2023](#)

² United Nations citing [World Inequality Database](#)

³ WTTC (2022), [Economic Impact Report 2022](#)

All these developments leave me with a huge amount of confidence for the future of the Alliance, and our collective ability to make an even greater impact in 2023 and beyond. We thank all our members, partners and supporters including philanthropic organisations, governments and the private sector. Through the active engagement and expertise of our staff, members and partners, we will continue to drive collaborative action, make our vision of Net Positive Hospitality a reality and become a prosperous and responsible sector that gives back more than it takes.



Wolfgang M. Neumann
Chair, Sustainable Hospitality Alliance

Objectives and activities

Our vision and mission

Our vision is responsible hospitality for a better world.

Our mission is to drive collaborative action to enable the hospitality industry to have a lasting positive impact on our planet and its people.

We do this by bringing together engaged hospitality companies and strategic partners and using the collective power of the industry to deliver impact locally and on a global scale.

Summary of the purposes of the charity

The Charity's objects are, for the public benefit, anywhere in the world, to:

- advance education to prevent and relieve poverty and to relieve unemployment, in particular but not exclusively amongst disadvantaged young people.
- advance human rights (as set out in the Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights and subsequent United Nations declarations and conventions).
- promote the protection and preservation of the natural environment and sustainable development amongst participants in the global hospitality industry.
- further such other exclusively charitable purposes according to the law of England and Wales as the trustees in their absolute discretion from time to time determine.

The trustees confirm that they have referred to the information contained in the Charity Commission's general guidance on public benefit when reviewing the Sustainable Hospitality Alliance's aims and objectives, and in planning activities and setting strategy for the year ahead.

Summary of main activities

To achieve our objectives, we work with our members, partners and other stakeholders, to assess the key global challenges affecting our planet and its people. We then prioritise our activities and programmes to identify where we can collectively deliver the most positive impact towards our mission.

Aligned with the United Nations Sustainable Development Goals (SDGs), we commit to drive continued action in the following areas:

People – Advancing fair and inclusive opportunities for people and communities now and for future generations.

- **Equity, diversity and inclusion:** Promoting access to fair opportunities and creating environments that support inclusive employment and encourage advancement.
- **Human rights:** Supporting respect for human rights across the hospitality industry, addressing risks and strengthening ethical recruitment and employment.
- **Employability:** Enabling young people and those from particularly vulnerable backgrounds to get started in their careers by leveraging the power of the hospitality industry.

Planet – Safeguarding our natural environment for a thriving and diverse world for all.

- **Climate action:** Driving decarbonisation of the hospitality industry, limiting key drivers of climate change, and maximising our regenerative impact.
- **Water stewardship:** Addressing water risk within communities, embedding water stewardship programmes and furthering water-use efficiency.
- **Responsible resourcing:** Advancing sustainable procurement and consumption, enabling effective resource management, and minimising pollution and waste.

Policy on social investment and grant making

The charity works in partnership with its members and with organisations engaged in programmes in alignment with the Alliance's objectives to deliver integrated social investment programmes particularly where members and partners can add value and reach to the Alliance's objectives and activities as described above.

The trustees are mindful of their duties with respect to ensuring the charity is carrying out its purposes for the public benefit, that protecting people and safeguarding responsibilities are a governance priority and a fundamental part of its operations, and that where operating through partners, and especially internationally, trustees have legal duties and responsibilities in carrying out due diligence checks and monitoring in relation to the charity's involvement with external bodies and individuals and verifying the end use of charitable funds.

Thus where working with partners, the charity:

- conducts careful due diligence prior to entering formal partnerships, and signs clear agreements setting out the work to be carried out, monitoring requirements, financial accountability and operational standards to be upheld.
- requires grantees to comply with its policies on Safeguarding, Anti-Bribery and Anti-Corruption, Anti-Fraud and Anti-Money Laundering, and Data Privacy and Protection.
- develops working relationships through training programmes and workshops that explain the Alliance's approach on safeguarding, tackling financial crime and data protection.

During the year the charity funded work with the following partners:

- The Kherwadi Social Welfare Association (Goa, Bengaluru and Mumbai, India),
- Stanforte Edge (Lagos, Nigeria),
- Spence Evoluzione Charitable Trust (Colombo, Sri Lanka)
- Don Bosco Tech Society (Kochi, Kolkata and Delhi, India)

All were programmes training young vulnerable people for entry to the hotel industry.

Contribution made by members and volunteers

The members of the Sustainable Hospitality Alliance are the corporate organisations supporting the Alliance through annual financial donations and involvement in our work. They do not have a formal governance role.

The donor members make up approximately 40% of the global hotel industry by rooms and currently include 24 world-leading hotel companies with a combined reach of over 50,000 properties and 7 million rooms, including large and small hotel companies with both international and regional portfolios.

The Alliance launched its affiliate member programme in December 2021. The purpose of affiliate membership is to invite influential players across the value chain to participate in dialogue with each other and with our hospitality members, to share expertise and learning, to influence our pathway to net positive and to challenge, enable and inspire the movement through collaboration. Affiliate members have an advisory rather than a governance role. There are currently 14 affiliate members in place.

As our members differ in the size and scale of their operations, ownership structures, geographic footprint and the stage of organisational maturity on their sustainability journey, this gives us unique insights into the industry, and awareness of what is needed to drive progress on sustainability across the industry. With their technical know-how and expertise, we design and pilot solutions, create tools and resources, and showcase best practices to help any hotel, anywhere in the world, get started and progress on its sustainability agenda.

Our members also, from time to time, offer us additional support, in terms of secondments and resources, to help us get skills, resources and expertise in support of our work, either operationally or programmatically, and operate in a cost-effective way.

Throughout 2022 we were grateful for the support of our members and the industry as it responded to the great difficulties caused by the conflict in Ukraine and Covid. We were grateful to Marriott for its partnership in welcoming us to their London office, enabling our team to convene, work closely with colleagues and provide a welcoming space for our visiting members and partners.

Partnerships programme

This year saw the launch of the Alliances partnership programme, where we seek to officially partner with philanthropic organisations, non-profits, governments and the private sector who want to work with the hospitality industry to drive action on shared sustainability challenges.

This partnerships approach will form a central pillar of our strategy for 2023 to 2028. This approach has seen immediate impact with over 30 official partners announced. These partners are categorised as strategic, delivery, knowledge, supplier, funding or implementing partners.

Key achievements and performance: People

Employability:

Supporting local vulnerable and disadvantaged populations is an area the hospitality sector has the potential to impact and influence at scale, while developing their employment and talent pipelines.

Through our employability programme, we focus on supporting young people who have faced a range of barriers (including people from low-income families, those living without parental care, survivors of human trafficking, refugees, and people with disabilities). Our programme aims to support them in developing the skills and experience to gain and sustain employment in hospitality and across many industries.

Our flexible programme delivery model consists of 100 hours of classroom training delivered through our local non-profit implementing partners. This is followed by two to four months of practical training with local employers. The trainees are then supported to find work with local businesses.

Projects:

Employability training programmes continued in India, Sri Lanka and Nigeria, where we worked with local hotels and implementing partners to support young people, people with disabilities and survivors of trafficking. We also supported local NGOs in Zambia and Lebanon to use our Core Employability Skills Curriculum and engage with local hotels to deliver the training programme.

In 2022:

- Over 520 trainees joined the employability programme
- 92% graduates were employed or returned to formal education

Through the projects, key learning across 2022 included potential for positive impact beyond immediate outcomes. During an internal evaluation, which included interviews with programme graduates and local stakeholders, we recorded substantial positive impact on vulnerable groups' emotional, social, and economic capital. Findings included that average income increased by 80% and 72% recorded a positive change in relationships.

"After taking part in the training programme, I noticed a drastic development in myself. I learned that I have a 'never give up' attitude and am very capable of tending to guests needs, even during the busiest times."

"I learned that I have the ability to learn fast on the job, and good time management. The programme has helped me to know that disability is not a limitation. I am going to seize this golden opportunity to build my career and also expand my knowledge in this field."

"The training program has helped me to be a courageous and independent individual. I have a strong feeling that the things that I have learned in this training will help me to work towards building my career. I wish to work and make it to a higher position in a top-tiered hotel."

Refugees

In spring 2022 the Alliance came together with its members to develop a collaborative sector response for Ukrainian refugees. Across Europe, hotels had been providing accommodation to refugees during their journeys, ensuring that their colleagues were financially supported where operations had ceased, provided donations to charities to support their efforts, and finding employment for existing staff who needed to relocate and displaced people needing new jobs.

Representatives from Accor, Four Seasons, Hilton, IHG Hotels and Resorts, Marriott International and Radisson Hotel Group were therefore able to work together to share on-the-ground experiences and best practices to support the development of a Refugee Response Hub. The hub features guidance for hotels to support the recruitment of refugees and internally displaced people, as well as guidance for hotels on providing accommodation and a welcoming experience for people and families in transit. It also provides access to training resources to enable refugees to re-skill themselves for jobs in the industry.

Subsequently, the Alliance worked in collaboration with Harri to develop a launch a united platform to provide opportunities for refugees. Initially running as a pilot for Ukrainian refugees looking for hospitality work throughout Europe, the platform provides a centralised space for hotel brands to post job opportunities, and a simple online system for refugees to apply and interview for roles while in transit or looking to leave Ukraine.

The website, which is available in both Ukrainian and English, includes jobs postings from leading brands including Radisson Hotels Group, Accor and IHG Hotels & Resorts. The ambition is that this platform can be rolled out globally, both in response to a disaster and as an ongoing support mechanism for the almost 90 million people who are currently forcibly displaced worldwide. By December 2022 there were: 67 jobs posted with 155 applications.

In addition to bringing together the hotel industry, the Sustainable Hospitality Alliance worked with the International Rescue Committee (IRC) to make the employment opportunities available to refugees, along with the Tent Partnership for Refugees (Tent) – a network of major companies committed to economically integrating refugees in their new communities.

Human Rights

The services industry (which includes hospitality and transportation) accounts for the largest share of forced labour exploitation impacting almost 5.5 million people globally.⁴

In 2022, the Sustainable Hospitality Alliance continued our three-year collaboration with the International Organization for Migration (IOM) on the project “Promoting Ethical Recruitment in the Hotel and Tourism Industry” to develop relevant training resources for the hospitality industry. As part of the project, IOM and the Alliance developed training for key internal stakeholders in HR, Operations and Finance/Procurement at country level, hotel level, and corporate level with the aims to establish ethical recruitment standards in cross-border labour migration and make international recruitment fair for everyone involved. Training modules included content on:

- Ethical recruitment principles and the IRIS Standard
- Policies and commitment
- Grievance, remedy, and migrant voice

⁴ ILO (2023), [Global Estimates of Modern Slavery](#)

Member hotel companies had the option to participate in pilot training sessions featuring corporate and regional hotel teams, including HR, Procurement, and Legal team members, and provided feedback and input to help the Alliance to enhance the training resource development.

Over 300 participants across four brands representing over 22,000 hotels took part in the Ethical Recruitment training programme at a corporate level. The programme has helped to promote consistency and coherence in the diverse ownership structures within the different geographies when approaching ethical recruitment and human rights. The programme has also made it easier for teams to work towards common goals such as the Alliance's Principles on Forced Labour and these standards can be effectively implemented across the emerging regions of the world.

Over the three years of the project, participating members have implemented the following:

- Review of existing materials
- Developed responsible recruitment standards
- Supplemented high level human rights policies
- Added remediation guidance to Ethical Recruitment toolkits
- Identified the need to engage with HR and other key departments
- Undertook labour supply chain mapping

The next phase of the project is to implement learnings from pilots and to make the trainings available to the industry at large.

Key achievements and performance: Planet

Striving for a Net Positive industry

The need for increased action on environmental impact – from all sectors – is now urgent and recognised by governments, business and the public. We have therefore set a global ambition for the industry of Net Positive Hospitality – giving back to our communities and destinations more than we take.

To support every hotel to work towards this ambition – no matter their starting point – we developed the [Pathway to Net Positive Hospitality for the Planet](#). This is a practical strategic action framework with increasing stages of environmental maturity, which supports the industry to focus on the most meaningful environmental actions. The aim is also to encourage a more joined up approach and shared responsibility towards sustainability, with practical guidance for asset owners, as well as brands and operators. The Pathway covers key environmental issues including climate action, water stewardship, waste and circular economy, and biodiversity protection and regeneration.

We launched the first two stages of the Pathway in March 2022 at ITB Berlin – the leading global trade fair – supported by the CEOs of IHG Hotels & Resorts, Marriott International, Radisson Hotel Group, Hilton, Accor, Wyndham Hotels & Resorts, Deutsche Hospitality, Kerten Hospitality and

Soneva. We are continuing development on the Pathway to explore the more complex challenges and incorporate social and governance elements into the journey.

Climate action

With the importance of sustainability increasing in the eyes of customers – both public and corporate travellers – in addition to other key stakeholders and business partners such as hotel investors, regulators and even staff, there is a huge need for consistent and transparent systems for hotels to monitor and report on their progress.

In 2012, we created the Hotel Carbon Measurement Initiative (HCMI), a free methodology and tool to enable any hotel to understand their carbon footprint. This year, we launched an updated version of the methodology to further align with GHG Protocol and encourage reporting of renewable energy purchases.

This tool is now being used by over 30,000 hotels including those of Hyatt, Marriott International, Radisson Hotel Group and Scandic, and business travel platforms for corporate travellers. In addition, HCMI is supported by leading industry organisations, including World Travel & Tourism Council (WTTC), American Hotel & Lodging Association (AHLA), Global Sustainable Tourism Council (GSTC), Global Business Travel Association (GBTA) and the Cornell Hotel Sustainability Benchmarking index (CHSB). The methodology has also been recognised at the governmental level, with data based on it used in the UK government's greenhouse gas reporting calculator. It also supports users of the UNWTO's Glasgow Declaration for Climate Action in Tourism.

We are calling on the hospitality industry, including corporate clients and booking platforms, to use common measurement metrics to ensure a transparent and globally comparable approach to sustainability reporting.

Responsible resourcing

The Sustainable Hospitality Alliance is a proud supporter of the UN Global Tourism Plastics Initiative (GTPI) which unites the tourism sector behind a common vision to address the root causes of plastic pollution.

The Global Tourism Plastics Initiative requires tourism organisations to make a set of concrete and actionable commitments by 2025 which include eliminating problematic or unnecessary plastic packaging and items and taking action to move from single-use to reuse models or reusable alternatives.

The Alliance collaborated with United Nations World Travel Organisation (UNWTO) and United Nations Environment Programme (UNEP) to develop a resource designed to help hotels understand the use of plastic in their operations. The [Plastics Measurement Methodology for Accommodation Providers](#) also helps hotels to identify priority items and focus their plastics reduction efforts where they can have the most impact. Additionally, the tool supports signatories of the Global Tourism Plastics Initiative (GTPI) to report on their progress towards their commitments.

To support our work on responsible waste management, we also partnered with WWF to produce educational content for the industry on the importance of sustainable food and actions hotels can take to reduce their impacts. This covered topics including the carbon impacts of meal choices and food waste as well as how sustainable food can have an impact on biodiversity.

Biodiversity

More than 80% of the value of Travel & Tourism goods and services is highly dependent on nature – from the demand for raw materials to the popularity of nature-based tourism.⁵

During the United Nations Biodiversity Conference COP15 we announced a new collaboration with the World Travel & Tourism Council (WTTC) and United Nations World Tourism Organisation (UNWTO) which will bring together the public and private sectors in a shared vision to halt and reverse biodiversity loss by 2030. Signatories to the vision have committed to adopt a nature positive approach to tourism through integrating biodiversity safeguards by reducing carbon emissions, the impact of pollution, the unsustainable use of resources, and by protecting and restoring nature and its wildlife. Over 150 organisations have signed up to the vision so far including international hotel groups, tour operators, travel agents, destinations, and international wildlife charities.

Raising awareness of the industry's work on global stages

Convening the industry

In October 2023, we hosted our first high-level industry summit on Net Positive: Hospitality with purpose, for people, planet and prosperity. This was an exclusive event attended by senior leadership from the Alliance's Members, comprising world-leading hotel brands, operators, owners, investors and other partners, alongside our strategic partners and collaborators.

The Summit featured a range of expert panellists, from within and outside the industry, who examined the current sustainability challenges and driving factors, and shared best practice examples and expertise of current actions and innovations. This included Dr. Dirk Glaesser, Director, Sustainable Development of Tourism at UN World Tourism Organisation, and Dame Julia Cleverdon DCVO, CBE, Vice President of Business in the Community.

The event also featured high-level discussions that will feed into the development of our new five-year strategy, enabling every part of the industry to contribute towards achieving the global targets set by the UN Sustainable Development Goals.

The Sustainable Hospitality Alliance was also proud to announce a host of new members and a wide range of collaborative strategic partnerships, designed to reach the wider hospitality industry and inspire an even more joined up approach to sustainability. Our new strategic partners include the World Travel and Tourism Council (WTTC), the United Nations World Tourism Organization (UNWTO), American Hotel and Lodging Association (AHLA), Global Business Travel Association

⁵ WTTC (2022), [Nature Positive Travel and Tourism](#)

(GBTA), Global Sustainable Tourism Council (GSTC), International Organization for Migration (IOM) and the UK Green Buildings Council (UKGBC).

United Nations Climate Conference

A year ago, at the United Nations Climate Conference COP26, the Sustainable Hospitality Alliance became one of the founding signatories of the Glasgow Declaration on Climate Action in Tourism, urging the acceleration of climate action by securing commitments to reduce emissions in the sector by at least 50% over the next decade and achieve Net Zero as soon as possible before 2050.

One year on, the Sustainable Hospitality Alliance, represented by our Chief Executive Officer Glenn Mandziuk, joined the UN World Tourism Organization (UNWTO) at COP27 to present on policies and corporate strategies for scaling up climate action in tourism. We also spoke about climate and water action in destinations at the UNWTO Meeting of the Committee on Tourism Sustainability highlighting some of our regional programmes on water risk and supply chains.

Launching the Hospitality and Tourism Task Force

The Sustainable Hospitality Alliance was selected to co-chair the Sustainable Markets Initiative (SMI) Hospitality and Tourism Task Force. Launched at the United Nations Biodiversity Conference (COP15) in Montreal, the Task Force will comprise of CEOs from across the hospitality and tourism industry, under the leadership of the Sustainable Hospitality Alliance and the Considerate Group. It will also combine the expertise of hospitality associations, tourism partners and inter-governmental development organisations.

The Sustainable Markets Initiative was launched by the former Prince of Wales at the World Economic Forum 2020 Annual Meeting in Davos. The Task Force is aligned with the Terra Carta which provides a roadmap for the private sector to accelerate the transition to a sustainable future by harnessing the power of nature combined with the transformative power, innovation and resources of the private sector.

Task Force, which joins other significant sectors as part of the SMI including financial services, health systems and energy, will focus on creating new business models, reducing emissions, and investing in people to support a sustainable hospitality and tourism sector and communities. The Alliance will now focus on securing commitments from CEOs from across the leading hotel companies, with the full list of members confirmed in early 2023.

