



**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,<sup>1</sup> 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.<sup>2</sup> 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.<sup>1</sup>

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

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<sup>1</sup> ILO (2020), available from [www.ilo.org](http://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 understand 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.

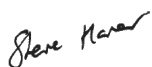
We evaluated management's opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in certain accounting estimates and judgements 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](http://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
		£	£	£
<b>INCOME FROM:</b>				
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
<b>TOTAL INCOME</b>		<u>373,210</u>	<u>639,742</u>	<u>1,012,951</u>
<b>EXPENDITURE ON:</b>				
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
<b>TOTAL EXPENDITURE</b>	5	<u>179,027</u>	<u>730,726</u>	<u>909,754</u>
Net gains/(losses) on investments		-	-	-
<b>NET INCOME BEFORE TRANSFER FROM BUSINESS IN THE COMMUNITY</b>		<u>194,182</u>	<u>(90,985)</u>	<u>103,198</u>
Net Transfer from Business In the Community	2B	-	-	-
<b>NET INCOME</b>	4	<u>194,182</u>	<u>(90,985)</u>	<u>103,198</u>
Transfer between funds		-	-	-
<b>NET MOVEMENT IN FUNDS</b>		<u>194,182</u>	<u>(90,985)</u>	<u>103,198</u>
<b>Reconciliation of funds:</b>				
Total funds brought forward		433,183	131,080	564,263
<b>TOTAL FUNDS CARRIED FORWARD</b>		<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
		£	£	£
<b>INCOME FROM:</b>				
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
<b>TOTAL INCOME</b>		<u>232,560</u>	<u>90,759</u>	<u>323,319</u>
<b>EXPENDITURE ON:</b>				
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
<b>TOTAL EXPENDITURE</b>	5	<u>111,850</u>	<u>103,261</u>	<u>215,111</u>
<b>NET INCOME BEFORE TRANSFER FROM BUSINESS IN THE COMMUNITY</b>		<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
<b>NET INCOME</b>	4	<u>429,609</u>	<u>134,654</u>	<u>564,263</u>
Transfer between funds		3,574	(3,574)	-
<b>NET MOVEMENT IN FUNDS</b>		<u>433,183</u>	<u>131,080</u>	<u>564,263</u>
<b>Reconciliation of funds:</b>				
Total funds brought forward		-	-	-
<b>TOTAL FUNDS CARRIED FORWARD</b>		<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	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	8		6,923		5,279
Investments	9		-		-
			<u>6,923</u>		<u>5,279</u>
<b>CURRENT ASSETS</b>					
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	
<b>CREDITORS: amounts falling due within one year</b>	12	(665,388)		(583,969)	
<b>NET CURRENT ASSETS</b>			<u>660,538</u>		<u>558,984</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			667,461		564,263
<b>NET ASSETS</b>			<u><u>667,461</u></u>		<u><u>564,263</u></u>
<b>FUNDS</b>	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
		£	£
<b>Cash Flow from operating activities</b>	20	223,301	957,318
<b>Cash flows from investing activities</b>			
Payments to acquire tangible fixed assets		(4,429)	(5,759)
<b>Cash used in investing activities</b>		<u>(4,429)</u>	<u>(5,759)</u>
<b>Increase/(Decrease) in cash and cash equivalents in the year</b>		<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
<b>Total cash and cash equivalents at the end of the year</b>		<u><u>1,170,431</u></u>	<u><u>951,559</u></u>
<b>Cash and cash equivalents</b>			
Cash at bank and in hand		1,170,431	951,559
<b>Cash at bank and in hand at the end of the reporting period</b>		<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>	<b>Year ended 31-Dec-21</b>
	£	£	£
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>	<b>Period ended 31-Dec-20</b>
	£	£	£
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 £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>	<b>Year ended 31-Dec-21</b>
	£	£	£
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>	<b>Period ended 31-Dec-20</b>
	£	£	£
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>	<b>Year ended 31-Dec-21</b>
	£	£	£
<b>Grants</b>			
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>
	£	£	£
<b>Grants</b>			
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**

