

THE BRITISH INSTITUTE OF INNKEEPING

England & Wales · Charity number 283945

Details

Other names	BII
Status	Registered
Legal form	Charitable company
Company number	01601185
Registered	1982-02-11
Register	View on the Charity Commission register

Contact

Address	British Institute Of Innkeeping Sentinel House Harvest Crescent Fleet Hampshire GU51 2UZ
Phone	01276684449
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Website	www.bii.org

Activities

Objects: THE OBJECTS FOR WHICH THE INSTITUTE IS ESTABLISHED ARE, FOR THE PUBLIC BENEFIT: (A) TO ADVANCE THE VOCATIONAL EDUCATION AND TRAINING OF PERSONS ENGAGED OR PREPARING TO BE ENGAGED IN ANY ASPECT OF THE MANAGEMENT, OPERATION AND REGULATION OF PREMISES AT WHICH ALCOHOLIC BEVERAGES AND/OR FOOD OF ANY TYPE (WHETHER PREPARED ON OR OFF THE PREMISES) ARE SOLD; AND (B) TO ADVANCE HEALTH BY PROMOTING HIGH STANDARDS OF PUBLIC HEALTH AND SAFETY IN THE MARKETING, SALE AND CONSUMPTION OF ALCOHOL, INCREASING PUBLIC AWARENESS OF THE DANGERS OF OVER CONSUMPTION AND OTHER ABUSES OF ALCOHOL AND BY EDUCATION, ADVICE, ENCOURAGEMENT AND OTHERWISE, PROMOTING HIGH STANDARDS OF RESPONSIBILITY IN THE MARKETING, SALE AND CONSUMPTION OF ALCOHOL.

Activities: To advance the vocational education and training of persons involved in the management, operation and regulation of premises at which alcoholic beverages and food are sold and to advance health by promoting high standards of public health, safety and responsibility in the marketing, sale and

consumption of alcohol, increasing public awareness of the dangers of over consumption and alcohol abuse.

Classification

- **How:** Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research, Other Charitable Activities
- **What:** Education/training
- **Who:** Other Defined Groups, The General Public/mankind

Geography

- Scotland

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£2,144,649	£1,847,852	£1,836,353	25
2023-12-31	£2,052,966	£1,664,412	£1,539,557	20
2022-12-31	£1,748,637	£1,568,843	£1,151,003	18
2021-12-31	£2,386,652	£2,334,723	£971,208	20
2020-12-31	£2,842,916	£2,812,428	£919,279	25

Trustees

Name	Role	Appointed
Clive Maxwell Price	Chair	2025-09-09
Chris Black		2023-09-11
Gregory John Mangham		2016-11-29
James Nye		2023-09-11
Jeremy Francis Scorer		2024-09-10
Joanne Graham		2016-11-24
Katy-Anne Hamilton		2020-02-27
Kelly Louise McCarthy		2018-11-14
Martyn Stuart Cozens		2025-04-15
Piers Warne		2024-09-10
Stephen Owens		2023-09-11
Timothy John Smith		2017-11-09

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England & Wales - Charity number 283945

Accounts

Company number: 01601185
Charity number: 283945
Scottish Charity number: SC042351



The British Institute of Innkeeping
Report and financial statements
For the year ended 31 December 2024



The British Institute of Innkeeping

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The British Institute of Innkeeping

Reference and administrative information

For the year ended 31 December 2024

Company number 01601185

Charity number 283945

Registered office and operational address Office 3 Sentinel House
Ancells Business Park
Harvest Crescent
Fleet
GU51 2UZ

Country of registration: England & Wales, Scotland

Country of incorporation: United Kingdom

Council The Council members named below (who are the trustees of the BII under charity law) have served throughout the year and up to the date of this report unless otherwise stated. The appointment and retirement of Council members is governed by the Articles of Association.

Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Amanda Hemming
Bruce Cuthbert (Resigned on 10 Sept 2024)
Chris Black
Gregory Mangham
James Nye
Jeremy Scorer (Appointed on 10 Sept 2024)
Joanne Graham
Katy–Anne Hamilton
Kelly McCarthy
Matthew Phipps (Resigned on 10 Sept 2024)
Mark Robson (Chair)
Paul Eeles (Resigned on 10 Oct 2024)
Philip Strong (Resigned on 10 Sept 2024)
Piers Warne (Appointed on 10 Sept 2024)
Stephen Owens
Timothy Smith

Reference and administrative information

For the year ended 31 December 2024

The trustees delegate day to day management to the following senior leadership team (SLT):

Steven Alton	Chief Executive Officer
Shila Singh	Head of Finance
Molly Davis	Head of Communications
Natalie Wickham	Head of Partnerships
Hannah Solomons	Head of Membership Development

Secretary	Gill Cooper	(Resigned on 10 Sept 2024)
	Shila Singh	(Appointed on 10 Sept 2024)

Bankers	Barclays Bank
	Leicester
	LE87 2BB

Auditor	Sayer Vincent LLP
	Chartered Accountants and Statutory Auditors
	110 Golden Lane
	LONDON
	EC1Y 0TG

The Council present their report and the audited financial statements for the year ended 31 December 2024.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

Purposes and aims

The BII's principal object remains to advance the education and training of persons engaged, or preparing to be engaged, in a) the sale of beverages and/or the preparation or sale of food at premises licensed for the sale of intoxicating liquor; and/or b) ensuring regulatory compliance and/or good operation in such premises. Professional standards, training and sharing best practice & innovation is at the heart of the approach of the BII.

In delivering the above object the BII has a very clear purpose to do all it can to keep pubs thriving at the heart of every community which brings together its key activities;

- Provision of clear and actionable information and insight through regular member emails (INNFocus), online business resources in the BII resource hub including interactive guides and our quarterly member magazine (BII News)
- Access to nine expert helplines giving critical independent advice with all key elements of our members' businesses including legal, licensing, employment law, health & safety, Landlord & Pubco relationships and mental health
- Access to a network of Trusted Partners providing advice, products and services for our members to improve their businesses
- Deliver a series of national awards to recognise, celebrate and promote best practice across our sector; Licensee of the Year Award, National Innovation in Training Awards and our Sustainability Champions Awards
- National events providing networking opportunities for our members
- Through the BIIAB and the partnership with the Skills and Education Group, the provision of qualifications and apprenticeships for learners working in, or planning to work in the hospitality industry and other industries outside the hospitality industry in particular the care sector
- Provision of PEAT (Pre-Entry Awareness Training) for new industry entrants before they sign an agreement with a pub company or brewery, providing information they need to consider in particular their legal and operational responsibilities
- Provision of a growing network of BII Accredited Advisors providing independently assessed Chartered Surveyors, Accounts and Solicitors meeting the highest professional standards to support our members through major commercial lifecycle events i.e. taking new agreements or major changes to existing ones.
- Provision of support for industry initiatives including

- Running administrative services for the Pub Governing Body (PGB), the Pub Independent Rent Review Scheme (PIRRS) and the Pub Independent Conciliation and Arbitration Service (PICAS)
- Providing day to day support and running administrative services for the successful Best Bar None (BBN) Professional & Safer Venues scheme. The BBN scheme promotes and maintains an inclusive national Awards Scheme for all licensed premises across England, Wales, Scotland and Northern Ireland. The schemes' aim is to promote responsible management and operation of alcohol licensed premises, improve standards in the night time economy, and reduce alcohol related crime and disorder in a town centre by building a positive relationship between the licensed trade, police and local authorities. Steven Alton is now Vice-Chair of BBN.

The Council reviews the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The Council reports the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the Council ensure the charity's aims, objectives and activities remained focused on its stated purposes.

The Council have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the Council consider how planned activities will contribute to the aims and objectives that have been set. The British Institute of Innkeeping does not raise funds specifically for fundraising and so does not use professional fundraisers.