Guiding wider industry thinking

As the experts in sustainable hospitality, the Alliance continues to sit on various industry committees including:

- United Nation's Technical Experts for Transforming the Tourism Value Chain – a panel of experts providing guidance and support on projects which aim to improve sustainability of tourism in developing states.
- United Nation's One Planet advisory groups on food waste and plastics reduction.
- Cornell University's advisory group for the Cornell Hotel Sustainability Benchmark (CHSB), the industry's largest sustainability benchmarking index.

Plans for future periods

We recognise the need to support responsible recovery post-pandemic, raise aspirations, and enable the hotel industry to play the greatest role it can in leveraging its global might and local presence to support and protect the planet and its people.

The Alliance is moving towards a more holistic view of sustainability which encompasses people, planet, place and prosperity to ensure our ecosystems, communities and destinations all thrive.

We will be expanding our Pathway to Net Positive Hospitality to incorporate social and governance actions to augment the environmental framework launched early 2022. This will include strategies to better engage communities and develop destination-specific approaches to respond to local needs and situations.

This will be released in March 2023 with further work to follow on supporting hotels to benchmark their progress on the Pathway and align their external reporting with Net Positive ambitions.

Additionally, we have received funding from GIZ to carry out a project in several countries in Africa to map out the current scale of local sourcing by the hospitality industry, understand the barriers and determine what support the hotels and local suppliers need to increase the occurrence of local sourcing. This will initially be a small-scale scoping exercise but there is potential for further funding to then create the initiatives and tools which are highlighted as needs for hotels and suppliers.

People

Reporting impact data on people programmes remains a challenge as there are no standardised KPIs available. Therefore, as part of the Pathway development, the Alliance will be working on developing key metrics, as well as detailed guidance, tools and resources to support the sector to plan, implement and measure sustainable net positive social initiatives.

To increase accessibility for workers and customers we will be working with partner organisations to develop guidance materials and tools for hotels to become disability inclusive. Collating learning from employability projects we will be releasing a set of guidance materials for hotels and local partners to encourage and support a greater portion of the industry to work with and include disadvantaged groups. To ensure adaptation of stronger human rights awareness and practices at destination level, in 2023 we will start adapting Human Rights trainings and tools for hotel teams.

Planet:

To reflect changing realities at the destination level and help hotels account for the local context in their water stewardship activities, we are updating the Destination Water Risk Index which we first created in 2018. The Alliance, Greenview and STR collaborated to create v2.0 of the DWRI, expanding the number of destinations included from 68 to 379 (across 63 countries) and incorporating additional risk metrics. DWRI v2.0 will be released in March 2023 for World Water Day.

Throughout 2023, we will be reviewing HCMI with a view to expanding the methodology to cover the remainder of Scope 3 emissions and creating an online tool to make it more user-friendly and easily accessible to the wider industry.

To raise awareness within the industry about different options available to them to help fund their climate efforts we are co-creating a webinar series with IFC. This series will cover different financial solutions available to the hotel industry as well as how to assess, improve, and disclose the resilience of a hotel.

Financial review

The Charity was registered on 24 March 2020 and launched independent operations on 1 October 2020, having separated as a programme from Business in the Community (BITC), a registered charity (297716). 2022 saw our second full year of independence, with income and expenditure building on the secure foundations achieved in the previous the previous financial year.

During 2022, the Sustainable Hospitality Alliance recorded a net surplus on operations during the period of £49,650, reached after Income of £1,234,437 and Expenditure of £1,184,787

Our income came from Charitable Grants of £643,294, where support is received under specific agreements supporting restricted activities aligned to our objectives from a range of Institutional Donors, Foundations and Trusts and Corporate Bodies, as listed in the Notes to the Accounts³ Membership contributions of £554,558 related to the contributions from our corporate members, and Donations of £46,585, including in-kind donations of £42,381, by members for use of office space and Greenview Consulting for pro-bono work on our Hotel Carbon Measurement Initiative.

Expenditure comprises Support Costs (including the value of In-Kind donations), Staff Costs, and Grants to Partners and is analysed in the accounts to Fundraising and publicity, and Expenditure on charitable activities, split between the major activities of the Alliance, as set out in the Notes to the Accounts, the highest expenditure being on Human Rights and Youth Employment work.

At 31 December 2022, both Net Assets and Funds stood at £717,111. Net Assets included Cash held of £1,364,445, with Accruals and deferred income standing at £899,635, the majority of which is pre-paid membership or Deferred income and largely explains the excess of Cash over Net Assets.

Funds were made up of Restricted Funds of £8,612 and Unrestricted Funds of £708,499.

Structure, Governance and Management

Governing document

The Sustainable Hospitality Alliance is a company limited by guarantee governed by its Memorandum and Articles of Association dated 16 December 2019. It is registered as a charity with the Charity Commission.

Appointment of trustees

As set out in the Articles of Association the business of the Charity is governed by the Board of Trustees, the first members of which were the four subscribers to the registration of the Alliance and a Company. The number of Trustees must be a minimum of three and no more than nine. Trustees may be appointed by a resolution of the Board and serve for a term of up to three years and can be eligible for re-appointment for a further period of three years.

Trustee induction and training

New trustees undergo orientation to brief them on: their legal obligations under charity and company law, the Charity Commission guidance on public benefit, and inform them of the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the charity. During orientation they meet key employees and other trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Organisation

The Board of Trustees, which can have up to nine members, administers the charity. The board normally meets quarterly and has one sub-committee, the Finance Risk and Audit Committee, which also meets quarterly in advance of Board meetings or as often as necessary. A Chief Executive Officer is appointed by the trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the Chief Executive Officer has delegated authority, within terms of delegation approved by the trustees, for operational matters including finance and employment.

Glenn Mandziuk was appointed as permanent CEO from the interim CEO Patrick O'Meara in May 2022. The trustees would like to record their thanks to Patrick for his work in supporting Glenn and the Alliance so effectively into 2023 and are grateful for his highly valued work as Director of business Development.

Related parties and co-operation with other organisations

None of our trustees receive remuneration or other benefit from their work with the charity other than reimbursement of expenses.

Trustees must declare any direct or indirect interest that conflicts, or may conflict with the interests of the Charity, because the Trustee or a Connected Person may receive a benefit from the Charity or has some separate interest or duty in a matter to be decided, or in relation to information which is confidential to the Charity. Declarations and updates are requested at each team meeting. Similarly all payments are reviewed monthly for related party transactions.

Pay policy for senior staff

The pay of the senior staff has been determined by Management together with the Finance Risk and Audit Committee on a review of pay levels in other similar organisations and in accordance with our Performance Related pay Policy..

Principal risks and uncertainties

The trustees have a risk management strategy which comprises:

- The Finance Risk and Audit Committee (FRAC) which works to undertake monitoring and supervision of both the current and future financial position of the Sustainable Hospitality Alliance, and associated risks.
- Maintenance of an Organisational Risk Register that identifies risks at an organisational level. The Register is developed and proposed by Senior Management initially to FRAC, and then to the Board of Trustees quarterly. The Register scores the risk in terms of impact and probability, provides a narrative commentary for the quarter, and details controls and mitigations in place and planned.
- Active involvement in emerging risk management, with Senior Management members, particularly through the Chair of the Board of Trustees and Chair of FRAC.

The trustees have assessed the risks that the Alliance is exposed to and have identified that the principal risk categories include:

Relevance:

- We become irrelevant, fail to innovate and to communicate Net Positive Hospitality effectively

- Our purpose, vision and mission are misunderstood or not communicated clearly and consistently

Operating Model

- We fail to grow or retain membership, affiliate membership and partnerships that add value
- Our delivery programmes & training fail to attract partners, funding and do not reach goals
- The advisory committees become disengaged, fail to endorse our strategy or reject it

Financial & Human Resource

- We do not attract the funding necessary to deliver our strategy over the next financial year.
- Failure to retain staff, ensure staff well-being and professional development and recruit effectively.

Governance & Compliance

- We fail an audit, suffer significant data breaches, put employees, partners and beneficiaries at risk.
- We are the victims of economic fraud
- We fail to adhere to regulations in countries we operate in

Intellectual Property

- We fail to continue to offer tools, resources, knowledge and methodologies to the global industry as an integral part of our charitable remit.
- We fail to enhance the equity value of the Alliance and Net Positive Hospitality brand and logo and monetize our IP, Brand and logo where appropriate

Reserves policy and going concern

The Trustees, having considered the risks outlined above have determined a desired range of reserve levels to be held in light of these risks to lie between £408,000 and £695,000.

The reserves to be deployed should be unencumbered by prior obligation and held as liquid assets.

Currently the organisation holds £708,572 of Unrestricted Reserves, of which £699,930 are unencumbered and free to be deployed to use. This level is within the required reserves range.

The trustees judged that a higher level of reserves was prudent given the uncertainty regarding the general economic outlook. The budget for 2023 therefore plans to keep reserves towards the higher value of the recommended reserves requirement.

The trustees review the financial circumstances of the Alliance as part of the quarterly FRAC review and consider that adequate resources continue to be available to fund the activities of the trust and group for the foreseeable future. The trustees are of the view that the company is a going concern.

Our approach to fundraising activities

The charity raises funds from member contributions, from institutional donors including Trusts and Foundations, International Development Organisations and Government Institutions in the UK and internationally. We have developed an Ethical Fundraising Policy to guide decisions on solicitation and acceptance of funds.

The charity does not currently actively fundraise from the public or run legacy campaigns or undertake similar fundraising activities. The trustees are though pleased to receive unsolicited gifts and legacies from patrons and supporters who generously support our work.

No complaints have been received from funders or beneficiaries in respect of fundraising activities undertaken by the alliance.

Trustees' responsibilities in relation to the financial statements

The charity trustees (who are also the directors of the Sustainable Hospitality Alliance for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing the 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 UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Statement as to disclosure to our auditors

In accordance with company law, the Company's Directors confirm that:

- so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- as the Directors of the Company they have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

In preparing the Report of the Trustees the trustees have taken advantage of the exemptions available to small companies.

This report was approved by the board of trustees and signed on their behalf by Wolfgang M. Neumann, Chair:



Date: 28 June 2023

Independent Auditors report to the Trustees of Sustainable Hospitality Alliance

Opinion

We have audited the financial statements of Sustainable Hospitality Alliance for the period ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and 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 charitable company's affairs as at 31 December 2022 and of the charitable company's net movement in funds, including the income and expenditure, for the period 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 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 charitable 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 directors 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 Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

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' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' 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 company; or
- the charitable 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 for the financial statements

As explained more fully in the trustees' responsibilities statement set out on pages 15 and 16, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Based on our understanding of the charitable company and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to regulatory requirements of the Charity Commission, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011, Companies Act 2006 and payroll taxes.

We evaluated management's opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in certain accounting estimates and judgements such as the income recognition policy applied to grant income. Audit procedures performed by the engagement team included:

- Inspecting correspondence with appropriate regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Review of minutes of meetings to identify expected material amounts of voluntary income; and
- Identifying and testing journals, using data analytics to select journal entries deemed to be higher risk across a number of different metrics; and
- Challenging assumptions and judgements made by management in their critical accounting estimates, including review of how grant income has been recognised at the period end.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. 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.



Vikram Sandhu (Director)
For and on behalf of Haysmacintyre LLP, Statutory Auditors
Date: 10 July 2023

10 Queen Street Place
London
EC4R 1AG

SUSTAINABLE HOSPITALITY ALLIANCE STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure account)

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Unrestricted Funds	Restricted Funds	Total Funds Year ended 31-Dec-22
		£	£	£
INCOME FROM:				
Donations and legacies	2A	46,585	-	46,585
Alliance Membership contributions		544,558	-	544,558
Charitable activities				
Grants	3	-	643,294	643,291
TOTAL INCOME		<u>591,144</u>	<u>643,294</u>	<u>1,234,437</u>
EXPENDITURE ON:				
Raising funds				
Fundraising and publicity		110,458	-	110,458
Charitable activities				
Human Rights		-	249,254	249,254
Youth Employment		6,231	390,173	396,404
Climate Action		178,506	30,922	209,428
Water Stewardship		17,988	-	17,988
Cross organisational activities		196,828	4,427	201,255
TOTAL EXPENDITURE	5	<u>510,010</u>	<u>674,777</u>	<u>1,184,787</u>
Net gains/(losses) on investments		-	-	-
NET INCOME BEFORE TRANSFER FROM BUSINESS IN THE COMMUNITY		<u>81,133</u>	<u>(31,483)</u>	<u>49,650</u>
Net Transfer from Business In the Community	2B	-	-	-
NET INCOME	4	<u>81,133</u>	<u>(31,483)</u>	<u>49,650</u>
Transfer between funds		-	-	-
NET MOVEMENT IN FUNDS		<u>81,133</u>	<u>(31,483)</u>	<u>49,650</u>
Reconciliation of funds:				
Total funds brought forward		627,365	40,095	667,461
TOTAL FUNDS CARRIED FORWARD		<u>708,499</u>	<u>8,612</u>	<u>717,111</u>

All transactions are derived from activities that commenced during the period. The split between unrestricted and restricted donations and legacies is shown in note 3. There was no other restricted income or expenditure for the year ended 31 December 2021. All recognised gains and losses are included in the Statement of Financial Activities.

SUSTAINABLE HOSPITALITY ALLIANCE STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure account)

FOR THE PERIOD ENDED 31 DECEMBER 2021

	Note	Unrestricted Funds	Restricted Funds	Total Funds Year ended 31-Dec- 21
		£	£	£
INCOME FROM:				
Donations and legacies	2A	62,001	-	62,001
Alliance Membership contributions		306,209		306,209
Charitable activities				
Grants	3	5,000	639,742	644,742
TOTAL INCOME		373,210	639,742	1,012,951
EXPENDITURE ON:				
Raising funds				
Fundraising and publicity		83,710	-	83,710
Charitable activities				
Human Rights		4,530	236,652	241,183
Youth Employment		4,588	465,575	470,164
Climate Action		5,923	28,499	34,422
Water Stewardship		5,923	-	5,923
Cross organisational activities		74,352	-	74,352
TOTAL EXPENDITURE	5	179,027	730,726	909,754
Net gains/(losses) on investments		-	-	-
NET INCOME BEFORE TRANSFER FROM BUSINESS IN THE COMMUNITY		194,182	(90,985)	103,198
Net Transfer from Business In the Community	2B	-	-	-
NET INCOME	4	194,182	(90,985)	103,198
Transfer between funds		-	-	-
NET MOVEMENT IN FUNDS		194,182	(90,985)	103,198
Reconciliation of funds:				
Total funds brought forward		433,183	131,080	564,263
TOTAL FUNDS CARRIED FORWARD		627,365	40,095	667,461

Sustainable Hospitality Alliance Company Number 12373950

BALANCE SHEET

AS AT 31 DECEMBER 2022

		2022		2021	
	Note	£	£	£	£
FIXED ASSETS					
Tangible assets	8		8,642		6,923
Investments	9		-		-
			<u>8,642</u>		<u>6,923</u>
CURRENT ASSETS					
Debtors	11	284,024		155,495	
Cash at bank and in hand		<u>1,364,445</u>		<u>1,170,431</u>	
		1,648,469		1,328,926	
CREDITORS: amounts falling due within one year	12	(940,000)		(665,388)	
NET CURRENT ASSETS			<u>708,469</u>		<u>660,538</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			717,111		667,461
NET ASSETS			<u><u>717,111</u></u>		<u><u>664,461</u></u>
FUNDS	14				
Restricted funds			8,612		40,095
Unrestricted funds:					
Designated funds			(73)		36,639
General funds			<u>708,572</u>		<u>590,726</u>
			<u>708,499</u>		<u>627,365</u>
			<u><u>717,111</u></u>		<u><u>667,461</u></u>

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime. The financial statements were approved and authorised for issue by the Trustees on 28 June 2023 and were signed below on its behalf by:



Wolfgang M. Neumann. Chair.

Sustainable Hospitality Alliance

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022	2021
		£	£
Cash Flow from operating activities	21	199,834	223,301
Cash flows from investing activities			
Income from listed investments			
Other interest receivable			
Payments to acquire tangible fixed assets	(5,820)	(4,429)	
Disposal of tangible fixed assets			
Purchase of investments			
Sale of investments			
Cash used in investing activities		<u>(5,820)</u>	<u>(4,429)</u>
Increase/(Decrease) in cash and cash equivalents in the year		<u>194,013</u>	<u>218,872</u>
Cash and cash equivalents at the beginning of the year		<u>1,170,431</u>	<u>951,559</u>
		1,364,445	1,170,431
Change due to exchange rate movements			
Total cash and cash equivalents at the end of the year		<u><u>1,364,445</u></u>	<u><u>1,170,431</u></u>
Cash and cash equivalents			
Cash at bank and in hand		1,364,445	1,170,431
Cash held by investment manager		-	-
Cash at bank and in hand at the end of the reporting period		<u><u>1,364,445</u></u>	<u><u>1,170,431</u></u>

1 Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements have been prepared in accordance with the 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)) (2nd Edition effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Sustainable Hospitality Alliance 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 note(s).

b) Preparation of the accounts on a going concern basis

The Sustainable Hospitality Alliance reported net income of £103,198 for the period. The trustees are of the view that ongoing funding agreements and membership contributions have secured the immediate future of the Sustainable Hospitality Alliance for the next 12 to 18 months, and that the current cash position and future projections indicate sufficient levels to continue operations without interruption, and that on this basis the charity is a going concern for the foreseeable future and that there are no material uncertainties in relation to the ability of the charity to continue as a going concern.

The trustees remain vigilant of the need to secure on-going financial support and to monitor financial commitments and cash flows to maintain the organisation's financial viability.

c) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred.

Grant income received in advance of performance or provision of other specified service it is deferred until the criteria for income recognition are met (see note 23).

d) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general time of volunteers not recognised; refer to the trustees' annual report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity 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.

e) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

f) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Sustainable Hospitality Alliance's work or for specific projects being undertaken by the Sustainable Hospitality Alliance.

g) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise fundraising and publicity and their associated support costs.
- Expenditure on charitable activities includes the costs of undertaking specific activities and projects in Human Rights, Youth Employment, Climate Action, Water Stewardship and Cross organisational activities and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

h) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back-office costs, finance, personnel, other organisational running costs and are classified between Office expenses, Governance costs and Other support costs. These costs have been allocated between cost of raising funds and expenditure on charitable activities.

Support costs have been allocated to activities (whether raising funds or charitable activities) on the following bases:

- Where a support cost can be specifically attributed to an activity it is directly allocated
- Where the support costs have a general effect on activities, they are apportioned to activities on the basis of staff time recorded undertaking the activities

Support costs related to publicity and promotion are not reapportioned to charitable activities.

i) Tangible fixed assets

Individual fixed assets costing £500 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight-line basis as follows:

Asset Category

Computer equipment	Over 3 years
--------------------	--------------

j) Debtors

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

k) Cash at bank and in hand

Cash at bank and cash 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.

l) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

m) Pensions

Existing employees of the charity were entitled to join the defined contribution Group Personal Pension Plan operated by Scottish Widows which is funded by contributions from employee and employer.

n) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The Trustees do not consider there are any critical judgements or sources of estimation uncertainty affecting assets or liabilities at the balance sheet date which is likely to result in a material adjustment to their carrying amount in the next financial year.

o) Financial Instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at the settlement value.