	<b>Year ended 31-Dec-21</b>	<i>Period ended 31-Dec-20</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		
	<u></u>	<u></u>

**5. EXPENDITURE FOR THE YEAR ENDED 31 December 2021**

	<b>Support Costs £</b>	<b>Staff Costs £</b>	<b>Grants to Partners £</b>	<b>Other Direct £</b>	<b>Total 2021 £</b>	<b>Total 2020 £</b>
<b>a) ANALYSIS OF EXPENDITURE</b>						
<b>Raising Funds</b>						
Fundraising and publicity	7,400	76,310	-	-	83,710	20,308
<b>Expenditure on charitable activities:</b>						
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
<b>TOTAL EXPENDITURE</b>	<b>150,230</b>	<b>578,862</b>	<b>97,275</b>	<b>83,385</b>	<b>909,752</b>	<b>215,111</b>

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**

	<b>Office expenses £</b>	<b>Governance costs £</b>	<b>Other support costs £</b>	<b>Reallocation £</b>	<b>Total 2021 £</b>	<b>Total 2020 £</b>
<b>Raising Funds</b>						
Fundraising and publicity	-	-	7,400	-	7,400	18,433
<b>Expenditure on charitable activities:</b>						
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
<b>TOTAL SUPPORT COSTS:</b>	<b>15,694</b>	<b>12,000</b>	<b>122,536</b>	<b>-</b>	<b>150,230</b>	<b>79,082</b>

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.

<b>c) GOVERNANCE COSTS</b>	<b>Year ended 31-Dec-21 £</b>	<b>Period ended 30-Dec-20</b>
Legal and professional, including audit	12,000	12,300
	<u>12,000</u>	<u>12,300</u>

<b>EXPENDITURE (cont)</b>	<i>Unrestricted</i>	<i>Restricted</i>	<b>Year ended 31-Dec-21</b>	<i>Period ended 31-Dec-20</i>
<b>Grants paid to institutions</b>	£	£	£	£
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

	<b>2021 No.</b>	<b>2020 No.</b>
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>

	<b>£</b>	<b>£</b>
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:

	<b>2021 No.</b>	<b>2020 No.</b>
£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>
<b>Depreciation &amp; Amortisation</b>	
As at 1 January 2021	(480)
Charged in Year	(2,785)
Disposals	-
At 31 December 2021	<u>(3,265)</u>
<b>Net Book Value</b>	
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**

	<b>Charity 2021</b>	<i>Charity 2020</i>
	<b>£</b>	<i>£</i>
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**

	<b>Charity 2021</b>	<i>Charity 2020</i>
	<b>£</b>	<i>£</i>
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.**

<b>DEFERRED INCOME</b>	<b>Brought forward deferred income 01 Jan 2021 £</b>	<b>Amount released in 2021 £</b>	<b>Amount deferred in 2021</b>	<b>Deferred income carried forward year ended 31 Dec 2021</b>
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
	£	£	£	£	£	£
<b>Unrestricted Funds</b>						
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
<b>Restricted Funds</b>						
<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>
	£	£	£	£	£	£
<b>Unrestricted Funds</b>						
<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
<b>Restricted Funds</b>						
<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**

	<b>AT 31 December 2021</b>			
	<b>Restricted Funds</b>	<b>General Funds</b>	<b>Designated Funds</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
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**

	<b>AT 31 December 2020</b>			
	<b>Restricted Funds</b>	<b>General Funds</b>	<b>Designated Funds</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
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**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Net movement in funds</b>	<b>103,200</b>	<b>564,263</b>
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	-	-
<b>Net Cash generated by operating activities</b>	<b><u>223,304</u></b>	<b><u>957,318</u></b>

**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.