Achievements and performance

The charity's main activities and who it tries to help are described below. All its charitable activities are undertaken to further The British Institute of Innkeeping's charitable purposes for the public benefit.

Membership and member services

Our members have faced another challenging trading year with ongoing high operational costs through embedded inflation in food & drink costs, high energy costs and rapidly rising employment costs. In addition, many members have reported significant changes in customer trends with low trade later in the evening, reduced visits, reduced spend per head and an increasing number seeking low or non-alcoholic drinks. This environment presents significant challenges to our members. Through our regular membership insight surveys and extensive direct calls to members, the membership team conduct circa 60,000 call per annum targeting three calls per annum to each member, the BII team are clear on member priorities; business growth, implementing lean and sustainable practices and making representation to Government for targeted support.

Our representations to Government at all levels, ministers, MPs and officials, has been based upon creating a fairer tax environment for our members. Pubs are heavily exposed to property and employments costs and taxes. Whilst a welcome extension to the existing business rates relief is in place until April 2025 the announcements in the autumn budget are incredibly disappointing for our

members. In particular the increase in National Insurance Contributions (NICs) for employers including changing the threshold bringing many part time workers into scope for NICs and the reduction in Business Rates relief, which more than doubles these costs. We have conducted numerous member insight surveys throughout the year and, the one we conducted after the budget was announced captured that 80% of our members expect to be unprofitable when the new taxes are implemented in April 2025. We continue to make representations for our members sharing their trading realities and campaigning for rapid change in the high level of taxation pubs are facing.

The BII CEO has regular direct meeting with Ministers, MPs and officials and alongside industry colleagues via membership of the Hospitality Sector Council and the All-Party Parliamentary Beer Group. In addition to creating a fair tax environment we campaign for positive change in simplification of legislation and removing barriers for small pub operators to access key Government business initiatives. Through sharing the economic, skilled employment and social value of pubs we encourage Government to create the right conditions for our members pubs to thrive at the heart of every community. Our members have prioritised a lower rate of VAT for pubs, a fundamental reform of the unfair business rates systems and reducing barriers to employment.

With a change of Government this year the BII team have successfully re-engaged the new lead Ministers supported by effective relationships with officials that has provided a degree of continuity. In addition to this direct activity, we have asked members to engage their local MPs, over 300 new MPs are now in Westminster, to showcase their pub businesses, demonstrate their positive impact in its community and gain their MPs support for their local pub. The #MyPub campaign has also been supported through sharing any pubs achieving BII awards directly with MPs through letters. This has resulted in a number of MPs reaching out to their local pubs to congratulate them on their achievements. We will continue to support members gain the vital support of their local MPs.

The whole BII team remains passionate about its clear purpose to **keeping pubs thriving at the heart of every community**. The team continues to focus on continually improving engagement levels across all platforms, holding regular reviews of impact and collaborates with partners across the sector for the benefit of its members. The membership team continues to grow targeting three contacts per member each year and has made circa 60,000 calls in 2024. The calls continue to be very well received by members, allow us to signpost them to key resources depending upon their immediate needs and provide an invaluable source of regular insight.

Our members place great value on the independent advice of our specialist helplines, continuing to rank number one for value of all benefits. Calls to all helplines have increased significantly in 2024. Our legal and licensing helplines have received circa 400 calls, employment law circa 1000 calls and our Pubco and Landlord helpline, which provides clear guidance on the rights, obligations and options for licensees when tackling key relationship issues has received circa 400 calls. This has continued to rise in the early weeks in 2025 which is expected to accelerate with the trading challenges being faced. Our partners also support us with providing extensive proactive information on key issues which we feature in our weekly email digest on key issues, INNFocus. This email provides direct links to key briefing materials and actionable guides including impact of tax changes,

implementation of tipping legislation (TRONC) and advice around key safety trends including drinks spiking.