NOTES ON THE ACCOUNTS YEAR ENDED 31 December 2022

2A. DONATIONS AND LEGACIES

	<i>Unrestricted</i>	<i>Restricted</i>	Year ended 31-Dec-22
	<i>£</i>	<i>£</i>	<i>£</i>
Donations	4,204	-	4,204
Gifts in kind	42,381	-	42,381
	<u>46,585</u>	<u>-</u>	<u>46,585</u>

DONATIONS AND LEGACIES 2021

	<i>Unrestricted</i>	<i>Restricted</i>	<i>Period ended 31-Dec-21</i>
	<i>£</i>	<i>£</i>	<i>£</i>
<i>Donations</i>	<i>4,988</i>	<i>-</i>	<i>4,988</i>
<i>Gifts in kind</i>	<i>57,013</i>	<i>-</i>	<i>57,013</i>
	<u><i>62,001</i></u>	<u><i>-</i></u>	<u><i>62,001</i></u>

The value of volunteers, consultants and corporate entities time is estimated at £42,381 (£57,013 in 2021). We have included the value where it is quantifiable but recognise that the Charity received a significant level of support, which we are unable to quantify.

2B. TRANSFER FROM BUSINESS IN THE COMMUNITY

	<i>Unrestricted</i>	<i>Restricted</i>	Year ended 31-Dec-22
	<i>£</i>	<i>£</i>	<i>£</i>
Transfer - cash, assets and balance owing	-	-	-
Recognised as Trade debtors	-	-	-
Recognised as Deferred and prepaid membership contributions	-	-	-
Recognised as accrued income	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>

TRANSFER FROM BUSINESS IN THE COMMUNITY 2020

	<i>Unrestricted</i>	<i>Restricted</i>	<i>Period ended 31-Dec-21</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Transfer - cash, assets and balance owing	-	-	-
Recognised as Trade debtors	-	-	-
Recognised as Deferred and prepaid membership contributions	-	-	-
Recognised as accrued income	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>

3.
CHARITABLE ACTIVITIES 2022

	<i>Unrestricted</i>	<i>Restricted</i>	Year ended 31-Dec- 22
	<i>£</i>	<i>£</i>	<i>£</i>
Grants			
Global Fund to End Modern Slavery	-	11,058	11,058
Sightsavers (Royal Commonwealth Society for the Blind)	-	34,775	34,775
Hyatt Community Grants Fund	-	101,709	101,709
TUI Care Foundation	-	38,102	38,102
The J. Willard and Alice S. Marriott Foundation	-	148,265	148,265
Marriott International	-	20,131	20,131
The International Labour Organisation (ILO)	-	-	-
International Organisation for Migration (Geneva)	-	249,254	249,254
International Organisation for Migration (Philippines)	-	-	-
United Nations Environment Programme (UNEP)	-	30,922	30,922
GIZ GmbH	-	9,078	9,078
	<u>-</u>	<u>643,294</u>	<u>643,294</u>

CHARITABLE ACTIVITIES 2021

	<i>Unrestricted</i>	<i>Restricted</i>	<i>Period ended 31-Dec- 21</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Grants			
Souter Charitable Trust	5000	-	5,000
Global Fund to End Modern Slavery	-	102,541	102,541
Sightsavers (Royal Commonwealth Society for the Blind)	-	85,520	85,520
Hyatt Community Grants Fund	-	57,616	57,616
TUI Care Foundation	-	7,703	7,703
The J. Willard and Alice S. Marriott Foundation	-	138,074	138,074
Marriott International	-	18,932	18,932
The International Labour Organisation (ILO)	-	18,304	18,304
International Organisation for Migration (Geneva)	-	155,980	155,980
International Organisation for Migration (Philippines)	-	38,271	38,271
United Nations Environment Programme (UNEP)	-	16,802	16,802
	<u>5,000</u>	<u>639,472</u>	<u>644,742</u>

4. NET INCOME FOR THE YEAR

	Year ended 31-Dec-22	<i>Period ended 31-Dec- 21</i>
	£	<i>£</i>
This is stated after charging the following:		
- Depreciation	4,101	2,785
- Auditors remuneration for audit services		
for audit services	15,000	12,000
for other services	1,800	1,800
- Operating lease rentals		

5. EXPENDITURE FOR THE YEAR ENDED 31 December 2022

	Support Costs £	Staff Costs £	Grants to Partners £	Other Direct £	Total 2022 £	Total 2021 £
a) ANALYSIS OF EXPENDITURE						
Raising Funds						
Fundraising and publicity	19,076	91,381	-	-	110,458	83,710
Expenditure on charitable activities:						
Human Rights	25,521	223,309	-	425	249,254	241,183
Youth	12,871	262,259	94,012	27,262	396,404	470,164
Employment	23,985	182,524	-	2,919	209,428	34,422
Climate Action	1,288	16,700	-	-	17,988	5,923
Water						
Stewardship						
Cross organisational activities	84,668	773	-	115,814	201,255	74,352
TOTAL EXPENDITURE	167,410	776,945	94,012	146,420	1,184,787	909,754

The costs above include support costs which are allocated on the basis of expenditure undertaken.

b) ANALYSIS OF SUPPORT COSTS FOR THE YEAR ENDED DECEMBER 2022

	Office expenses £	Governance costs £	Other support costs £	Reallocation £	Total 2022 £	Total 2021 £
Raising Funds						
Fundraising and publicity	-	-	19,076	-	19,076	7,400
Expenditure on charitable activities:						
Human Rights	270	-	16	25,234	25,521	33,780
Youth	209	-	(10,832)	23,494	12,871	63,613
Employment	202	-	112	23,671	23,985	6,091
Climate Action	-	-	50	1,238	1,288	1,994
Water						
Stewardship						
Cross organisational activities	21,510	17,810	118,985	(73,637)	84,668	37,352
TOTAL SUPPORT COSTS:	22,192	17,810	127,408	-	167,410	150,230

The basis for apportionment of support costs is set out in Note 1i). Include in Other support costs is the value of £57,013 of in-kind contributions received.

c) GOVERNANCE COSTS	Year ended 31-Dec- 22 £	Period ended 30-Dec- 21
Legal and professional, including audit	17,810	12,000
	17,810	12,000

**EXPENDITURE
(cont)**

	<i>Unrestricted</i>	<i>Restricted</i>	Year ended 31-Dec-22	<i>Period ended 31-Dec-21</i>
Grants paid to institutions	£	£	£	£
Cheshire Disability Services				
Kenya (CDSK)	-	-	-	6,129
Kherwadi Social				
Welfare Association	-	60,093	60,093	28,131
Stanforte Edge	-	27,454	27,454	25,933
Spence Evoluzione				
Charitable Trust	-	3,901	3,901	7,844
Don Bosco Tech				
Society	-	2,564	2,564	29,238
	<u>-</u>	<u>94,012</u>	<u>94,012</u>	<u>97,275</u>

6. STAFF NUMBERS AND COSTS

2022 **2021**
No. **No.**

The average number of persons employed during the year were as follows

Raising funds	1.1	1.5
Charitable activities	9.8	7.0
Support	1.1	0.8
	<u>12.0</u>	<u>9.3</u>

The aggregate payroll costs of these persons were as follows

	£	£
Salaries and wages	662,592	490,673
Social security costs	71,573	58,431
Pension scheme contributions	42,779	29,758
	<u>776,945</u>	<u>578,862</u>

The number of employees whose emoluments, excluding pension contributions and employer's national insurance who were in excess of £60,000 were:

	2022	2021
	No.	No.
£60,000 - £69,999	3	1
£70,000 - £79,999	3	1
	<u>6</u>	<u>2</u>

Contributions of £42,779 (£29,758 in 2021) were paid on behalf of these employees into a money purchase pension scheme.

The total employee benefits of the key management personnel of the Charity were £259,767 (£166,495 in 2021)

7. TRUSTEES' REMUNERATION AND REIMBURSED EXPENSES

Reimbursements of travelling expenses totalling £997.31 was paid to Trustees for attendance at Trustee meetings.

8. TANGIBLE ASSETS

Group and Charity	Computer Equipment
Cost or Valuation	£
As at 1 January 2022	10,188
Additions	5,820
Disposals	-
At 31 December 2022	<u>16,009</u>
Depreciation & Amortisation	
As at 1 January 2022	(3,265)
Charged in Year	(4,101)
Disposals	-
At 31 December 2022	<u>(7,366)</u>
Net Book Value	
At 01 January 2022	6,923
At 31 December 2022	<u><u>8,642</u></u>

09. INVESTMENTS

There were no investments on behalf of the charity at 31 December 2022

10. TAXATION

Sustainable Hospitality Alliance is a registered charity and, therefore, is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

11 DEBTORS

	Charity 2022	<i>Charity 2021</i>
	£	<i>£</i>
Trade debtors	234,520	140,413
Other debtors	-	-0
Prepayments and accrued income	<u>49,504</u>	<u>15,081</u>
	<u><u>284,024</u></u>	<u><u>155,495</u></u>

**12 CREDITORS: Amounts falling
due within one year**

	Charity 2022	<i>Charity 2021</i>
	£	<i>£</i>
Trade creditors	11,233	2,205
Other creditors including taxation and social security	29,132	21,079
Grant commitments		
Accruals and deferred income	<u>899,635</u>	<u>642,103</u>
	<u><u>940,000</u></u>	<u><u>665,388</u></u>

13.

DEFERRED INCOME	Brought forward deferred income 01 Jan 2022	Amount released in 2022	Amount deferred in 2022	Deferred income carried forward year ended 31 Dec 2022
	£	£		
Amount deferred in the year	<u>(616,020)</u>	<u>(1,237,747)</u>	<u>993,274</u>	<u>(860,494)</u>
	<u><u>(616,020)</u></u>	<u><u>(1,237,747)</u></u>	<u><u>993,274</u></u>	<u><u>(860,494)</u></u>

Deferred income represents income or membership contributions invoiced or received for use in future periods

14. FUNDS	At 31 December 2021	Income	Expenditure	Transfer from BITC	Transfers/ gains/ (losses)	At 31 December 2022
	£	£	£	£	£	£
Unrestricted Funds						
Designated Funds						
Humanity United	36,639	-	36,713	-	-	(73)
General Funds	590,726	591,144	473,298	-	-	708,572
	627,365	591,144	510,010	-	-	708,499
Restricted Funds						
Global Fund to End Modern Slavery	-	11,058	11,058	-	-	-
Sightsavers (Royal Commonwealth Society for the Blind)	-	34,775	34,775	-	-	-
Hyatt Community Grants Fund	-	101,709	101,709	-	-	-
The IHG Foundation (UK) Trust	1	-	-	-	-	1
TUI Care Foundation	-	38,102	38,102	-	-	-
Marriott International	12,532	20,131	32,663			
Hilton Effect Foundation	27,564	-	18,951			8,614
The J. Willard and Alice S. Marriott Foundation	-	148,265	148,265			-
The International Labour Organisation (ILO)	-	-	-			-
International Organisation for Migration (Geneva)	(1)	249,254	249,254			(2)
International Organisation for Migration (Philippines)	-	-	-			-
United Nations Environment Programme (UNEP)	-	30,922	30,922			-
GIZ GmbH	-	9,078	9,078			-
Booking.com	(1)	-	-			(1)
Grants	40,095	643,294	674,777	-	-	8,612
	667,461	1,234,437	1,184,787	-	-	717,111

14. FUNDS	At 31 December 2020	Income	Expenditure	Transfer from BITC	Transfers/ gains/ (losses)	At 31 December 2021
	£	£	£	£	£	£
Unrestricted Funds						
Designated Funds						
Humanity United	134,938	-	98,299	-	-	36,639
General Funds	298,245	373,210	80,728	-	-	590,726
	433,183	373,210	179,027	-	-	627,365
Restricted Funds						
<u>Youth Employment - restricted</u>						
Global Fund to End Modern Slavery		102,541	102,541	-	-	-
Sightsavers (Royal Commonwealth Society for the Blind)		85,520	85,520	-	-	-
Hyatt Community Grants Fund		57,616	57,616	-	-	-
The IHG Foundation (UK) Trust	13,262	-	13,261	-	-	1
TUI Care Foundation	15,532	7,703	23,234	-	-	-
<u>Youth Employment - broadly restricted</u>						
Marriott International	37,856	18,932	44,257	-	-	12,532
Hilton Effect Foundation	28,637	-	1,073	-	-	27,564
The J. Willard and Alice S. Marriott Foundation	-	138,074	138,074	-	-	-
<u>Human Rights</u>						
The International Labour Organisation (ILO)	-	18,304	18,304	-	-	-
International Organisation for Migration (Geneva)	24,097	155,980	180,078	-	-	(1)
International Organisation for Migration (Philippines)	-	38,271	38,271	-	-	-
<u>Sustainability</u>						
United Nations Environment Programme (UNEP)	-	16,802	16,802	-	-	-
Booking.com	11,696	-	11,697	-	-	(1)
Grants	131,080	639,742	730,726	-	-	40,095
	564,263	1,012,951	909,754	-	-	667,461

**15. ANALYSIS OF FUND BALANCES BETWEEN NET ASSETS -
CURRENT YEAR**

	AT 31 December 2022			
	Restricted Funds	General Funds	Designated Funds	Total
	£	£	£	£
Tangible fixed assets	-	8,642		8,642
Investments	-	-		-
Net current assets	8,612	699,930	(73)	708,469
	<u>8,612</u>	<u>708,572</u>	<u>(73)</u>	<u>717,111</u>

**ANALYSIS OF FUND BALANCES BETWEEN NET ASSETS - PRIOR
YEAR**

	AT 31 December 2021			
	Restricted Funds	General Funds	Designated Funds	Total
	£	£	£	£
Tangible fixed assets	-	6,923	-	6,923
Investments	-	-	-	-
Net current assets	40,095	583,803	36,639	660,538
	<u>40,095</u>	<u>590,726</u>	<u>36,639</u>	<u>667,461</u>

16. CAPITAL COMMITMENTS

Sustainable Hospitality Alliance had no capital commitments at 31 December 2022 or at 31 December 2021

17. OPERATING LEASE REQUIREMENTS

Sustainable Hospitality Alliance had no operating lease commitments at 31 December 2022 or at 30 December 2021.

18. MEMBERS LIABILITY

In the event of the company being wound up, Trustees will each have a liability of £1.

19. PENSION COMMITMENTS

Sustainable Hospitality Alliance operates a Group pension arrangement. The overall pension charge for the year was £42,779 (£29,758 in the period to 31 December 2021). At 31 December 2022, £6,005 contributions were outstanding (£4,104 as of 30 December 2021).

20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH INFLOW

	2022	2021
	£	£
Net movement in funds	49,650	206,396
Investment income	-	-
Net (gains)/ losses on investments	-	-
Depreciation and amortisation	4,101	2,785
Increase/ (Decrease) in creditors	274,612	92,264
(Increase)/ Decrease in debtors	(128,530)	25,054
(Increase)/ Decrease in stocks	-	-
Net Cash generated by operating activities	<u>199,834</u>	<u>326,499</u>

21. RELATED PARTY TRANSACTIONS

There were no related party transactions other than the trustee payment in note 7 in the current or previous accounting period.

World Sustainable Hospitality Alliance Foundation

England & Wales - Charity number 1188731

Accounts



Sustainable Hospitality Alliance
(A company limited by guarantee)

Report and Financial Statements
Year ended 31 December 2021

Charity number 1188731
Company number 12373950

Report of the trustees for the year ended 31 December 2021

The trustees are pleased to present their annual directors' report together with the consolidated financial statements of the charity for the period ended 31 December 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and the 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, 2nd Edition) effective 1 January 2019.

Report of the trustees for the year ended 31 December 2021

Reference and administrative details

Directors and trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law. The trustees and officers serving during the period and since the period end were as follows:

Board of Trustees:

Wolfgang M. Neumann, Chair
Catherine Hammond, Treasurer
Yasmin Diamond
Stephen Farrant
Melissa Froehlich Flood
Pia Heidenmark Cook (appointed 17 June 2021)
Tim Davis (appointed 31 March 2022)

Members of Board Sub-committees serving during the period and since the period end were as follows:

Finance Risk and Audit Committee:

Catherine Hammond, (Treasurer)
Wolfgang M. Neumann, (Chair)
Lesley Wolfenden
Mike Reilly (appointed 22 March 2021)

Key management personnel

Senior Management Team:

Glenn Mandziuk CEO (appointed 02 May 2022)
Patrick O'Meara (interim CEO August 2021 to May 2022)
Madhu Rajesh (CEO to 30 September 2021)
Simon Le Gouais (Director of Finance and Resources & Company Secretary appointed 01 July 2021)
Chris Wilde (Director of Finance and Resources to 30 June 2021)

Reference and administrative details

Registered charity name	Sustainable Hospitality Alliance
Charity registration number	1188731
Company registration number	12373950
Registered address	2 Putney Hill, London, SW15 6AB
Auditor	Haysmacintyre LLP
Bankers	HSBC UK
Solicitors	Russell-Cooke LLP

Chair's report

I am immensely proud of the progress the Sustainable Hospitality Alliance has made in its first full year as an independent charity. As global events continued to pose huge challenges to the hospitality industry, the Alliance and its members have shown great resilience, guiding the wider industry and supporting the wellbeing of employees, guests and communities.

As we began the year, the travel and tourism sector had seen an estimated 20% loss in jobs globally,¹ and hotels were operating at a significantly reduced capacity. It is during crisis times like these that people and communities are left even more vulnerable and we, as responsible businesses and leaders, have an even stronger role to play in spite of the operational challenges.

The latter half of the year, in the build-up to COP26, saw the release of the UN Intergovernmental Panel on Climate Change (IPCC) report which revealed that unless there are immediate and large-scale reductions in greenhouse gas emissions, the goal of limiting warming to even 2°C will be beyond reach.² This provides a stark reminder to anyone who was questioning whether, given the magnitude of the global health crisis, the world could still afford to pay attention to climate change – the reality is that we cannot afford not to.

These crises highlight that the need for joined up action, across the industry, the wider value chain, public and private sectors, is more crucial than ever – as is the role of the Alliance.

This year, to advance our ability to drive collaboration, we launched our affiliate membership – open to wider parts of the hospitality value chain including real estate owners, investment funds, and legal and consulting firms. This new route for cross-industry engagement provides additional perspectives which, combined with the insights from our hotel members, will be hugely valuable in driving our collective impact and outputs.

We have enhanced our focus on environmental and social issues through the creation of the People and Planet Committees. With new Chairs from member companies, each committee convenes dedicated industry professionals to work together on the most pertinent issues.

We have delivered a number of key programmes and resources for the utilisation and benefit of the wider hospitality community. Notable among these is our core employability skills curriculum – a comprehensive training resource to give people from disadvantaged backgrounds the skills and confidence to start a career in the industry. We invite any hotels and NGOs to adopt this resource so we can leverage the collective power of the industry to enable even more people to build a better future.

