



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

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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:

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- 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.

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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

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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

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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.

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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

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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

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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.

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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.

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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.

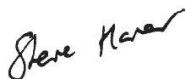
We evaluated management's opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in certain accounting estimates and judgements 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	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 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	957,318

21. RELATED PARTY TRANSACTIONS

There were no related party transactions in the period.