In addition to our expert helplines we continue to grow our network of Accredited Advisors in the three core areas of Chartered Surveyors, Accountants and Solicitors. This ensures our members can access the highest professional level of advice when tackling key lifecycle events i.e. when entering into an agreement or considering business investments. This network is supported by expert industry panels setting the rules for accreditation and conducting the accreditation assessment and professional interview. The Accredited Advisor network will continue to grow in 2025 and will be expanded to include additional disciplines.

Supporting the increasing number of new licensees coming into the trade is a key priority for the BII. We continue to promote and see high take up of the BII Pre Entry Awareness Training (PEAT) course which ensures new licensees understand all the areas they must consider to effectively operate a pub. We have 19 leased and tenanted estate pub companies that now support their licensees with paid membership of the BII. As a key part of this agreement the BII provides access to membership for any potential licensee considering an agreement with these companies which allows them to access all the resources of the BII including access to the Accredited Advisor network to get independent expert support before entering into agreement. This is clearly to the benefit of all parties and ensure licensees are clear on their rights, obligations and have a sustainable business plan in place.

We also continue to grow the BII's Trusted Partner network expanding into a wider set of essential capabilities, products and services for our members tailored around member priorities. We continue to engage all Trusted Partners to develop specific content and insight on key themes. We operate a Partners Event which engages all partners in a face to face event to share BII developments, hear directly from BII members on their trading realities and creates an opportunity for networking.

The BII focuses its approach in three key areas; inspire, support and develop. Inspiring our members through sharing best practice, innovation and excellence from our members is key. Our two key award platforms; BII Licensee of the Year Award (LOYA) and the BII National Innovation in Training Award (NITA) both continue to grow and develop. They provide an opportunity to recognise, celebrate and share best practice and innovation across our membership. Both award events are the culmination of day events; the BII Summer Event and the BII People Conference.

We have also developed the BII Sustainability Champion Award designed to recognise best practice in sustainability. The award is available for all pub operators delivering key activities in energy reduction, waste reduction, sustainable procurement and engaging customer & staff in their approach. This has awarded over 650 operators and provides a platform to promote sustainability in pubs, highlight the commercial opportunities through lean operating & engaging customers with sustainable options. We continue to work closely with the Zero Carbon Forum is supporting our award and best practice assets for our members.

The BII People Conference and NITAs was held in November in London with a full capacity day and evening event. This year's People Conference content was designed around core themes of authentically engaging teams, male mental health and innovation in wellbeing & professional development. The event was supported by industry experts and leading operators with recognised expertise in professional development, wellbeing and developing resilience in teams. Our circa 300 guests were from across the sector; BII members & Ambassadors, pub operator people teams and industry partners.

The evening provided a platform to celebrate our National Innovation in Training Award winners. With a wide range awards recognising the very best in training, development and wellbeing. A highlight was the award of two Apprentices of the Year with two outstanding winners.

In June the BII Summer Event was held again at the HAC in London to a capacity crowd of circa 900 people. The event provides a platform to celebrate our Licensee of the Year Award (LOYA) finalists and eventual winners. At the event a number of proven current operators were recognised as BII Ambassadors due to their commitment to supporting the BII, its members and the wider sector. These Ambassadors, and previously recognised individuals, have continued to heavily support the BII with insight, at events and in representing the BII with key stakeholders including Government. Our winner this year is a community wet-led sports pub at the heart of Burnley led by an outstanding young female operator, Justine Lorrinan. All of our finalists reflected the diversity of our memberships with food-led, wet-led, sports bar, city centre and rural operators. Justine has been a powerful Ambassador for the BII throughout 2024 supporting our events and engaging wider stakeholders including Government.

Membership, despite the challenges, has remained strong at over 13,000. The BII team continue to pursue further opportunities for growth in the coming year in particular focusing on free traders. Overall feedback remains strong on the quality and breadth of support the BII team provide to members. Our annual support survey reconfirmed the most valued benefits including the helplines, INNFocus and a continued importance of the representation of independent pubs into Government. Our further growth will unlock further opportunities to grow our membership capabilities for the benefit of all members.