For our environmental strategy, we recognised the industry need for a co-ordinated strategic plan that encompasses the whole hospitality industry (owners, operators and brands). This informed the development of our Pathway to Net Positive Hospitality, an ambitious global vision and practical framework, which we were proud to release with the backing of CEOs from across the industry in March 2022.

Our organisation is built on collective action, and this would not be possible without our members and affiliate members. We thank also our partners and supporters including philanthropic organisations, non-profits, governments and the private sector. Through the active engagement and shared expertise of our staff, members and partners, we will continue to drive collaborative action to enable the hospitality industry to have a lasting positive impact on our planet and its people.



Wolfgang M. Neumann
Chair, Sustainable Hospitality Alliance

Objectives and activities

Our vision and mission

Our vision is responsible hospitality for a better world.

Our mission is to drive collaborative action to enable the hospitality industry to have a lasting positive impact on our planet and its people.

We do this by bringing together engaged hospitality companies and strategic partners and using the collective power of the industry to deliver impact locally and on a global scale.

Summary of the purposes of the charity

The Charity's objects are, for the public benefit, anywhere in the world, to:

- advance education to prevent and relieve poverty and to relieve unemployment, in particular but not exclusively amongst disadvantaged young people.
- advance human rights (as set out in the Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights and subsequent United Nations declarations and conventions).
- promote the protection and preservation of the natural environment and sustainable development amongst participants in the global hospitality industry.
- further such other exclusively charitable purposes according to the law of England and Wales as the trustees in their absolute discretion from time to time determine.

The trustees confirm that they have referred to the information contained in the Charity Commission's general guidance on public benefit when reviewing the Sustainable Hospitality Alliance's aims and objectives, and in planning activities and setting strategy for the year ahead.

Summary of main activities

To achieve our objectives, we work with our members, partners and other stakeholders, to assess the key global challenges affecting our planet and its people. We then prioritise our activities and programmes to identify where we can collectively deliver the most positive impact towards our mission.

Aligned with the United Nations Sustainable Development Goals (SDGs), we commit to drive continued action in the following areas:

People – Advancing fair and inclusive opportunities for people and communities now and for future generations.

- **Equity, diversity and inclusion:** Promoting access to fair opportunities and creating environments that support inclusive employment and encourage advancement.
- **Human rights:** Supporting respect for human rights across the hospitality industry, addressing risks and strengthening ethical recruitment and employment.
- **Employability:** Enabling young people and those from particularly vulnerable backgrounds to get started in their careers by leveraging the power of the hospitality industry.

Planet – Safeguarding our natural environment for a thriving and diverse world for all.

- **Climate action:** Driving decarbonisation of the hospitality industry, limiting key drivers of climate change, and maximising our regenerative impact.
- **Water stewardship:** Addressing water risk within communities, embedding water stewardship programmes and furthering water-use efficiency.
- **Responsible resourcing:** Advancing sustainable procurement and consumption, enabling effective resource management, and minimising pollution and waste.

Policy on social investment and grant making

The charity works in partnership with its members and with organisations engaged in programmes in alignment with the Alliance's objectives to deliver integrated social investment programmes particularly where members and partners can add value and reach to the Alliance's objectives and activities as described above.

The trustees are mindful of their duties with respect to ensuring the charity is carrying out its purposes for the public benefit, that protecting people and safeguarding responsibilities are a governance priority and a fundamental part of its operations, and that where operating through partners, and especially internationally, trustees have legal duties and responsibilities in carrying out due diligence checks and monitoring in relation to the charity's involvement with external bodies and individuals and verifying the end use of charitable funds.

Thus where working with partners, the charity:

- conducts careful due diligence prior to entering into formal partnerships, and signs clear agreements setting out the work to be carried out, monitoring requirements, financial accountability and operational standards to be upheld.
- requires grantees to comply with its policies on Safeguarding, Anti-Bribery and Anti-Corruption, Anti-Fraud and Anti-Money Laundering, and Data Privacy and Protection.
- develops working relationships through training programmes and workshops that explain the Alliance's approach on safeguarding, tackling financial crime and data protection.

During the year the charity funded work with the following partners:

- Cheshire Disability Services Kenya (CDSK) in Nairobi, Kenya
- The Kherwadi Social Welfare Association (Goa, Bengaluru and Mumbai, India),
- Stanforte Edge (Lagos, Nigeria),
- Spence Evoluzione Charitable Trust (Colombo, Sri Lanka)
- Don Bosco Tech Society (Kochi, Kolkata and Delhi, India)

All were programmes training young vulnerable people for entry to the hotel industry.

Contribution made by members and volunteers

The members of the Sustainable Hospitality Alliance are the corporate organisations supporting the Alliance through annual financial contributions and involvement in our work. They do not have a formal governance role.

The members make up approximately 30% of the global hotel industry by rooms and currently include 18 world-leading hotel companies with a combined reach of over 35,000 properties and 5.5 million rooms, including large and small hotel companies with both international and regional portfolios.

The Alliance launched its affiliate member programme in December 2021. The purpose of affiliate membership is to invite influential players across the value chain to participate in dialogue with each other and with our hospitality members, to share expertise and learning, to influence our pathway to become truly regenerative and to challenge, enable and inspire the movement through collaboration. Affiliate members have an advisory rather than a governance role and convene as the Affiliate Advisory Council. There are currently six affiliate members in place.

As our members differ in the size and scale of their operations, ownership structures, geographic footprint and the stage of organisational maturity on their sustainability journey, this gives us unique insights into the industry, and awareness of what is needed to drive progress on sustainability across the industry. With their technical know-how and expertise, we design and pilot solutions, create tools and resources, and showcase best practices to help any hotel, anywhere in the world, get started and progress on its sustainability agenda.

Our members also, from time to time, offer us additional support, in terms of secondments, to help us get skills, resources and expertise in support of our work, either operationally or programmatically, and operate in a cost-effective way.

Throughout 2021, the global pandemic continued to result in the temporary closure of hotels across the world. Many staff were either placed on furlough, made redundant, or working reduced hours. We therefore welcomed the support and expertise of several volunteers from our members and other organisations, who supported us to complete the operational set up of the charity including systems and policy development such as GDPR and provided their expertise to support the delivery of our activities in human rights and climate action.

Key achievements and performance: People

Employability:

Through our employability programme, we focus on supporting young people who have faced a range of barriers (including people from low-income families, those living without parental care, survivors of human trafficking, refugees, and people with disabilities). Our programme aims to support them in developing the skills and experience to gain and sustain employment in hospitality and across many industries.

Our flexible programme delivery model consists of 100 hours of classroom training delivered through our local non-profit implementing partners. This is followed by two to four months of practical training with local employers. The trainees are then supported to find work with local businesses

In 2021 we supported:

- Over 400 graduates
- 92% gone into employment or further education
- Supported over 100 survivors or at risk of trafficking and over 30 people with disabilities
- Over 200 businesses engaged in employability for young and vulnerable people

Giving disadvantaged people the skills to succeed

In June 2021 we launched our new core skills employability curriculum. This comprehensive training resource provides trainees with the skills and information to feel more confident and prepared to begin work in a hotel or related workplace – particularly those who may not have previously had access to this type of environment.

The curriculum was designed to ensure that it is accessible for people from different backgrounds, including people with disabilities and survivors of human trafficking. It was developed using industry expertise to give trainees the best chance of success in a hotel career. This included bringing together the skills commonly contained across hotel employers' training programmes, technical expertise from IHCL, education and disability specialists, supported by an IHG Foundation legacy gift.

The aim is that this resource is not only a crucial first element of our own employability programme, but that it is also available for any qualified NGO or hospitality company to run their own local programmes to support more disadvantaged people to build a better future.

Learning how to adapt to support young people during the pandemic

The pandemic made employability programmes such as our programme even more essential. Young people were disproportionately impacted by the pandemic through loss of employment and disruption to education and career progression. It is estimated that more than one in six young people lost their work because of the crisis.¹

Despite the continuing impact of Covid-19 we were able to strategically maintain operations in four countries where we had funded projects: India, Sri Lanka, Kenya, and Nigeria.

The classroom training has always been a critical element of the training experience. It enables the trainees to gain skills before entering a workplace and develop a connection and support network

¹ ILO (2020), available from www.ilo.org

with the other students. We were pleased to be able to maintain the classroom element, by switching to virtual learning sessions. This also enabled us to thoroughly pilot the curriculum in this environment, which expands its ability to be used in different programme models.

The second challenge was the closure of the hotels who would normally take part in the programme, and who have a need for motivated junior staff members. We have always recognised the value of the transferable skills learned in the hospitality industry – such as teamwork, decision making, customer service and time-management – therefore we were able to place students in relevant workplaces where the need for employees was greater. This included hospitals, call centres, and food services.

These adaptation and developments have provided valuable learning and will now be incorporated into the model going forward to expand the delivery options of the programme and provide even more young and disadvantaged people with the opportunity to develop rewarding careers.

“The programme has helped me to be different, to be a pioneer and a leader in the hospitality sector.” Oluwamayowa Eleanor Boyo, Nigeria.

“This programme has made a huge difference in my life, as it has helped me to grow both professionally and personally. I feel more positive and confident about myself. I am thankful for this new job in housekeeping which will give me work experience and financially support me especially during this pandemic” Gudiya (name changed to protect identity), India

“I like speaking to people. I wanted to make a career in guest relations but would often be afraid to make a good impression. This program has helped me to increase my knowledge and sharpen my communication skills. I feel happy and confident. I see myself as a successful person in the future.” Ragini (name changed to protect identity), India

Human rights:

Recognising that migrant workers have been left even more susceptible to exploitation during the pandemic, we increased our efforts to support ethical recruitment in line with our human rights agenda.

Following the launch of our Principles on Forced Labour – a set of three guiding principles to unite the industry to address the key drivers of forced labour – we have focussed on developing strategic partnerships with a variety of international agencies including [International Organization for Migration \(IOM\)](#) funded by the US Department of State through the Bureau of Population Refugees and Migration, the Global Fund to End Modern Slavery with funding provided by the United States government, and Humanity United. This work is focused on creating and piloting a number of initiatives on advancing ethical recruitment practices for hotels at all levels.

Our work includes raising awareness and improving corporate governance by providing guidance to the industry to strengthen existing or create new policies and commitments that align with ethical recruitment principles.

We are also promoting ethical recruitment in day-to-day operations including how to incorporate into operational streams including with business partners and suppliers, conduct due diligence and set up grievance and remediation processes.

Multi-stakeholder public-private co-operation on ethical recruitment

Human rights issues are significant and complex and cannot be addressed by any single stakeholder working in isolation. Our programmes are co-created through multi-stakeholder partnerships including international agencies, governments, and civil society, as well as leveraging insights and support from our member hotel companies and the wider industry.

As part of the partnership with IOM, we have been piloting training for key hospitality stakeholders in HR, Operations and Finance/Procurement at country level, hotel level, and corporate level with the aim to establish ethical recruitment standards in cross-border labour migration. These have been piloted with over 170 participants, and the learnings incorporated to aid usability. The resources developed as part of this initiative will be made available for the broader industry with the aim of driving ethical recruitment practices across the sector.

Key achievements and performance: Planet

Climate action:

To continue our drive to decarbonise the hospitality industry, we were proud to be a launch partner of the UNWTO Glasgow Declaration on Climate Action launched at the UN Climate Change Conference (COP26). The aim is to encourage the acceleration of climate action in tourism by securing commitments to reduce emissions in tourism by at least 50% over the next decade and achieve Net Zero as soon as possible before 2050.

In our role as a supporting organisation, we are:

- raising awareness of the issues surrounding climate change throughout the industry.
- providing free practical resources and guidance to support all hospitality companies in their efforts to decarbonise.
- driving collaborative action across our membership of engaged hospitality companies, strategic partners and the wider industry to create shared solutions.
- increasing joined-up action across the hotel value chain to create a consistent approach for sustainable hotels.

Our trustees, Catherine Hammond and Yasmin Diamond, were representatives of the Sustainable Hospitality Alliance on the launch panel hosted by Dr. Dirk Glaesser, Director of Sustainable Development of Tourism at UNWTO and Niclas Svenningsen, Manager of Global Climate Action at UNFCCC.

Striving for zero

The hospitality industry is a complex one with many stakeholders who all need to be engaged to ensure we achieve the emissions reductions required for a sustainable future. To support the industry to make net zero commitments and, crucially, take action against them, we co-launched the [Net Zero Methodology for Hotels](#). This resource provides practical guidance on how to set a baseline and milestones, understand emissions including the wider value chain, and commence net zero plans.

Responsible resourcing

The use of unnecessary and problematic plastics is a particular issue in hospitality and a key priority to address. This year, we became a signatory of the [Global Tourism Plastics Initiative](#) (GTPI), led by UNEP and UNWTO, which unites the tourism sector behind a common vision to address the root causes of plastic pollution.

One challenge in facilitating the reduction of plastic waste is having a clear method for measuring and monitoring plastics use. We are therefore working with UNEP, UNWTO and Greenview to create a methodology that will enable individual businesses to understand and manage their impacts, while also through GTPI, increasing our understanding of the impact at an industry-level to provide further support to help accelerate progress.

Reducing industry waste

Another area that was identified as being insufficiently monitored is overall waste, including food waste. We therefore collaborated with WWF and Greenview to launch the [Hotel Waste Measurement Methodology](#). This is designed to provide a common approach for the hotel industry to collect data, and measure and report waste. This methodology creates a consistent way for major brands and individual properties to set meaningful goals to reduce waste, keep it out of landfills, and track progress against those goals over time.

We facilitated consultation with member companies to ensure the methodology was applicable to all hotels across the industry and will therefore have the maximum effect in enabling the reduction of waste and food waste.

Supporting the recognition of environmental impact

Organisations globally are increasingly focused on understanding the sustainability impacts of their supply chains, including hotels used for business travel and meetings and events.

To support organisations to understand how they can determine the sustainability of hotels in their supply chain, we created [guidance](#) which provides insight on the type of questions that help determine sustainability, as well as where they are best directed to ensure the highest quality responses are received. This guidance enables customers to include environmental and social performance in their decision-making, while helping to ensure that the most meaningful impacts are being assessed.

Guiding wider industry thinking

As the experts in sustainable hospitality, the Alliance has been asked to sit on various industry committees including:

- United Nation's Technical Experts for Transforming the Tourism Value Chain – a panel of experts providing guidance and support on projects which aim to improve sustainability of tourism in developing states.
- United Nation's One Planet advisory groups on food waste and plastics reduction.
- Cornell University's advisory group for the Cornell Hotel Sustainability Benchmark (CHSB), the industry's largest sustainability benchmarking index.

Plans for future periods

We recognise the need to support responsible recovery post-pandemic, raise aspirations, and enable the hotel industry to play the greatest role it can in leveraging its global might and local presence to support and protect the planet and its people.

Planet:

The need for increased action on environmental impact – from all sectors – is now urgent and recognised by governments, business and the public. We have therefore set a global ambition for the industry of net positive hospitality. To support every hotel to work towards this ambition – no matter their starting point – we are developing the Pathway to Net Positive Hospitality. This is a practical strategic framework with increasing stages of environmental maturity. The aim is also to encourage a more joined up approach and shared responsibility towards sustainability, with actions for asset owners, as well as brands and operators. The Pathway covers key environmental actions including climate action, water stewardship, waste and circular economy, and biodiversity protection and regeneration. We launched the first two stages of the Pathway in March 2022, and we are now carrying out further consultation to fully explore the more complex challenges.

People:

In addition to our focus on human rights and employability, we recognised the need to add equity, diversity and inclusion (EDI) to our people agenda. We will conduct a benchmarking exercise across the industry and related sectors to identify key areas of work required to support the hospitality industry to promote EDI. In addition, we are currently reviewing gaps in our work on human rights to make it more universally applicable for the industry; and reconsidering our focus on youth for potential broadening to inclusive employment regardless of age.

Financial review

The Charity was registered on 24 March 2020, having been registered as a company on 20 December 2019, and launched independent operations on 1 October 2020, having separated as a programme from Business in the Community (BITC), a registered charity in England and Wales (297716) and Scotland (SC046226), which is part of Prince's Charities group, where it had been housed as "International Tourism Partnership" (ITP) since 2013.

2021 saw the first full year of independence, with income and expenditure building on the secure foundations signed off for the initial financial period of October to December 2020.

During its first full financial year of operation, the Sustainable Hospitality Alliance recorded a net surplus on operations during the period of £103,198, reached after Income of £1,012,951 and Expenditure of £909,754.

Our income came from Charitable Grants of £644,742, where support is received under specific agreements supporting restricted activities aligned to our objectives from a range of Institutional Donors, Foundations and Trusts and Corporate Bodies, as listed in the Notes to the Accounts, Membership contributions of £306,209 related to the contributions from our corporate members, and Donations of £62,241, including in-kind donations of £57,013 comprising a series of professional assignments contributed pro-bono by Ashurst LLP, by members and other associates focussing largely on legal and operational support for which we are very grateful.

Expenditure comprises Support Costs (including the value of In-Kind donations), Staff Costs, and Grants to Partners and is analysed in the accounts to Fundraising and publicity, and Expenditure on charitable activities, split between the major activities of the Alliance, as set out in the Notes to the Accounts, the highest expenditure being on Human Rights and Youth Employment work.

At 31 December 2021, both Net Assets and Funds stood at £667,461. Net Assets included Cash held of £1,170,431, with Accruals and deferred income standing at £642,103, the majority of which is pre-paid membership or Deferred income and largely explains the excess of Cash over Net Assets.

Funds were made up of Restricted Funds of £40,095 and Unrestricted Funds of £627,365, comprising General Funds of £590,726, and Designated Funds of £36,639, related to grant funding from Humanity United, which is towards organisational support but is required to be spent and reported during 2022.

Structure, Governance and Management

Governing document

The Sustainable Hospitality Alliance is a company limited by guarantee governed by its Memorandum and Articles of Association dated 16 December 2019. It is registered as a charity with the Charity Commission.

Appointment of trustees

As set out in the Articles of Association the business of the Charity is governed by the Board of Trustees, the first members of which were the four subscribers to the registration of the Alliance and a Company. The number of Trustees must be a minimum of three and no more than nine. Trustees may be appointed by a resolution of the Board and serve for a term of up to three years and can be eligible for re-appointment for a further period of three years.

Trustee induction and training

New trustees undergo orientation to brief them on: their legal obligations under charity and company law, the Charity Commission guidance on public benefit, and inform them of the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the charity. During orientation they meet key employees and other trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Organisation

The Board of Trustees, which can have up to nine members, administers the charity. The board normally meets quarterly and has one sub-committee, the Finance Risk and Audit Committee, which also meets quarterly in advance of Board meetings or as often as necessary. A Chief Executive Officer is appointed by the trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the Chief Executive Officer has delegated authority, within terms of delegation approved by the trustees, for operational matters including finance and employment.

The Alliance's Chief Executive Officer Madhu Rajesh left her position to take on another role in September 2021. She was replaced by Patrick O'Meara as interim CEO in August 2020 to ensure an effective handover while the board sought a permanent CEO. Glenn Mandziuk has accepted the role and started in the role in May 2022. The trustees would like to record their thanks to Madhu and Patrick for their work in supporting the Alliance so effectively into 2022.

