



Sustainable Hospitality Alliance
(A company limited by guarantee)

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

Report and Financial Statements
Year ended 31 December 2023

Charity number 1188731
Company number 12373950

Report of the trustees for the year ended 31 December 2023

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

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and the charities Statement of Recommended Practice (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland; FRS 102, 2nd Edition) effective 1 January 2019.

Report of the trustees for the year ended 31 December 2023

Reference and administrative details

Directors and trustees

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

Board of Trustees:

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

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

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

Key management personnel

Senior Management Team:

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

Reference and administrative details

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

Chair's report

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

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

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

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

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

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

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

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

Thank you for your continued support.

Daniella Foster, Chair. World Sustainable Hospitality Alliance



Objectives and activities

Our vision and mission

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

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

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

Summary of the purposes of the charity

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

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

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

Summary of main activities

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

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

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

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

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

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

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

Policy on social investment and grant making

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

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

Thus, when working with partners, the charity:

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

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

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

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

Contribution made by members and volunteers

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

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

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

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

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

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

Partnerships programme

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

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

Key achievements and performance: People

Employability:

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

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

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

Projects:

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

In 2023:

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

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

World Academy for Sustainable Hospitality

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

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

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

Human Rights

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

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

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

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

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

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

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

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

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

Key achievements and performance: Planet

Striving for a Net Positive industry

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

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

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

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

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

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

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

Climate action

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

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

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

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

Water Stewardship

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

Responsible resourcing

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

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

Biodiversity

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

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

Other

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

Raising awareness of the industry's work on global stages

Convening the industry

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

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

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

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

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

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

Launching the Pathway to Net Positive Hospitality V2

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

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

United Nations Climate Conference

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

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

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

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

Guiding wider industry thinking

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

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

Plans for future periods

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

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

People

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

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

Planet:

Standards and Reporting

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

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

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

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

Financial review

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

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

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

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

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

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

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

Structure, Governance and Management

Governing document

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

Appointment of trustees

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

Trustee induction and training

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

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

Organisation

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

Related parties and co-operation with other organisations

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

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

Pay policy for senior staff

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

Principal risks and uncertainties

The trustees have a risk management strategy which comprises:

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

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

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

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

Reserves policy and going concern

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

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

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

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

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

Our approach to fundraising activities

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

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

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

Trustees' responsibilities in relation to the financial statements

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

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

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

Statement as to disclosure to our auditors

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

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

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

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

A handwritten signature in black ink, reading "Daniella Foster", is written over a horizontal line.

Daniella Foster

Date: 10 July 2024

Independent Auditors report to the Trustees of World Sustainable Hospitality Alliance

Opinion

We have audited the financial statements of World Sustainable Hospitality Alliance for the period ended 31 December 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 and of the charitable company's net movement in funds, including the income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are

required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

10 Queen Street Place
London
EC4R 1AG

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

FOR THE YEAR ENDED 31 DECEMBER 2023

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

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

FOR THE PERIOD ENDED 31 DECEMBER 2022

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

WORLD SUSTAINABLE HOSPITALITY ALLIANCE

Company Number 12373950

BALANCE SHEET AS AT 31 DECEMBER 2023

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

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

Daniella Foster. Chair.



World Sustainable Hospitality Alliance

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

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

1 Accounting Policies

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

a) Basis of preparation

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

World Sustainable Hospitality Alliance meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

b) Preparation of the accounts on a going concern basis

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

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

c) Income

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

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

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

d) Donated services and facilities

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

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

e) Interest receivable

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

f) Fund accounting

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

g) Expenditure and irrecoverable VAT

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

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

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

h) Allocation of support costs

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

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

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

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

i) Tangible fixed assets

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

Asset Category

Computer equipment	Over 3 years
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j) Intangible fixed assets

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

Asset Category

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

k) Debtors

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

l) Cash at bank and in hand

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

m) Creditors and provisions

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

n) Pensions

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

o) Critical accounting judgements and key sources of estimation uncertainty

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

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

p) Financial Instruments

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

NOTES TO THE ACCOUNTS YEAR ENDED 31 December 2023

2. DONATIONS AND LEGACIES

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

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

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



3. CHARITABLE ACTIVITIES

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

CHARITABLE ACTIVITIES 2022

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

4. INVESTMENT INCOME

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

There was no Investment income in 2022

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

There was no Trading income in 2022.

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

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

6. EXPENDITURE

a) ANALYSIS OF EXPENDITURE

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

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

b) ANALYSIS OF SUPPORT COSTS

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

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

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

c) GOVERNANCE COSTS	Year Ended		<i>Year Ended</i>
	31-Dec-23		<i>31-Dec-22</i>
	£		
Legal and professional, including audit	<u>24,317</u>		<u>17,810</u>
	<u>24,317</u>		<u>17,810</u>
d) Grants paid to institutions	Year Ended		<i>Year Ended</i>
	31-Dec-23		<i>31-Dec-22</i>
	<i>Unrestricted</i>	<i>Restricted</i>	
	£	£	£
Kherwadi Social Welfare Association	-	65,926	65,926
Stanforte Edge	-	906	906
Spence Evoluzione Charitable Trust	-	26,185	26,185
World Vision Mexico	-	15,215	15,215
Don Bosco Tech Society	-	-	-
	<u>-</u>	<u>108,232</u>	<u>108,232</u>
			<u>94,012</u>

7. STAFF NUMBERS AND COSTS

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

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

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

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

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

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

8. TRUSTEES' REMUNERATION AND REIMBURSED EXPENSES

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

9. TANGIBLE ASSETS

Group and Charity

Computer Equipment

Cost or Valuation

£

As at 1 January 2023

16,009

Additions

771

Disposals

-

At 31 December 2023

16,780

Depreciation

As at 1 January 2023

(7,366)

Charged in Year

(4,698)

Disposals

-

At 31 December 2023

(12,064)

Net Book Value

At 01 January 2023

8,642

At 31 December 2023

4,716

9A. INTANGIBLE ASSETS

Group and Charity

Simulator

Resource Directory

Total

Cost or Valuation

£

£

£

As at 1 January 2023

-

-

-

Additions

20,477

8,980

29,457

Disposals

-

-

-

At 31 December 2023

20,477

8,980

29,457

Depreciation & Amortisation

As at 1 January 2023

-

-

-

Charged in Year

(2,614)

(507)

(3,121)

Disposals

-

-

-

At 31 December 2023

(2,614)

(507)

(3,121)

Net Book Value

At 01 January 2023

0

0

0

At 31 December 2023

17,863

8,473

26,336

10. INVESTMENTS

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

11. TAXATION

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

12. DEBTORS

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

13. CREDITORS: Amounts falling due within one year

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

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

14. DEFERRED INCOME

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

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

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

FUNDS 2022

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

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

16 ANALYSIS OF FUND BALANCES BETWEEN NET ASSETS - CURRENT YEAR

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

ANALYSIS OF FUND BALANCES BETWEEN NET ASSETS - PRIOR YEAR

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

17. CAPITAL COMMITMENTS

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

18. OPERATING LEASE REQUIREMENTS

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

19. MEMBERS LIABILITY

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

20. PENSION COMMITMENTS

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

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

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

22. RELATED PARTY TRANSACTIONS

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