The BII team have very proudly launched a new membership platform for pub team members, BII Workforce. This platform has been designed to inspire and support their careers within our sector. This provides our core members with capabilities for their team members around professional development, career advice, wellbeing resources, individual perks and a large set of podcasts and blogs sharing stories from people developing their careers alongside experts. With the support of the BIIAB, Sky Sports and the Licensed Trade Charity as foundation partners we have been able to create this membership platform and provide it free of charge to pub team members. With a fully developed suite of information, tools and resources we are now targeting significant growth in the years ahead.

On-going partnership with the BIIAB

The BIIAB is the awarding organisation and end point organisation for work-based learning providers, FE Colleges and employers. They offer Qualifications, Apprenticeship Frameworks and End Point Assessments. The BIIAB, now formally part of the Skills and Education Group since March 2021, remains a strategic long-term partner of the BII. Despite challenges across the pub and education sectors, the partnership has grown and we are pleased that the BIIAB have supported our new Workforce membership platform.

Overall levels of qualifications have remained strong in particular with APLH and security awards. Apprenticeship end point assessment is still very slow to grow in line with the broader market. We are pleased to have now become a BIIAB accredited learning centre late in 2024 and will be launching a number of online training packages in 2025 starting with APLH which fits really well with our complete support for new licensee entrants to the sector.

Beneficiaries of our services

The BII aims to inspire, develop and support individuals in the licensed retail and hospitality industry as its primary beneficiaries. The BII continues to believe that the benefits derived by individuals in its focus on raising professional standards, recruiting, developing, and retaining talent alongside providing support, advice and guidance to individuals, provides a wider public benefit. These benefits will be further enhanced through BII Workforce which has been specifically designed to inspire team members to develop their careers in the pub sector.

The BII remains passionate about the role its members and their pubs play in communities across the UK through local employment, providing skilled careers, supporting local suppliers & brewers and being an accessible, safe space for people to connect. Their role is supporting mental wellbeing and community connections irradiating loneliness and isolation remains critical. The BII #MyPub campaign will continue to be used effectively to promote the wider social and community value of pubs alongside their clear economic and employment value. This approach will continue in the coming year as a positive platform and a call to action to engage local MPs, many new, for their support for the key measures needed to allow our members' pubs to thrive.

BII continues to support Best Bar None Professional & Safer Venues ensuring that the public benefits from the schemes in improving standards and providing a safer night time economy. The scheme is expanding across the UK and continues to have great success in achieving its aims of reducing alcohol related crime and disorder, reducing the harmful effects of binge drinking and improving knowledge and skills of individuals, and the enforcement and regulation agencies to help them responsibly manage licensed premises. In particular the safety of all individuals in the late night economy is paramount within the aims of Best Bar None. The BII CEO is an active director of the Best Bar None organisation and has now been appointed Vice-Chair.

Financial review

The BII team look to fully deploy all its revenues into services delivering value to its members. Budgets are constructed to create a small surplus to ensure the charity has the resilience to cope with any market, member or cost changes throughout the year. This year we have chosen, supported

by strong reserves generated through the sale of the BIIAB, to invest further with additional people to drive more member engagement and launch and manage our Workforce membership platform.

The BII is in a robust financial position to cope with any exceptional pressures and still invest for the future. The Senior Leadership Team (SLT) continue to develop plans for large scale investment that will return the maximum benefit to members. In addition to this the SLT continue to invest in core services and capabilities. They continue to work extremely hard to reduce overheads to a viable minimum allowing further investment in team members to drive member value.

Reserves

Our reserves policy has been reviewed and updated with an aim to ensure the support to members is protected from the risk of disruption due to any potential future lack of funds. The target level for reserves is £1m (2023 £700,000) and is subject to an on-going review.

Strong cash management has continued through this year which has allowed a further improvement in cash reserves to around £1.8m (2023 £1.5m). Free reserves held by the group were also £1.7m (2023 £1.5m) (unrestricted funds less the net book value of tangible fixed assets) at the year end. This improved position stems from the proceeds from the sale of the BIIAB and ongoing profit share.