Related parties and co-operation with other organisations

None of our trustees receive remuneration or other benefit from their work with the charity. In 2021 as per our articles an exception was made for a payment to trustee Steve Farrant. This payment was for consultancy support to the Sustainability Strategy for £4269 from May to July 2021. As per the requirements of our articles this has been separately declared in the accounts and was approved by special resolution by the board of trustees, with Steve Farrant recused from the decision to approve.

Trustees must declare any direct or indirect interest that conflicts, or may conflict with the interests of the Charity, because the Trustee or a Connected Person may receive a benefit from the Charity or has some separate interest or duty in a matter to be decided, or in relation to information which is confidential to the Charity. Declarations and updates are requested at each team meeting. Similarly all payments are reviewed monthly for related party transactions.

Pay policy for senior staff

The pay of the senior staff has been determined by Management together with the Finance Risk and Audit Committee on a review of pay levels in other similar organisations.

Principal risks and uncertainties

The trustees have a risk management strategy which comprises:

- The Finance Risk and Audit Committee (FRAC) which works to undertake monitoring and supervision of both the current and future financial position of the Sustainable Hospitality Alliance, and associated risks.
- Maintenance of an Organisational Risk Register that identifies risks at an organisational level. The Register is developed and proposed by Senior Management initially to FRAC, and then to the Board of Trustees quarterly. The Register scores the risk in terms of impact

and probability, provides a narrative commentary for the quarter, and details controls and mitigations in place and planned.

- Active involvement in emerging risk management, with Senior Management members, particularly through the Chair of the Board of Trustees and Chair of FRAC.

The trustees have assessed the risks that the Alliance is exposed to and have identified that the principal risks include:

- Non-Alignment with the industry's sustainability agenda, causing the Alliance to become out of step with the needs of businesses, thus causing a reduction in member numbers and income.
- Failure to ensure programme growth to achieve impact which could mean limited participation from the industry that itself could result in implementation delays and threaten continuing funding
- The COVID-19 situation has forced us to adapt our approach. The situation entails risks to programme delivery, financial sustainability and organisation culture development to the new organisation.
- Inability to adapt adequately to downturn in bi-lateral and foundation income (which could be exacerbated by Covid-19) which would increase stress on the internal resources that allow us to deliver our agenda.
- Failure to balance delivering value for members (which are businesses) and the charitable remit (as required by Charity Commission).
- Aligning our work to balance individual member influence with the direction of the overall membership and/or our organisational direction. There is a risk that one member(s) can disproportionately influence the timing or direction of programmes/projects
- Poor financial management and controls that could lead to compliance issues and reputational damage, combined with non-Compliance in areas of: GDPR, safeguarding, Anti-Trust/Anti-Competition, Tax, Economic Crime, intellectual property, resulting in fines, reputational damage and adverse operational impacts. We realise that all International NGOs are under increasing scrutiny and pressure to ensure global compliance in these areas.
- Failure to retain staff, ensure staff well-being and professional development and recruit effectively.

Reserves policy and going concern

The Trustees, having considered the risks outlined above have determined a desired range of reserve levels to be held in light of these risks to lie between £358,000 and £603,000.

The reserves to be deployed should be unencumbered by prior obligation and held as liquid assets.

Currently the organisation holds £627,365 of Unrestricted Reserves, of which £583,803 are unencumbered and free to be deployed to use. This level within the required reserves range.

The trustees judged that a higher level of reserves was prudent given the uncertainty regarding Covid but as this risk has reduced the plan in 2022 and 2023 will be to draw down on these

reserves, but remain within the desired range. The budget for 2022 therefore includes some draw down on the reserves in order to build the team, whilst remaining within the recommended reserves requirement and maintaining realistic fundraising targets

The trustees review the financial circumstances of the Alliance as part of the quarterly FRAC review and consider that adequate resources continue to be available to fund the activities of the trust and group for the foreseeable future. The trustees are of the view that the company is a going concern.

Our approach to fundraising activities

The charity raises funds from member contributions, from institutional donors including Trusts and Foundations, International Development Organisations and Government Institutions in the UK and internationally. We have developed an Ethical Fundraising Policy to guide decisions on solicitation and acceptance of funds.

The charity does not currently actively fundraise from the public or run legacy campaigns or undertake similar fundraising activities in its own right. The trustees are though pleased to receive unsolicited gifts and legacies from patrons and supporters who generously support our work.

No complaints have been received from funders or beneficiaries in respect of fundraising activities undertaken by the alliance.

Trustees' responsibilities in relation to the financial statements

The charity trustees (who are also the directors of the Sustainable Hospitality Alliance for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing the 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 UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom

governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure to our auditors

In accordance with company law, the Company's Directors confirm that:

- so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- as the Directors of the Company they have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

In preparing the Report of the Trustees the trustees have taken advantage of the exemptions available to small companies.

This report was approved by the board of trustees and signed on their behalf by Wolfgang M. Neumann, Chair:



Date: 22 June 2022

Independent Auditors report to the Trustees of Sustainable Hospitality Alliance

Opinion

We have audited the financial statements of Sustainable Hospitality Alliance for the period ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and 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 charitable company's affairs as at 31 December 2021 and of the charitable company's net movement in funds, including the income and expenditure, for the period 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 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 charitable 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 directors 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 Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

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' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' 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 company; or
- the charitable 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 for the financial statements

As explained more fully in the trustees' responsibilities statement set out on pages 15 and 16, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Based on our understanding of the charitable company and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to regulatory requirements of the Charity Commission, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011, Companies Act 2006 and payroll taxes.

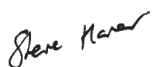
We evaluated management's opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in certain accounting estimates and judgements such as the income recognition policy applied to grant income. Audit procedures performed by the engagement team included:

- Inspecting correspondence with appropriate regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Review of minutes of meetings to identify expected material amounts of voluntary income; and
- Identifying and testing unusual accounting entries; and
- Challenging assumptions and judgements made by management in their critical accounting estimates, including review of how grant income has been recognised at the period end.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. 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.



Steven Harper (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory
Auditors Date: 29 June 2022

10 Queen Street Place
London
EC4R 1AG

SUSTAINABLE HOSPITALITY ALLIANCE STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure account)

FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Unrestricted Funds	Restricted Funds	Total Funds Year ended 31-Dec-21
		£	£	£
INCOME FROM:				
Donations and legacies	2A	62,001	-	62,001
Alliance Membership contributions		306,209		306,209
Charitable activities				
Grants	3	5,000	639,742	644,742
TOTAL INCOME		<u>373,210</u>	<u>639,742</u>	<u>1,012,951</u>
EXPENDITURE ON:				
Raising funds				
Fundraising and publicity		83,710	-	83,710
Charitable activities				
Human Rights		4,530	236,652	241,183
Youth Employment		4,588	465,575	470,164
Climate Action		5,923	28,499	34,422
Water Stewardship		5,923	-	5,923
Cross organisational activities		74,352	-	74,352
TOTAL EXPENDITURE	5	<u>179,027</u>	<u>730,726</u>	<u>909,754</u>
Net gains/(losses) on investments		-	-	-
NET INCOME BEFORE TRANSFER FROM BUSINESS IN THE COMMUNITY		<u>194,182</u>	<u>(90,985)</u>	<u>103,198</u>
Net Transfer from Business In the Community	2B	-	-	-
NET INCOME	4	<u>194,182</u>	<u>(90,985)</u>	<u>103,198</u>
Transfer between funds		-	-	-
NET MOVEMENT IN FUNDS		<u>194,182</u>	<u>(90,985)</u>	<u>103,198</u>
Reconciliation of funds:				
Total funds brought forward		433,183	131,080	564,263
TOTAL FUNDS CARRIED FORWARD		<u><u>627,365</u></u>	<u><u>40,095</u></u>	<u><u>667,461</u></u>

All transactions are derived from activities that commenced during the period. The split between unrestricted and restricted donations and legacies is shown in note 3. There was no other restricted income or expenditure for the year ended 31 December 2021. All recognised gains and losses are included in the Statement of Financial Activities.

SUSTAINABLE HOSPITALITY ALLIANCE STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure account)

FOR THE PERIOD ENDED 31 DECEMBER 2020

	Note	Unrestricted Funds	Restricted Funds	Total Funds Period ended 31-Dec-20
		£	£	£
INCOME FROM:				
Donations and legacies	2A	39,154	-	39,154
Alliance Membership contributions		62,000		62,000
Charitable activities				
Grants	3	131,406	90,759	222,165
TOTAL INCOME		<u>232,560</u>	<u>90,759</u>	<u>323,319</u>
EXPENDITURE ON:				
Raising funds				
Fundraising and publicity		20,307	-	20,307
Charitable activities				
Human Rights		18,225	20,592	38,817
Youth Employment		4,909	74,366	79,275
Climate Action		5,261	8,303	13,564
Water Stewardship		5,261	-	5,261
Cross organisational activities		57,887	-	57,887
TOTAL EXPENDITURE	5	<u>111,850</u>	<u>103,261</u>	<u>215,111</u>
NET INCOME BEFORE TRANSFER FROM BUSINESS IN THE COMMUNITY		<u>120,710</u>	<u>(12,502)</u>	<u>108,208</u>
Net Transfer from Business In the Community	2B	308,899	147,156	456,055
NET INCOME	4	<u>429,609</u>	<u>134,654</u>	<u>564,263</u>
Transfer between funds		3,574	(3,574)	-
NET MOVEMENT IN FUNDS		<u>433,183</u>	<u>131,080</u>	<u>564,263</u>
Reconciliation of funds:				
Total funds brought forward		-	-	-
TOTAL FUNDS CARRIED FORWARD		<u>433,183</u>	<u>131,080</u>	<u>564,263</u>

Sustainable Hospitality Alliance Company Number 12373950

BALANCE SHEET

AS AT 31 DECEMBER 2021

		2021		2020	
	Note	£	£	£	£
FIXED ASSETS					
Tangible assets	8		6,923		5,279
Investments	9		-		-
			<u>6,923</u>		<u>5,279</u>
CURRENT ASSETS					
Debtors	11	155,495		191,394	
Cash at bank and in hand		<u>1,170,431</u>		<u>951,559</u>	
		1,325,926		1,142,953	
CREDITORS: amounts falling due within one year	12	(665,388)		(583,969)	
NET CURRENT ASSETS			<u>660,538</u>		<u>558,984</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			667,461		564,263
NET ASSETS			<u><u>667,461</u></u>		<u><u>564,263</u></u>
FUNDS	14				
Restricted funds			40,095		131,080
Unrestricted funds:					
Designated funds			36,639		134,938
General funds			<u>590,726</u>		<u>298,245</u>
			<u>627,365</u>		<u>433,183</u>
			<u><u>667,461</u></u>		<u><u>564,263</u></u>

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime. The financial statements were approved and authorised for issue by the Trustees on 22 June 2022 and were signed below on its behalf by:



Wolfgang M. Neumann. Chair.

Sustainable Hospitality Alliance

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021	2020
		£	£
Cash Flow from operating activities	20	223,301	957,318
Cash flows from investing activities			
Payments to acquire tangible fixed assets		(4,429)	(5,759)
Cash used in investing activities		<u>(4,429)</u>	<u>(5,759)</u>
Increase/(Decrease) in cash and cash equivalents in the year		<u>218,872</u>	<u>951,559</u>
Cash and cash equivalents at the beginning of the year		<u>951,559</u>	<u>-</u>
		1,170,431	951,559
Total cash and cash equivalents at the end of the year		<u><u>1,170,431</u></u>	<u><u>951,559</u></u>
Cash and cash equivalents			
Cash at bank and in hand		1,170,431	951,559
Cash at bank and in hand at the end of the reporting period		<u><u>1,170,431</u></u>	<u><u>951,559</u></u>

1 Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements have been prepared in accordance with the 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)) (2nd Edition effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Sustainable Hospitality Alliance 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 note(s).

b) Preparation of the accounts on a going concern basis

The Sustainable Hospitality Alliance reported net income of £103,198 for the period. The trustees are of the view that ongoing funding agreements and membership contributions have secured the immediate future of the Sustainable Hospitality Alliance for the next 12 to 18 months, and that the current cash position and future projections indicate sufficient levels to continue operations without interruption, and that on this basis the charity is a going concern for the foreseeable future and that there are no material uncertainties in relation to the ability of the charity to continue as a going concern.

The trustees remain vigilant of the need to secure on-going financial support and to monitor financial commitments and cash flows to maintain the organisation's financial viability.

c) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred.

Grant income received in advance of performance or provision of other specified service it is deferred until the criteria for income recognition are met (see note 23).

d) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general time of volunteers not recognised; refer to the trustees' annual report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity 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.

e) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

f) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Sustainable Hospitality Alliance's work or for specific projects being undertaken by the Sustainable Hospitality Alliance.

g) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise fundraising and publicity and their associated support costs.
- Expenditure on charitable activities includes the costs of undertaking specific activities and projects in Human Rights, Youth Employment, Climate Action, Water Stewardship and Cross organisational activities and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

h) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back-office costs, finance, personnel, other organisational running costs and are classified between Office expenses, Governance costs and Other support costs. These costs have been allocated between cost of raising funds and expenditure on charitable activities.

Support costs have been allocated to activities (whether raising funds or charitable activities) on the following bases:

- Where a support cost can be specifically attributed to an activity it is directly allocated
- Where the support costs have a general effect on activities, they are apportioned to activities on the basis of staff time recorded undertaking the activities

Support costs related to publicity and promotion are not reapportioned to charitable activities.

i) Tangible fixed assets

Individual fixed assets costing £500 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight-line basis as follows:

Asset Category

Computer equipment	Over 3 years
--------------------	--------------

j) Debtors

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

k) Cash at bank and in hand

Cash at bank and cash 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.

l) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

m) Pensions

Existing employees of the charity were entitled to join the defined contribution Group Personal Pension Plan operated by Scottish Widows which is funded by contributions from employee and employer.

n) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The Trustees do not consider there are any critical judgements or sources of estimation uncertainty affecting assets or liabilities at the balance sheet date which is likely to result in a material adjustment to their carrying amount in the next financial year.

o) Financial Instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at the settlement value.

NOTES ON THE ACCOUNTS YEAR ENDED 31 December 2021

2A. DONATIONS AND LEGACIES

	<i>Unrestricted</i>	<i>Restricted</i>	Year ended 31-Dec-21
	£	£	£
Donations	4,988	0	4,988
Gifts in kind	57,013	-	57,013
	<u>62,001</u>	<u>-</u>	<u>62,001</u>

DONATIONS AND LEGACIES 2020

	<i>Unrestricted</i>	<i>Restricted</i>	<i>Period ended 31-Dec-20</i>
	£	£	£
<i>Donations</i>	6,144	0	6,144
<i>Gifts in kind</i>	33,010	-	33,010
	<u>39,154</u>	<u>-</u>	<u>39,154</u>

The value of volunteers, consultants and corporate entities time is estimated at £57,013 (£33,010 in 2020). We have included the value where it is quantifiable but recognise that the Charity received a significant level of support, which we are unable to quantify.

2B. TRANSFER FROM BUSINESS IN THE COMMUNITY

	<i>Unrestricted</i>	<i>Restricted</i>	Year ended 31-Dec-21
	£	£	£
Transfer - cash, assets and balance owing	-	-	-
Recognised as Trade debtors	-	-	-
Recognised as Deferred and prepaid membership contributions	-	-	-
Recognised as accrued income	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>

TRANSFER FROM BUSINESS IN THE COMMUNITY 2020

	<i>Unrestricted</i>	<i>Restricted</i>	<i>Period ended 31-Dec-20</i>
	£	£	£
Transfer - cash, assets and balance owing	541,357	91,156	632,513
Recognised as Trade debtors	15,000	20,000	35,000
Recognised as Deferred and prepaid membership contributions	(247,458)	-	(247,458)
Recognised as accrued income	-	36,000	36,000
	<u>308,899</u>	<u>147,156</u>	<u>456,055</u>

3.
CHARITABLE ACTIVITIES

	<i>Unrestricted</i>	<i>Restricted</i>	Year ended 31-Dec-21
	<i>£</i>	<i>£</i>	<i>£</i>
Grants			
Humanity United	-	-	-
Souter Charitable Trust	5,000	-	5,000
Global Fund to End Modern Slavery	-	102,541	102,541
Sightsavers (Royal Commonwealth Society for the Blind)	-	85,520	85,520
Hyatt Community Grants Fund	-	57,616	57,616
TUI Care Foundation	-	7,703	7,703
The J. Willard and Alice S. Marriott Foundation	-	138,074	138,074
Marriott International	-	18,932	18,932
The International Labour Organisation (ILO)	-	18,304	18,304
International Organisation for Migration (Geneva)	-	155,980	155,980
International Organisation for Migration (Philippines)	-	38,271	38,271
United Nations Environment Programme (UNEP)	-	16,802	16,802
Booking.com	-	-	-
	<u>5,000</u>	<u>639,742</u>	<u>644,742</u>

CHARITABLE ACTIVITIES 2020

	<i>Unrestricted</i>	<i>Restricted</i>	<i>Period ended 31-Dec-20</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Grants			
Humanity United	131,406	-	131,406
Global Fund to End Modern Slavery	-	34,349	34,349
Sightsavers (Royal Commonwealth Society for the Blind)	-	27,061	27,061
Hyatt Community Grants Fund	-	252	252
The J. Willard and Alice S. Marriott Foundation	-	9,243	9,243
The International Labour Organisation (ILO)	-	649	649
International Organisation for Migration (Geneva)	-	10,822	10,822
International Organisation for Migration (Philippines)	-	8,383	8,383
	<u>131,406</u>	<u>90,759</u>	<u>222,165</u>

4. NET INCOME FOR THE YEAR

	Year ended 31-Dec-21	<i>Period ended 31-Dec-20</i>
	£	<i>£</i>
This is stated after charging the following:		
- Depreciation	2,785	480
- Auditors remuneration for audit services		
for audit services	10,000	8,750
for other services	1,500	1,500
- Operating lease rentals		

5. EXPENDITURE FOR THE YEAR ENDED 31 December 2021

	Support Costs £	Staff Costs £	Grants to Partners £	Other Direct £	Total 2021 £	Total 2020 £
a) ANALYSIS OF EXPENDITURE						
Raising Funds						
Fundraising and publicity	7,400	76,310	-	-	83,710	20,308
Expenditure on charitable activities:						
Human Rights	33,780	182,205	-	25,195	241,181	38,817
Youth						
Employment	63,613	278,981	97,275	30,296	470,164	79,275
Climate Action	6,091	21,670	-	6,662	34,422	13,564
Water						
Stewardship	1,994	2,515	-	1,414	5,923	5,261
Cross organisational activities	37,352	17,181	-	19,818	74,352	57,886
TOTAL EXPENDITURE	150,230	578,862	97,275	83,385	909,752	215,111

The costs above include support costs which are allocated on the basis of expenditure undertaken.

b) ANALYSIS OF SUPPORT COSTS FOR THE YEAR ENDED DECEMBER 2021

	Office expenses £	Governance costs £	Other support costs £	Reallocation £	Total 2021 £	Total 2020 £
Raising Funds						
Fundraising and publicity	-	-	7,400	-	7,400	18,433
Expenditure on charitable activities:						
Human Rights	-	-	2,078	31,702	33,780	15,766
Youth						
Employment	536	-	7,189	55,888	63,613	11,947
Climate Action	-	-	1,406	4,685	6,091	5,617
Water						
Stewardship	-	-	1,419	576	1,994	3,491
Cross organisational activities	15,158	12,000	103,045	(92,851)	37,352	23,828
TOTAL SUPPORT COSTS:	15,694	12,000	122,536	-	150,230	79,082

The basis for apportionment of support costs is set out in Note 1i). Include in Other support costs is the value of £57,013 of in-kind contributions received.

c) GOVERNANCE COSTS	Year ended 31-Dec-21 £	Period ended 30-Dec-20
Legal and professional, including audit	12,000	12,300
	<u>12,000</u>	<u>12,300</u>

EXPENDITURE (cont)	<i>Unrestricted</i>	<i>Restricted</i>	Year ended 31-Dec-21	<i>Period ended 31-Dec-20</i>
Grants paid to institutions	£	£	£	£
Cheshire Disability Services Kenya (CDSK)	-	6,129	6,129	10,928
Kherwadi Social Welfare Association	-	28,131	28,131	9,903
Stanforte Edge	-	25,933	25,933	
Spence Evoluzione Charitable Trust	-	7,844	7,844	
Don Bosco Tech Society	-	29,238	29,238	
	<u>-</u>	<u>97,275</u>	<u>97,275</u>	<u>20,831</u>

6. STAFF NUMBERS AND COSTS

	2021	2020
	No.	No.
The average number of persons employed during the year were as follows		
Raising funds	1.5	0.2
Charitable activities	7.0	4.7
Support	0.8	0.5
Other	0.0	
	<u>9.3</u>	<u>5.4</u>

	£	£
The aggregate payroll costs of these persons were as follows		
Salaries and wages	490,673	91,106
Social security costs	58,431	10,612
Pension scheme contributions	29,758	5,241
	<u>578,862</u>	<u>106,959</u>

The number of employees whose emoluments, excluding pension contributions and employer's national insurance who were in excess of £60,000 were:

	2021	2020
	No.	No.
£60,000 - £69,999	1	-
£70,000 - £79,999	1	-
	<u>2</u>	<u>-</u>

Contributions of £29,758 (£5,241 in 2020) were paid on behalf of these employees into a money purchase pension scheme.

The total employee benefits of the key management personnel of the Charity were £166,495 (£45,564 in 2020)

7. TRUSTEES' REMUNERATION AND REIMBURSED EXPENSES

Reimbursements of travelling expenses totalling £0 was paid to Trustees for attendance at Trustee meetings. One contract for consultancy support to the Sustainable Strategy was paid to trustee Steve Farrant. The total value paid in the year to 31 Dec 2021 was £4,269

8. TANGIBLE ASSETS

Group and Charity	Computer Equipment
Cost or Valuation	£
As at 1 January 2021	5,759
Additions	4,429
Disposals	-
At 31 December 2021	<u>10,188</u>
Depreciation & Amortisation	
As at 1 January 2021	(480)
Charged in Year	(2,785)
Disposals	-
At 31 December 2021	<u>(3,265)</u>
Net Book Value	
At 01 January 2021	5,279
At 31 December 2021	<u><u>6,923</u></u>

09. INVESTMENTS

There were no investments on behalf of the charity at Dec 2021

10. TAXATION

Sustainable Hospitality Alliance is a registered charity and, therefore, is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

11 DEBTORS

	Charity 2021	Charity 2020
	£	£
Trade debtors	140,413	45,000
Other debtors	-	82,538
Prepayments and accrued income	<u>15,081</u>	<u>63,856</u>
	<u><u>155,495</u></u>	<u><u>191,394</u></u>

12 CREDITORS: Amounts falling due within one year

	Charity 2021	Charity 2020
	£	£
Trade creditors	2,205	3,852
Other creditors including taxation and social security		
	21,079	26,610
Grant commitments		
Accruals and deferred income	<u>642,103</u>	<u>553,507</u>
	<u><u>665,388</u></u>	<u><u>583,969</u></u>

13.

	Brought forward deferred income 01 Jan 2021	Amount released in 2021	Amount deferred in 2021	Deferred income carried forward year ended 31 Dec 2021
	£	£		
DEFERRED INCOME				
Amount deferred in the year	<u>251,230</u>	<u>(203,391)</u>	<u>307,433</u>	<u>355,270</u>
	<u><u>251,230</u></u>	<u><u>(203,391)</u></u>	<u><u>307,433</u></u>	<u><u>355,270</u></u>

Deferred income represents income or membership contributions invoiced or received for use in future periods

14. FUNDS	At 31 December 2020	Income	Expenditure	Transfer from BITC	Transfers/ gains/ (losses)	At 31 December 2021
	£	£	£	£	£	£
Unrestricted Funds						
Designated Funds						
Humanity United	134,938	-	98,299	-	-	36,639
General Funds	298,245	373,210	80,728	-	-	590,726
	433,183	373,210	179,027	-	-	627,365
Restricted Funds						
<u>Youth Employment - restricted</u>						
Global Fund to End Modern Slavery		102,541	102,541	-	-	-
Sightsavers (Royal Commonwealth Society for the Blind)		85,520	85,520	-	-	-
Hyatt Community Grants Fund		57,616	57,616	-	-	-
The IHG Foundation (UK) Trust	13,262	-	13,261	-	-	1
TUI Care Foundation	15,532	7,703	23,234	-	-	-
<u>Youth Employment - broadly restricted</u>						
Marriott International	37,856	18,932	44,257	-	-	12,532
Hilton Effect Foundation	28,637	-	1,073	-	-	27,564
The J. Willard and Alice S. Marriott Foundation	-	138,074	138,074	-	-	-
<u>Human Rights</u>						
The International Labour Organisation (ILO)	-	18,304	18,304	-	-	-
International Organisation for Migration (Geneva)	24,097	155,980	180,078	-	-	(1)
International Organisation for Migration (Philippines)	-	38,271	38,271	-	-	-
<u>Sustainability</u>						
United Nations Environment Programme (UNEP)	-	16,802	16,802	-	-	-
Booking.com	11,696	-	11,697	-	-	(1)
Grants	131,080	639,742	730,726	-	-	40,095
	564,263	1,012,951	909,754	-	-	667,461

<i>FUNDS 2020</i>	<i>At 31 December 2019</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfer from BITC</i>	<i>Transfers/ gains/ (losses)</i>	<i>At 31 December 2020</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Unrestricted Funds						
<i>Designated Funds</i>						
<i>Humanity United</i>	-	131,406	24,266	46,658	(18,860)	134,938
<i>General Funds</i>	-	101,154	87,584	262,241	22,434	298,245
	-	232,560	111,850	308,899	3,574	433,183
Restricted Funds						
<u><i>Youth Employment - restricted</i></u>						
<i>Global Fund to End Modern Slavery</i>	-	34,349	34,349	-	-	-
<i>Sightsavers (Royal Commonwealth Society for the Blind)</i>	-	27,061	27,061	-	-	-
<i>Hyatt Community Grants Fund</i>	-	252	252	-	-	-
<i>The IHG Foundation (UK) Trust</i>	-	-	4,738	18,000	-	13,262
<i>TUI Care Foundation</i>	-	-	434	15,966	-	15,532
<u><i>Youth Employment - broadly restricted</i></u>						
<i>Marriott International</i>	-	-	-	37,856	-	37,856
<i>Hilton Effect Foundation</i>	-	-	1,863	30,500	-	28,637
<i>The J. Willard and Alice S. Marriott Foundation</i>	-	9,243	5,669	-	(3,574)	-
<u><i>Human Rights</i></u>						
<i>The International Labour Organisation (ILO)</i>	-	649	649	-	-	-
<i>International Organisation for Migration (Geneva)</i>	-	10,822	11,559	24,834	-	24,097
<i>International Organisation for Migration (Philippines)</i>	-	8,383	8,383	-	-	-
<u><i>Sustainability</i></u>						
<i>Booking.com</i>	-	-	8,304	20,000	-	11,696
<i>Grants</i>	-	90,759	103,261	147,156	(3,574)	131,080
	-	323,319	215,111	456,055	-	564,263

**15. ANALYSIS OF FUND BALANCES BETWEEN NET ASSETS -
CURRENT YEAR**

	AT 31 December 2021			
	Restricted Funds	General Funds	Designated Funds	Total
	£	£	£	£
Tangible fixed assets	-	6,923	-	6,923
Investments	-	-	-	-
Net current assets	40,095	583,803	36,639	660,538
	<u>40,095</u>	<u>590,726</u>	<u>36,639</u>	<u>667,461</u>

**ANALYSIS OF FUND BALANCES BETWEEN NET ASSETS - PRIOR
YEAR**

	AT 31 December 2020			
	Restricted Funds	General Funds	Designated Funds	Total
	£	£	£	£
Tangible fixed assets	-	5,279	-	5,279
Investments	-	-	-	-
Net current assets	131,080	292,966	134,938	558,984
	<u>131,080</u>	<u>298,245</u>	<u>134,938</u>	<u>564,263</u>

16. CAPITAL COMMITMENTS

Sustainable Hospitality Alliance had no capital commitments at 31 December 2021 or at 31 December 2020.

17. OPERATING LEASE REQUIREMENTS

Sustainable Hospitality Alliance had no operating lease commitments at 31 December 2021 or at 30 December 2020.

18. MEMBERS LIABILITY

In the event of the company being wound up, Trustees will each have a liability of £1.

19. PENSION COMMITMENTS

Sustainable Hospitality Alliance operates a Group pension arrangement. The overall pension charge for the year was £29,758 (£5,241 in the period to 31 December 2020). At 31 December 2021, £4,104 contributions were outstanding (£2,144 as of 30 December 2020).

20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH INFLOW

	2021	2020
	£	£
Net movement in funds	103,200	564,263
Investment income	-	-
Net (gains)/ losses on investments	-	-
Depreciation and amortisation	2,785	480
Increase/ (Decrease) in creditors	92,264	583,969
(Increase)/ Decrease in debtors	25,054	(191,394)
(Increase)/ Decrease in stocks	-	-
Net Cash generated by operating activities	<u>223,304</u>	<u>957,318</u>

21. RELATED PARTY TRANSACTIONS

There were no related party transactions other than the trustee payment in note 7 in the current or previous accounting period.

Accounts



Sustainable Hospitality Alliance
(A company limited by guarantee)

Report and Financial Statements
Period ending 31 December 2020

Charity number 1188731
Company number 12373950

Independent auditor's report to the members of Sustainable Hospitality Alliance

The trustees are pleased to present their annual directors' report together with the consolidated financial statements of the charity for the period ending 31 December 2020 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and the 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, 2nd Edition) effective 1 January 2019.

Report of the trustees for the period ending 31 December 2020

Reference and administrative details

Directors and trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law.

The Board of Trustees was appointed on 20 December 2019.

The trustees and officers serving during the period and since the period end were as follows:

Board of Trustees:

Wolfgang M. Neumann, Chair (appointed 20 December 2019)
 Catherine Hammond, Treasurer (appointed 29 April 2020)
 Yasmin Diamond (appointed 20 December 2019)
 Katie Fallon (appointed 20 December 2019, resigned 10 December 2020)
 Stephen Farrant (appointed 16 September 2020)
 Melissa Froehlich Flood (appointed 20 December 2019)
 Pia Heidenmark Cook (appointed 17 June 2021)

Members of Board Sub-committees serving during the period and since the period end were as follows:

Finance Risk and Audit Committee:

Catherine Dolton (Treasurer) (appointed 30 June 2020)
 Wolfgang M. Neumann (Chair) (appointed 30 June 2020)
 Stephen Farrant (served as guest participant between June and September 2020)
 Lesley Wolfenden (appointed 26 November 2020)
 Mike Reilly (appointed 22 March 2021)

Key management personnel

Senior Management Team:

Madhu Rajesh (Chief Executive Officer)
 Chris Wilde (Director of Finance and Resources)

Reference and administrative details

Registered charity name	Sustainable Hospitality Alliance
Charity registration number	1188731
Company registration number	12373950
Registered address	2 Putney Hill, London, SW15 6AB
Auditor	Haysmacintyre LLP
Bankers	HSBC UK
Solicitors	Russell-Cooke LLP

Report of the trustees for the period ending 31 December 2020

Chair's report

When we began planning to establish the Sustainable Hospitality Alliance as an independent charity, we could not have foreseen the huge challenges that the world, and the hospitality industry, would be facing due to the pandemic. Throughout the crisis, despite significant economic pressures, the hospitality industry has looked for ways to support their local communities, employees and guests. It's this very spirit of hospitality and resilience that unites our industry, and that's why I'm proud to chair the newly-launched Sustainable Hospitality Alliance.

The organisation was first founded nearly 30 years ago by a consortium of chief executives from 10 global hotel companies as a result of the 1992 United Nations Conference on Environment and Development. For the past seven years we have been part of Business in the Community (BITC), operating as International Tourism Partnership (ITP). After developing strong partnerships and impactful programmes around the world, we have now become an independent charity, taking forward the work of International Tourism Partnership, its global youth employment programme, Youth Career Initiative (YCI), and communications platform, Green Hotelier, united as the Sustainable Hospitality Alliance.

Throughout 2020, the organisation worked hard to ensure the new charity has strong governance, policies and processes in place, with the infrastructure and business functions necessary for a smooth and compliant transition with limited disruption to our operations. We are grateful to our trustees who supported the organisation throughout this process and were so strongly motivated to drive the launch of this charity. I would also like to extend the thanks of the Board of Trustees to the staff team, contractors and volunteers for their efforts during this period.

The role of the Sustainable Hospitality Alliance remains more important now than ever. Communities and individuals around the world will have increased vulnerability due to the current global situation, and environmental impact remains as crucial a challenge as before. It is imperative that as travel picks up again, the sector remains focussed on responsible recovery and builds strong foundations for a resilient industry that's prepared for future crises – whatever form they take. During the pandemic, we worked with the industry and specialists to analyse the changing landscape and ensure that the strategic direction of our charity is aligned with the key environmental, social and governance issues affecting our planet and its people now and in the future – enabling our work to evolve to support the industry in recovery and beyond.

Our organisation is built on collaborative action, and this would not be possible without our members. We uniquely represent how the hospitality industry is taking collective responsibility to ensure that destinations and communities are being supported and protected now and for future generations. We thank our members for their engagement, enthusiasm and shared expertise which is enabling the wider industry to become more sustainable.

We thank also our partners and supporters including philanthropic organisations, non-profits, governments and the private sector who want to work with the hospitality industry to drive action on shared sustainability challenges.

We look forward to what we will continue to achieve together in the fulfilment of our vision of responsible hospitality for a better world.

Wolfgang M. Neumann – Chair, Sustainable Hospitality Alliance

Report of the trustees for the period ending 31 December 2020

Objectives and activities

Our vision and mission

Our vision is responsible hospitality for a better world.

Our mission is to drive collaborative action to enable the hospitality industry to have a lasting positive impact on our planet and its people.

We do this by bringing together engaged hospitality companies and using the collective power of the industry to deliver impact locally and on a global scale.

We were previously known as International Tourism Partnership – part of Business in the Community – which operated the Youth Career Initiative and Green Hotelier. We became an independent charity and united our programmes under Sustainable Hospitality Alliance (the ‘Alliance’) on 1 October 2020.

Summary of the purposes of the charity

The Charity’s objects are, for the public benefit, anywhere in the world, to:

- advance education to prevent and relieve poverty and to relieve unemployment, in particular but not exclusively amongst disadvantaged young people.
- advance human rights (as set out in the Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights and subsequent United Nations declarations and conventions).
- promote the protection and preservation of the natural environment and sustainable development amongst participants in the global hospitality industry.
- further such other exclusively charitable purposes according to the law of England and Wales as the trustees in their absolute discretion from time to time determine.

The trustees confirm that they have referred to the information contained in the Charity Commission’s general guidance on public benefit when reviewing the Sustainable Hospitality Alliance’s aims and objectives, and in planning activities and setting strategy for the year ahead.

Summary of main activities

To achieve our objectives, we work with our members, partners and other stakeholders, to assess the key global challenges affecting our planet and its people. We then prioritise our activities and programmes to identify where we can collectively deliver the most positive impact towards our mission.

Aligned with the United Nations Sustainable Development Goals (SDGs), we commit to drive continued action in the following areas:

- **Youth employment**
We commit to give young people, especially those at risk of poverty and exploitation, the opportunity to build a better future through employability programmes. Our activities include: Encouraging the development and provision of work and other opportunities, in conjunction with participants in the global hospitality industry, for them to develop life and work skills; Creating an accessible curriculum to prepare young people with the transferable

Report of the trustees for the period ending 31 December 2020

skills for a career in any hotel and beyond; Operating a youth employment programme to help young people from vulnerable backgrounds to access training and work experience, including those with little or no education, survivors of human trafficking, people with disabilities, refugees and migrants; Building partnerships to expand the reach of our programme and increase our ability to support vulnerable young people.

- **Human rights**

We commit to raise awareness of human rights risks, embed human rights into corporate governance, and address risks arising in the labour supply chain and during construction. Our activities include: Raising awareness and promoting respect and collective action for human rights in particular modern slavery and/or forced labour, amongst individuals and corporations in particular participants in the global hospitality industry and its supply chain; Leading industry working groups to share best practice and develop resources to help mitigate human rights issues; Creating free practical tools, resources and trainings for the industry on ethical recruitment including modern slavery and forced labour; Forming partnerships with leading human rights organisations, governments and other industries to advance responsible recruitment practices in hotel operations and labour supply chains.

- **Climate action**

We commit to supporting the hospitality industry to embrace science-based targets and encourage the wider industry to join in reducing emissions at scale. Our activities include: Encouraging the adoption of good environmental practices and collective action in reducing impacts; Leading industry working groups to share expertise and address issues; Developing free practical tools and resources for assessing and monitoring carbon and other emissions and waste, and the impact of global supply chains on the environment; Encouraging a more joined up approach to sustainable hotels by increasing collaboration among hotel investors, asset owners and operators, and others with an interest in driving sustainability across the hotel industry.

Water stewardship

We commit to embed water stewardship programmes to identify ways to address water scarcity, improve water-use efficiency and reduce the number of people affected by lack of water. Our activities include: leading industry collaboration to share best practices and identify priority regions for action; Developing free tools and resources to enable every hotel to monitor their water usage and implement water stewardship strategies.

Policy on social investment and grant making

The charity works in partnership with its members and with organisations engaged in programmes in alignment with the Alliance's objectives to deliver integrated social investment programmes particularly where members and partners can add value and reach to the Alliance's objectives and activities as described above.

The trustees are mindful of their duties with respect to ensuring the charity is carrying out its purposes for the public benefit, that protecting people and safeguarding responsibilities are a governance priority and a fundamental part of its operations, and that where operating through partners, and especially internationally, trustees have legal duties and responsibilities in carrying out due diligence checks and monitoring in relation to the charity's involvement with external bodies and individuals and verifying the end use of charitable funds.

Thus where working with partners, the charity:

Report of the trustees for the period ending 31 December 2020

- conducts careful due diligence prior to entering into formal partnerships, and signs clear agreements setting out the work to be carried out, monitoring requirements, financial accountability and operational standards to be upheld.
- requires grantees to comply with its policies on Safeguarding, Anti-Bribery and Anti-Corruption, Anti-Fraud and Anti-Money Laundering, and Data Privacy and Protection.
- develops working relationships through training programmes and workshops that explain the Alliance's approach on safeguarding, tackling financial crime and data protection.

During the year the charity funded work with the Cheshire Disability Services Kenya (CDSK), and the Kherwadi Social Welfare Association (India), both programmes training young vulnerable people for entry to the hotel industry in Nairobi, Kenya, and Mumbai, India, respectively. We also worked on a limited basis – due to the COVID-19 lockdown in that country- in Sri Lanka with Aitken Spence, our local implementing partner, resuming activities in January 2021.

Contribution made by members and volunteers

The members of the Sustainable Hospitality Alliance are the corporate organisations supporting the Alliance through annual financial contributions and involvement in our work. They do not have a formal governance role.

The members make up approximately 25% of the global hotel industry by rooms and currently include 13 world-leading hotel companies with a combined reach of over 30,000 properties and 4.5 million rooms, and include large and small hotel companies with both international and regional portfolios.

As our members differ in the size and scale of their operations, ownership structures, geographic footprint and the stage of organisational maturity on their sustainability journey, this gives us unique insights into the industry, and awareness of what is needed to drive progress on sustainability across the industry. With their technical know-how and expertise, we design and pilot solutions, create tools and resources, and showcase best practices to help any hotel, anywhere in the world, get started and progress on its sustainability agenda.

Our members also, from time to time, offer us additional support, in terms of secondments, to help us get skills, resources and expertise in support of our work, either operationally or programmatically, and operate in a cost-effective way.

Throughout 2020, the global pandemic resulted in the temporary closure of hotels across the world. Many staff were either placed on furlough, made redundant, or working reduced hours. We therefore welcomed the support and expertise of several volunteers from our members and other organisations, who supported us to complete the operational set up of the charity including systems and policy development such as GDPR, and provided their expertise to support the delivery of our activities in human rights and climate action, as well as in identifying new areas for our work to grow in response to emerging requirements, for example Diversity, Equality and Inclusion. In addition, we also benefitted from secondments from some of our member companies, with expertise in HR and IT, for example, supporting development of various key policies, staff TUPE transfer, setting up of IT infrastructure etc, to support our demerger and transition from Business in the Community.

Report of the trustees for the period ending 31 December 2020

Achievements and performance

Youth employment and the hospitality industry

The recent Covid-19 pandemic has forced many young people out of education, employment or training across the world, exacerbating their risk of poverty and exploitation.

Through our youth employment programme, we focus on supporting young people, aged 18-24, who have faced a range of barriers (including people from low-income families, those living without parental care, survivors of human trafficking, refugees, and people living with disabilities). Our programme aims to support them in developing the skills and experience to gain and sustain employment across many industries.

Our flexible programme delivery model consists of 100 hours of classroom training delivered through our local non-profit implementing partners. This is followed by two to four months of practical training with local employers. The trainees are then supported to find work with local businesses.

Our programme has traditionally focussed on the hospitality industry which offers an achievable entry level, giving young people from every background the opportunity to earn a decent living. Further, the skills developed within a hotel are not only transferable within the industry, but give a solid foundation for any number of other career opportunities. During the pandemic, the transferable skills development became even more relevant when the hospitality industry was temporarily reduced in many countries. We were able to flex our model to ensure the trainees' skills could be utilised in the industries that were more in need – such as healthcare and retail.

Over the past year, we have developed an accessible core skills curriculum aimed at providing entry-level employability skills, basic English language, IT and life skills. During the reporting period, we worked to refine this new curriculum, review accessibility, and prepare to pilot it in hybrid delivery formats – including digital lessons to accommodate the Covid restrictions – across selected geographies in Africa and South Asia.

Our vision is for this core skills curriculum to be an open-source resource for anyone wishing to provide entry level employability skills training for hospitality to disadvantaged young people. The results of this pilot will inform our work to create a global model to support young people from vulnerable backgrounds in accessing jobs and be included in post-pandemic economic recovery.

Human rights and the hospitality industry

Recognising that migrant workers have been left even more susceptible to exploitation during the pandemic, we increased our efforts to support ethical recruitment in line with our human rights agenda. We continued to work with The Ministry of Administrative Development, Labour and Social Affairs together with the International Labour Organization Project Office in Qatar and the Institute for Human Rights and Business, and participated in a working group that has been established for sustainable growth and decent work in Qatar's hospitality sector.

We continued to promote the adoption of a new tool, Promoting Fair Recruitment and Employment - A Guidance Tool for Hotels in Qatar, that was launched in Q3 2020, to provide a set of resources and practical steps that hotels can take to strengthen and implement internal policies and procedures; carry out due diligence of service providers and labour recruiters; and improve workplace relations through effective grievance handling and worker representation. We renewed our partnership with the United Nations' International Labour Organization Project Office in Qatar

Report of the trustees for the period ending 31 December 2020

to provide further support on creating guidance for key recruitment corridors that provide migrant workers to Qatar from India, Tunisia and Sri Lanka as well as creating practical training and guidance on workplace harassment policies and procedures.

Recognising the critical role that employers play in promoting ethical recruitment and promoting fair recruitment practices among recruitment agencies, we formed partnerships with the United Nations' International Organisation for Migration. These partnerships will work in selected migration corridors, bringing together recruitment agencies in countries of origin with hotel companies in countries of destination, the local government and other key stakeholders to:

- Support recruitment agencies in adopting ethical recruitment practices
- Raise awareness and increase commitment across the sector
- Develop hospitality-specific online trainings and tools on implementing ethical recruitment
- Create guidance for hotel companies operating in countries of destination
- Improve access to information for hotel workers throughout their recruitment journey

Every year, millions of Filipinos migrate overseas for employment. While migrants contribute greatly to economic development, statistics show that they are particularly susceptible to human trafficking. To place migrants at a lower risk for human trafficking, we are working with the United Nations' International Organization for Migration in partnership with the Blas F. Ople Policy Center and Training Institute, Inc., Diginex Solutions to collaborate on the Aligning Lenses Towards Ethical Recruitment (ALTER) project. ALTER seeks to reduce the prevalence of human trafficking and labour exploitation among overseas Filipino workers through increased access to ethical recruitment channels. This shall be achieved by the wider adoption of ethical recruitment principles in the Philippines to transform standard recruitment practices, and by creating an enabling environment for ethical recruitment and sustainable business relationships between Philippine recruitment agencies and employers of overseas workers.

Climate change and the hospitality industry

With global emissions of carbon dioxide increasing by almost 50 per cent since 1990,¹ Climate change is a global issue that is affecting communities, lives, businesses and economies all over the world. The hotel sector accounts for around 1% of global carbon emissions² and this is set to increase. Based on our research, the hotel industry needs to reduce its carbon emissions by 66 per cent per room by 2030, and by 90 per cent per room by 2050 to ensure that the growth forecast for the industry does not lead to a corresponding increase in carbon emissions.³

Recognising the importance of engaging with all stakeholders across the hotel property value chain in addressing environmental sustainability in the hospitality industry, we continued to work with partners such as the United Nations World Tourism Organisation and the International Finance Corporation, a division of the World Bank, to develop and promote the [Business Case for Sustainable Hotels](#). The Business Case provides compelling evidence to hotel companies as well as hotel investors and asset managers, owners and developers, operators and franchisees, that building and operating a hotel sustainably has both financial and reputational benefits.

¹ United Nations, Sustainable Development Goals, SDG 13, available from www.un.org

² UNWTO (2008), Climate Change and Tourism – Responding to global challenges, available from www.unwto.org

³ Sustainable Hospitality Alliance (2017), Global Hotel Decarbonisation Report, available from www.sustainablehospitalityalliance.org

Report of the trustees for the period ending 31 December 2020

Working with the World Travel & Tourism Council and 23 hotel companies, the International Tourism Partnership (our former entity), using the GHG Protocol Standards, created the [Hotel Carbon Measurement Initiative \(HCMI\)](#) in 2012. This is a methodology and free tool to help hotels have a consistent way to better understand their greenhouse gas emissions, benchmark their performance, set measurable targets, and communicate the environmental footprint of their properties.

HCMI can be used by all types of hotels around the world even those with no previous experience in carbon reporting. It applies to individual hotels, large and small, regardless of the type of amenities offered. Our ambition is that, through widespread use of this free tool, we can help improve understanding, transparency and accuracy across the hotel industry.

In the run up to the launch of the Sustainable Hospitality Alliance, we updated the methodology to reflect recent user feedback and practices. During the reporting period, we launched [a free webinar](#) to help educate hotels around world on better measuring and managing their carbon footprint, to support them to reduce their impact on the environment. We partnered with Booking.com, an online travel agency, to promote the tool with their inventory of hotel partners.

Water scarcity and the hospitality industry

Water scarcity affects more than 40 per cent of the global population and is projected to rise.⁴ A hotel water usage per room per day can vastly exceed that of local populations in water scarce destinations. Even hotels located in regions with plenty of water could be having an impact if they are sourcing products or services from water-scarce locations. We therefore recognise the important role hospitality can play in managing water consumption and contributing towards sustainable and secure water resources in their local communities.

Working with KPMG, World Travel & Tourism Council and 18 hotel companies, the International Tourism Partnership (our former entity), created the [Hotel Water Measurement Initiative \(HWMI\)](#) in 2016. This is a methodology and free tool to help hotels have a consistent way to better understand their water consumption, benchmark their performance, set measurable targets, and communicate water use in their properties.

HWMI can be used by all types of hotels around the world even those with no previous experience in water reporting. It applies to individual hotels, large and small, regardless of the type of amenities offered. Our ambition is that, through widespread use of this free tool, we can help improve understanding, transparency and accuracy across the hotel industry.

In the run up to the launch of the Sustainable Hospitality Alliance, we updated the methodology to reflect recent user feedback and practices. During the reporting period, we launched [a free webinar](#) to help educate hotels around the world on better measuring and managing their water footprint, to support them to reduce their impact on water resources. We partnered with Booking.com, an online travel agency, to promote the tool with their inventory of hotel partners.

Other

We recognise social and environmental sustainability will be even more important as the world attempts to recover from the enormous impacts of the pandemic. Equally, we know that while the hotel industry has been significantly impacted by the pandemic, as a global industry present locally

⁴ United Nations, Sustainable Development Goals, SDG 6, available from www.un.org

Report of the trustees for the period ending 31 December 2020

in communities across the world, it has an even greater role to play in supporting sustainable and equal regenerative recovery.

During the reporting period, we engaged extensively with industry experts, senior leadership and key stakeholders to ascertain how our work needs to evolve to meet the demands of a post-pandemic world. This foundation work will enable us to develop our Vision 2030, aligned with the UN Sustainable Development Goals and building upon the spirit of multi-stakeholder partnerships that underpins our ethos.

Plans for future periods

As a newly formed organisation, we recognise we have continued work to do in order to have robust systems, policies and processes in place to operate efficiently and effectively. We also recognise the scale of work that still needs to be undertaken to develop our organisational culture, values and behaviours, and lead all our stakeholders with us on this journey. Achieving this in the context of a pandemic, with associated resource constraints, is a significant task, and one that we will continue to focus on this year.

We also recognise the need to support responsible recovery post-pandemic, raise aspirations, and enable the hotel industry to play the greatest role it can leveraging its global might and local presence.

With this in mind, in 2021 we aim to:

- Continue our work on youth employment. This includes piloting the new curriculum and delivery model and deepening our current partnerships. We will also focus on forming cross-industry partnerships to explore the potential of expanding our youth skilling work in collaboration with other sectors that have similar entry-level skills requirements and career opportunities as hospitality, in particular healthcare and retail. In addition, we want to pilot a hub-and-spoke delivery model that blends direct delivery across cities in certain countries and a partnership model where our curriculum is embedded into partner programmes. Thereby enabling the development of a global model of upskilling disadvantaged young people and helping improve their life chances.
- Continue our work on human rights, working closely with key partners to develop tools, trainings and resources to support ethical recruitment, as well as undertake pilot projects using these tools in key migration corridors. This will facilitate learnings and help identify gaps that can then form the basis for a multi-year strategy for us to work on with the industry to help address systemic issues and challenges.
- Continue our work on climate action and water stewardship with a particular focus on providing practical information on sustainability in the hotel industry, creating guidance on assessing hotel sustainability, and raising awareness and use of our carbon and water measurement tools. We will also seek to encourage and catalyse action across the industry value chain to accelerate the pace with which sustainability is incorporated and embraced across the industry, and enabling every hotel, regardless of its size or scale, to manage its impact on the environment.

In addition, we aim to explore new areas of work to meet emerging and urgent needs. These include, for example, diversity, equality and inclusion, waste management including single-use plastics and food waste, responsible consumption and biodiversity loss. In doing so, we aim to stay

Report of the trustees for the period ending 31 December 2020

true to our charitable remit, vision and mission. The role of public-private partnerships in our work will become even more critical as we stay committed to focusing our resources and efforts on mobilising and driving collective action on areas where we can have the maximum impact.

Financial review

The Charity was registered on 24 March 2020, having been registered as a company on 20 December 2019, and launched independent operations on 1 October 2020, having separated as a programme from Business in the Community (BITC), a registered charity in England and Wales (297716) and Scotland (SC046226), which is part of Prince's Charities group, where it had been housed as "International Tourism Partnership" (ITP) since 2013.

The staff of ITP were transferred from BITC by mutual agreement of the parties under the Transfer of Undertakings (Protection of Employment) regulations (TUPE), and the assets, reserves and continuing responsibilities for programme management of ITP were transferred under legal agreement between BITC and the Sustainable Hospitality Alliance.

During its first accounting period covering the three months to 31 December, the Sustainable Hospitality Alliance recorded Net Income of £564,263, taking into account the Transfer from Business In the Community of £456,055 (including cash, assets, trade debtors, deferred and prepaid membership contributions, and accrued income as explained further in note 2B) and a net surplus on operations during the period of £108,208, reached after Income of £323,319 and Expenditure of £215,111.

Our income came from Charitable Grants of £222,165, which support is received under specific agreements supporting restricted activities aligned to our objectives from a range of Institutional Donors, Foundations and Trusts and Corporate Bodies, as listed in the Notes to the Accounts, Membership contributions of £62,000 related to the three months of operation, and Donations of £39,154, including in-kind donations of £33,010, comprising a series of professional assignments contributed by members or other associates focussing largely on systems and process definition or policy articulation at a critical stage in our organisational development, for which we are very grateful.

Expenditure comprises Support Costs (including the value of In-Kind donations), Staff Costs, and Grants to Partners and is analysed in the accounts to Fundraising and publicity, and Expenditure on charitable activities, split between the major activities of the Alliance, as set out in the Notes to the Accounts, the highest expenditure being on Human Rights and Youth Employment work.

At 31 December 2020, both Net Assets and Funds stood at £564,263. Net Assets included Cash held of £951,559, with Accruals and deferred income standing at £553,507, the majority of which is pre-paid membership or Deferred income and largely explains the excess of Cash over Net Assets.

Funds were made up of Restricted Funds of £131,080 and Unrestricted Funds of £433,183, comprising General Funds of £298,245, and Designated Funds of £134,938, related to grant funding from Humanity United, which is towards organisational support but is required to be spent and reported during 2021.

Report of the trustees for the period ending 31 December 2020

Structure, Governance and Management

Governing document

The Sustainable Hospitality Alliance is a company limited by guarantee governed by its Memorandum and Articles of Association dated 16 December 2019. It is registered as a charity with the Charity Commission.

Appointment of trustees

As set out in the Articles of Association the business of the Charity is governed by the Board of Trustees, the first members of which were the four subscribers to the registration of the Alliance and a Company. The number of Trustees must be a minimum of three and no more than nine. Trustees may be appointed by a resolution of the Board and serve for a term of up to three years and can be eligible for re-appointment for a further period of three years.

Trustee induction and training

New trustees undergo orientation to brief them on: their legal obligations under charity and company law, the Charity Commission guidance on public benefit, and inform them of the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the charity. During orientation they meet key employees and other trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Organisation

The Board of Trustees, which can have up to nine members, administers the charity. The board normally meets quarterly and has one sub-committee, the Finance Risk and Audit Committee, which also meets quarterly in advance of Board meetings or as often as necessary. A Chief Executive Officer is appointed by the trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the Chief Executive Officer has delegated authority, within terms of delegation approved by the trustees, for operational matters including finance and employment.

Following the year end, but before the accounts were approved, the Alliance's Chief Executive Officer announced her decision to accept another role. She is due to leave the Alliance at the end of September 2021. At the date of approving the accounts, the trustees were working to identify a successor and to ensure plans are in place for an effective handover. The trustees would like to record their thanks to Madhu Rajesh for her work in supporting the establishment of the Alliance as an independent charity.

Related parties and co-operation with other organisations

None of our trustees receive remuneration or other benefit from their work with the charity.

Trustees must declare any direct or indirect interest that conflicts, or may conflict with the interests of the Charity, because the Trustee or a Connected Person may receive a benefit from the Charity, or has some separate interest or duty in a matter to be decided, or in relation to information which is confidential to the Charity.

Pay policy for senior staff

The pay of the senior staff has been determined by Management together with the Finance Risk and Audit Committee on a review of pay levels in other similar organisations.

Report of the trustees for the period ending 31 December 2020

Principal risks & uncertainties

The trustees have a risk management strategy which comprises:

- The Finance Risk and Audit Committee (FRAC) which works to undertake monitoring and supervision of both the current and future financial position of the Sustainable Hospitality Alliance, and associated risks.
- Maintenance of an Organisational Risk Register that identifies risks at an organisational level. The Register is developed and proposed by Senior Management initially to FRAC, and then to the Board of Trustees quarterly. The Register scores the risk in terms of impact and probability, provides a narrative commentary for the quarter, and details controls and mitigations in place and planned.
- Active involvement in emerging risk management, with Senior Management members, particularly through the Chair of the Board of Trustees and Chair of FRAC.

The trustees have assessed the risks that the Alliance is exposed to and have identified that the principal risks include:

- The COVID-19 situation, which initially placed almost all activities on hold, has forced us to start to adapt our approach. The situation entails risks to programme delivery, financial sustainability and organisation culture development to the new organisation.
- Non-Alignment with the industry's sustainability agenda, causing the Alliance to become out of step with the needs of businesses, thus causing a reduction in member numbers and income.
- Failure to balance delivering value for members (which are businesses) and the charitable remit (as required by Charity Commission).
- Failure to ensure programme growth to achieve impact which could mean limited participation from the industry that itself could result in implementation delays and threaten continuing funding
- Inability to adapt adequately to downturn in bi-lateral and foundation income (which could be exacerbated by Covid-19) which would increase stress on the internal resources that allow us to deliver our agenda.
- Poor financial management and controls that could lead to compliance issues and reputational damage, combined with non-Compliance in areas of: GDPR, safeguarding, Anti-Trust/Anti-Competition, Tax, Economic Crime, intellectual property, resulting in fines, reputational damage and adverse operational impacts. We realise that all International NGOs are under increasing scrutiny and pressure to ensure global compliance in these areas.
- Especially in the early period following the launch of the Alliance though a small team, failure to retain staff, ensure staff well-being and professional development, combined with over-dependency on CEO causing organisational stunting.

Reserves policy and going concern

The Trustees, having considered the risks outlined above have determined a desired range of reserve levels to be held in light of these risks to lie between £350,000 and £475,000.

Report of the trustees for the period ending 31 December 2020

The reserves to be deployed should be unencumbered by prior obligation and held as liquid assets.

Currently the organisation holds £298,000 of Unrestricted Reserves, of which £293,000 are unencumbered and free to be deployed to use. This level is below the lower end of the desired range of reserves.

The trustees have planned that the organisation will grow its Reserves to ensure it remains securely within the desired range over the next three years by seeking unrestricted funding for this purpose.

The trustees have reviewed the circumstances of the Alliance and consider that adequate resources continue to be available to fund the activities of the trust and group for the foreseeable future. The trustees are of the view that the company is a going concern.

Our approach to fundraising activities

The charity raises funds from member contributions, from institutional donors including Trusts and Foundations, International Development Organisations and Government Institutions in the UK and internationally. We have developed an Ethical Fundraising Policy to guide decisions on solicitation and acceptance of funds.

The charity does not currently actively fundraise from the public or run legacy campaigns or undertake similar fundraising activities in its own right. The trustees are though pleased to receive unsolicited gifts and legacies from patrons and supporters who generously support our work.

No complaints have been received from funders or beneficiaries in respect of fundraising activities undertaken by the alliance.

Trustees' responsibilities in relation to the financial statements

The charity trustees (who are also the directors of the Sustainable Hospitality Alliance for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing the 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 UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the

Report of the trustees for the period ending 31 December 2020

financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Statement as to disclosure to our auditors

In accordance with company law, the Company's Directors confirm that:

- so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- as the Directors of the Company they have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

In preparing the Report of the Trustees the trustees have taken advantage of the exemptions available to small companies.

This report was approved by the board of trustees and signed on their behalf by

Wolfgang M. Neumann, Chair

05 July 2021



Report of the trustees for the period ending 31 December 2020

Opinion

We have audited the financial statements of Sustainable Hospitality Alliance for the period ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and 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 charitable company's affairs as at 31 December 2020 and of the charitable company's net movement in funds, including the income and expenditure, for the period 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 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 charitable 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 directors 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 Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Independent auditor's report to the members of Sustainable Hospitality Alliance

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' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' 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 company; or
- the charitable 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 for the financial statements

As explained more fully in the trustees' responsibilities statement set out on pages 15 and 16, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in

Independent auditor's report to the members of Sustainable Hospitality Alliance

respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to regulatory requirements of the Charity Commission, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011, Companies Act 2006 and payroll taxes.

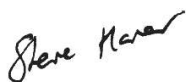
We evaluated management's opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in certain accounting estimates and judgements such as the income recognition policy applied to grant income. Audit procedures performed by the engagement team included:

- Inspecting correspondence with appropriate regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Review of minutes of meetings to identify expected material amounts of voluntary income; and
- Identifying and testing unusual accounting entries; and
- Challenging assumptions and judgements made by management in their critical accounting estimates, including review of how grant income has been recognised at the period end.

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.



Steven Harper (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors
Date: 7 July 2021

10 Queen Street Place
London
EC4R 1AG

Sustainable Hospitality Alliance

STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure account)

FOR THE PERIOD ENDED 31 DECEMBER 2020

	Note	Unrestricted Funds	Restricted Funds	Total Funds Period ended 31-Dec-20
		£	£	£
INCOME FROM:				
Donations and legacies	2A	39,154	-	39,154
Alliance Membership contributions		62,000		62,000
Charitable activities				
Grants	3	131,406	90,759	222,165
Investment income		-	-	-
TOTAL INCOME		<u>232,560</u>	<u>90,759</u>	<u>323,319</u>
EXPENDITURE ON:				
Raising funds				
Fundraising and publicity		20,307	-	20,307
Charitable activities				
Human Rights		18,225	20,592	38,817
Youth Employment		4,909	74,366	79,275
Climate Action		5,261	8,303	13,564
Water Stewardship		5,261	-	5,261
Cross organisational activities		57,887	-	57,887
TOTAL EXPENDITURE	4	<u>111,850</u>	<u>103,261</u>	<u>215,111</u>
NET INCOME BEFORE TRANSFER FROM BUSINESS IN THE COMMUNITY	5	<u>120,710</u>	<u>(12,502)</u>	<u>108,208</u>
Net Transfer from Business In the Community	2B	308,899	147,156	456,055
NET INCOME		<u>429,609</u>	<u>134,654</u>	<u>564,263</u>
Transfer between funds		3,574	(3,574)	-
NET MOVEMENT IN FUNDS		<u>433,183</u>	<u>131,080</u>	<u>564,263</u>
Reconciliation of funds:				
Total funds brought forward		-	-	-
TOTAL FUNDS CARRIED FORWARD		<u>433,183</u>	<u>131,080</u>	<u>564,263</u>

All transactions are derived from activities that commenced during the period. The split between unrestricted and restricted donations and legacies is shown in note 3. There was no other restricted income or expenditure for the period ended 31 December 2020. All recognised gains and losses are included in the Statement of Financial Activities.

Sustainable Hospitality Alliance Company Number: 12373950

BALANCE SHEET

AT 31 DECEMBER 2020

		2020	
	Note	£	£
FIXED ASSETS			
Tangible assets	8		5,279
Investments	9		-
			<u>5,279</u>
CURRENT ASSETS			
Debtors	11	191,394	
Cash at bank and in hand		<u>951,559</u>	
		1,142,953	
CREDITORS: amounts falling due within one year	12	(583,969)	
NET CURRENT ASSETS			<u>558,984</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			564,263
NET ASSETS			<u><u>564,263</u></u>
FUNDS	14		
Restricted funds			131,080
Unrestricted funds:			
Designated funds			134,938
General funds			<u>298,245</u>
			<u>433,183</u>
			<u><u>564,263</u></u>

The financial statements were approved and authorised for issue by the Trustees on 17 June 2021 and were signed below on its behalf by:

Wolfgang M. Neumann, Chair

05 July 2021

Sustainable Hospitality Alliance

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 DECEMBER 2020

	Note	2020
		£
Cash Flow from operating activities	20	957,318
Cash flows from investing activities		
Payments to acquire tangible fixed assets		<u>(5,759)</u>
Cash used in investing activities		<u>(5,759)</u>
Increase/(Decrease) in cash and cash equivalents in the year		951,559
Cash and cash equivalents at the beginning of the year		<u>-</u>
		951,559
Change due to exchange rate movements		
Total cash and cash equivalents at the end of the year		<u><u>951,559</u></u>
Cash and cash equivalents		
Cash at bank and in hand		951,559
Cash held by investment manager		-
Cash at bank and in hand at the end of the reporting period		<u><u>951,559</u></u>

Notes on the accounts

1 Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements have been prepared in accordance with the 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)) (2nd Edition effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Sustainable Hospitality Alliance 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 note(s).

b) Preparation of the accounts on a going concern basis

The Sustainable Hospitality Alliance reported net income of £564,000 for the period, comprising net income of £108,000 and the Transfer from Business In the Community of £456,000. The trustees are of the view that ongoing funding agreements and membership contributions have secured the immediate future of the Sustainable Hospitality Alliance for the next 12 to 18 months, and that the current cash position and future projections indicate sufficient levels to continue operations without interruption, and that on this basis the charity is a going concern for the foreseeable future and that there are no material uncertainties in relation to the ability of the charity to continue as a going concern.

The trustees remain vigilant of the need to secure on-going financial support and to monitor financial commitments and cash flows to maintain the organisation's financial viability.

c) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred.

Grant income received in advance of performance or provision of other specified service it is deferred until the criteria for income recognition are met (see note 23).

d) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general time of volunteers not recognised; refer to the trustees' annual report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to

Notes on the accounts

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.

e) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

f) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Sustainable Hospitality Alliance's work or for specific projects being undertaken by the Sustainable Hospitality Alliance.

g) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise fundraising and publicity and their associated support costs.
- Expenditure on charitable activities includes the costs of undertaking specific activities and projects in Human Rights, Youth Employment, Climate Action, Water Stewardship and Cross organisational activities and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

h) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back-office costs, finance, personnel, other organisational running costs and are classified between Office expenses, Governance costs and Other support costs. These costs have been allocated between cost of raising funds and expenditure on charitable activities.

Support costs have been allocated to activities (whether raising funds or charitable activities) on the following bases:

- Where a support cost can be specifically attributed to an activity it is directly allocated
- Where the support costs have a general effect on activities, they are apportioned to activities on the basis of staff time recorded undertaking the activities

Support costs related to publicity and promotion are not reapportioned to charitable activities.

i) Tangible fixed assets

Individual fixed assets costing £500 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight-line basis as follows:

Asset Category

Computer equipment	Over 3 years
--------------------	--------------

Notes on the accounts

j) Debtors

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

k) Cash at bank and in hand

Cash at bank and cash 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.

l) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

m) Pensions

Existing employees of the charity were entitled to join the defined contribution Group Personal Pension Plan operated by Scottish Widows which is funded by contributions from employee and employer.

n) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The Trustees do not consider there are any critical judgements or sources of estimation uncertainty affecting assets or liabilities at the balance sheet date which is likely to result in a material adjustment to their carrying amount in the next financial year.

o) Financial Instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at the settlement value.

Notes on the accounts

2A. DONATIONS AND LEGACIES

	<i>Unrestricted</i>	<i>Restricted</i>	Period ended 31-Dec-20
	£	£	£
Donations	6,144	0	6,144
Gifts in kind	33,010		33,010
	<u>39,154</u>	<u>-</u>	<u>39,154</u>

The value of volunteers, consultants and corporate entities time is estimated at £33,010. We have included the value where it is quantifiable but recognise that the Charity received a significant level of support, which we are unable to quantify.

2B. TRANSFER FROM BUSINESS IN THE COMMUNITY

During the year £544,215 was transferred as part of the establishment of the Sustainable Hospitality Alliance and assets valued at £5,759 were received from BITC. A further £82,539 was received during the year ending 31 December 2021, settling the balance owing in full.

Included in the transfer were funds received in advance for future periods.

	<i>Unrestricted</i>	<i>Restricted</i>	Period ended 31-Dec-20
	£	£	£
Transfer - cash, assets and balance owing	541,357	91,156	632,513
Recognised as Trade debtors	15,000	20,000	35,000
Recognised as Deferred and prepaid membership contributions	(247,458)	-	(247,458)
Recognised as accrued income	-	36,000	36,000
	<u>308,899</u>	<u>147,156</u>	<u>456,055</u>

3. CHARITABLE ACTIVITIES

	<i>Unrestricted</i>	<i>Restricted</i>	Period ended 31-Dec-20
	£	£	£
Grants			
Humanity United	131,406	-	131,406
Global Fund to End Modern Slavery	-	34,349	34,349
Sightsavers (Royal Commonwealth Society for the Blind)	-	27,061	27,061
Hyatt Community Grants Fund	-	252	252
The J. Willard and Alice S. Marriott Foundation	-	9,243	9,243
The International Labour Organisation (ILO)	-	649	649
International Organisation for Migration (Geneva)	-	10,822	10,822
International Organisation for Migration (Philippines)	-	8,383	8,383
	<u>131,406</u>	<u>90,759</u>	<u>222,165</u>

Notes on the accounts

4. EXPENDITURE

FOR THE PERIOD ENDED 31 December 2020

	Support Costs	Staff Costs	Grants to Partners	Other Direct	Total
	£	£	£	£	£
a) ANALYSIS OF EXPENDITURE					
Raising Funds					
Fundraising and publicity	18,434	1,874	-	-	20,308
Expenditure on charitable activities:					
Human Rights	15,766	23,051	-	-	38,817
Youth Employment	11,947	40,739	20,831	5,758	79,275
Climate Action	5,617	7,947	-	-	13,564
Water Stewardship	3,491	1,770	-	-	5,261
Cross organisational activities	23,828	34,044	-	14	57,886
TOTAL EXPENDITURE	79,083	109,425	20,831	5,772	215,111

The costs above include support costs which are allocated on the basis of expenditure undertaken.

b) ANALYSIS OF SUPPORT COSTS

FOR THE PERIOD ENDED 31 December 2020

	Office expenses	Governance costs	Other support costs	Reallocation	Total
	£	£	£	£	£
Raising Funds					
Fundraising and publicity	-	-	18,433	-	18,433
Expenditure on charitable activities:					
Human Rights	-	-	8,606	7,160	15,766
Youth Employment	-	-	270	11,677	11,947
Climate Action	-	-	2,620	2,997	5,617
Water Stewardship	-	-	2,620	871	3,491
Cross organisational activities	5,362	12,300	28,871	(22,705)	23,828
TOTAL SUPPORT COSTS:	5,362	12,300	61,420	-	79,082

The basis for apportionment of Support costs is set out in Note 1 i)

Included in Other support costs is the value of £33,010 of in-kind contributions received

c) GOVERNANCE COSTS

Period ended
31-Dec-20

	£
Legal and professional, including audit	12,300
	12,300

Notes on the accounts

4. EXPENDITURE (cont)

	<i>Unrestricted</i>	<i>Restricted</i>	Period ended
			31-Dec-20
Grants paid to institutions	£	£	£
Cheshire Disability Services Kenya (CDSK)	-	10,928	10,928
Kherwadi Social Welfare Association	-	9,903	9,903
	<u>-</u>	<u>20,831</u>	<u>20,831</u>

5. NET INCOME FOR THE YEAR

31-Dec-20
£

This is stated after charging the following:

- Depreciation	480
- Auditors remuneration for audit services(net of VAT)	
for audit services	8,750
for other services	1,500
- Operating lease rentals	

6. STAFF NUMBERS AND COSTS

2020
No.

The average number of persons employed during the year were as follows

Raising funds	0.2
Charitable activities	4.7
Support	0.5
	<u>5.4</u>

The aggregate payroll costs of these persons were as follows

	£
Salaries and wages	91,106
Social security costs	10,612
Pension scheme contributions	5,241
	<u>106,959</u>

There were no employees whose emoluments, excluding pension contributions and employer's national insurance exceeded £60,000 in the period.

Contributions of £5,241 were paid on behalf of these employees into a money purchase pension scheme.

The total employee benefits of the key management personnel of the Charity were £45,564.

Notes on the accounts

7. TRUSTEES' REMUNERATION AND REIMBURSED EXPENSES

No remuneration is paid to any Trustee. Reimbursements of travelling expenses totalling £0 was paid to Trustees for attendance at Trustee meetings.

8. TANGIBLE ASSETS

Group and Charity	Computer Equipment
Cost or Valuation	£
Additions	5,759
Disposals	-
At 31 December 2020	<u>5,759</u>
Depreciation & Amortisation	
Charged in Year	(480)
Disposals	-
At 31 December 2020	<u>(480)</u>
Net Book Value	
At 31 December 2020	<u>5,279</u>

9. INVESTMENTS

Sustainable Hospitality Alliance held no investments of monetary value at 31 December 2020.

10. TAXATION

Sustainable Hospitality Alliance is a registered charity and, therefore, is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

Notes on the accounts

11. DEBTORS

2020

£

Trade debtors	45,000
Other debtors	82,538
Prepayments and accrued income	63,856
	<u>191,394</u>

12. CREDITORS: Amounts falling due within one year

2020

£

Trade creditors	3,852
Other creditors including taxation and social security	26,610
Grant commitments	
Accruals and deferred income	553,507
	<u>583,969</u>

13. DEFERRED INCOME

2020

£

Amount deferred in the year	251,230
	<u>251,230</u>

Deferred income represents income or membership contributions invoiced or received for use in future periods.

Notes on the accounts

14. FUNDS

	At 26 December 2019	Income	Expenditure	Transfer from BITC	Transfers/ gains/ (losses)	At 31 December 2020
	£	£	£	£	£	£
Unrestricted Funds						
Designated Funds						
Humanity United	-	131,406	24,266	46,658	(18,860)	134,938
General Funds	-	101,154	87,584	262,241	22,434	298,245
	-	232,560	111,850	308,899	3,574	433,183
Restricted Funds						
<u>Youth Employment - restricted</u>						
Global Fund to End Modern Slavery	-	34,349	34,349	-	-	-
Sightsavers (Royal Commonwealth Society for the Blind)	-	27,061	27,061	-	-	-
Hyatt Community Grants Fund	-	252	252	-	-	-
The IHG Foundation (UK) Trust	-	-	4,738	18,000	-	13,262
TUI Care Foundation	-	-	434	15,966	-	15,532
<u>Youth Employment - broadly restricted</u>						
Marriott International	-	-	-	37,856	-	37,856
Hilton Effect Foundation	-	-	1,863	30,500	-	28,637
The J. Willard and Alice S. Marriott Foundation	-	9,243	5,669	-	(3,574)	-
<u>Human Rights</u>						
The International Labour Organisation (ILO)	-	649	649	-	-	-
International Organisation for Migration (Geneva)	-	10,822	11,559	24,834	-	24,097
International Organisation for Migration (Philippines)	-	8,383	8,383	-	-	-
<u>Sustainability</u>						
Booking.com	-	-	8,304	20,000	-	11,696
Grants	-	90,759	103,261	147,156	(3,574)	131,080
	-	323,319	215,111	456,055	-	564,263

Notes on the accounts

15. ANALYSIS OF FUND BALANCES BETWEEN NET ASSETS

	AT 31 December 2020			
	Restricted Funds	General Funds	Designated Funds	Total
	£	£	£	£
Tangible fixed assets	-	5,279	-	5,279
Investments	-	-	-	-
Net current assets	<u>131,080</u>	<u>292,966</u>	<u>134,938</u>	<u>558,984</u>
	<u>131,080</u>	<u>298,245</u>	<u>134,938</u>	<u>564,263</u>

16. CAPITAL COMMITMENTS

Sustainable Hospitality Alliance had no capital commitments at 31 December 2020.

17. OPERATING LEASE COMMITMENTS

Sustainable Hospitality Alliance had no operating lease commitments at 31 December 2020.

18. TRUSTEES' LIABILITY

In the event of the company being wound up, Trustees will each have a liability of £1.

19. PENSION COMMITMENTS

Sustainable Hospitality Alliance operates a Group pension arrangement. The overall pension charge for the period was £5,241. At 31 December 2020, £2,144 contributions were outstanding.

Notes on the accounts

20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH INFLOW

	2020
	£
Net movement in funds	564,263
Investment income	-
Net (gains)/ losses on investments	-
Depreciation and amortisation	480
Increase/ (Decrease) in creditors	583,969
(Increase)/ Decrease in debtors	(191,394)
(Increase)/ Decrease in stocks	-
Net Cash generated by operating activities	<u>957,318</u>

21. RELATED PARTY TRANSACTIONS

There were no related party transactions in the period.