During 2024 the council decided to add a further £550k into a longer-term investment portfolio, taking the total capital investment to £1,450k (2023 £900k), with a view to help cover inflationary costs increases, at the end of the year the value had increased by £106,312 (2023 £32,420).

The value of total cash and investment exceed the target value of reserves by £872k, and this will continue whilst we are receiving a profit share from the sale of BIIAB. Overall funds being accumulated beyond the reserves policy will be used for a number of defined capital investment programs for the benefit of the membership.

Going concern

The council are very pleased with the further improved cash and investment position in 2024. A small operating deficit, through accelerated investment in people, has supported the delivery of core membership services. Overall the team continues to focus on effective and lean approach to operating cost. The team have worked hard to further reduce overheads and implement new technologies to streamline processes wherever possible. The plans for further growth are well founded and the quality of the existing membership services provides a platform for growth.

The BII Team has strong relationships across the market and are making good progress expanding membership into regional pub groups with a number being converted this year. Relationships with brands supporting free trade growth are strong and already yielding results. Even with the pressure on individual members and some business failure, the BII team are well positioned to continue growing their membership base.

The partnership with the Skills and Education Group also provides a solid source of income from the continued delivery of BIIAB products and services for BII members and the wider hospitality sector. The partnership is developing well and alongside the launch of Workforce early in 2024 further progress in volumes of qualifications and apprenticeships are expected which will benefit the BII directly through the partnership.

Based on the above assessment the Council considers that there are no material uncertainties on the going concern assumption.

Principal risks and uncertainties

In accordance with SORP 2015, the business risks of the BII and the steps taken to manage those risks are documented on a risk register, which is reviewed by the management team and presented to Council. Council is satisfied that the risks are managed adequately. Risks are graded in terms of both potential financial impact and likelihood of occurrence.

One of the biggest risks remains the loss of members as pub businesses potentially fail due to the cost of doing business, with escalating costs in energy, food & drink, labour and additional Government taxation. The sector has actually seen relatively low failure so far with high interest in both acquiring and operating pubs. We are keeping this under regular review and have budgeted for a modest level of lost members in our free trade membership portfolio.

Overall membership continues to grow, and the team have delivered agreements with the larger pub groups supporting their licensees through centrally paid membership which has been secured on multiyear commitments. This also supports BII's ability to provide free membership and access to all our independent expert advice to prospective licensees prior to taking a pub agreement. The membership base remains broadly split between free trade, leasehold and tenanted licensees providing further resilience in the longer term.

Privacy, data protection and cyber security risks, while rated as a low possibility, still carry severe implications. These continue to be addressed by strict system controls, adhering to guidance and regulation under the Data Protection Act and team wide training.

Plans for the future

The BII team remains focused on exploring new ways to fulfil its purpose whilst ensuring its core membership deliverables are maintained to the very highest standard. Checking in with members and gaining their feedback is critical to ensure members priorities are addressed, the growth in the membership team has significantly accelerated this. The whole team are committed to long term growth of membership and are engaged in multiple initiatives to deliver this. The team continues to aim to increase membership in the medium term to 20,000 members and is confident the core platforms and capabilities can all be scaled to deliver this.

Trusted Partners remain an important element of our membership offer providing expertise, products and services to improve our members businesses. We continue to develop deeper

Council's annual report

For the year ended 31 December 2024

relationships with our core partners and seek out additional partners for new capabilities. In addition the BII Awards and events remain key platforms to recognise, celebrate and share innovation & best practice. The event quality continues to develop each year which has also improved financial performance whilst always ensuring excellent value for members and partners.

We have focused on enhancing engagement with members and good progress has been made. This remains a key focus in the coming year to ensure all off our members are engaged with our services and feel connected to their membership organisation. Our new team members and improved technology platform will enable this to be delivered effectively.

A key strategic challenge remains for our members which is the attraction, development and retention of talent. The BII's new membership offer for team members, BII Workforce has provided a platform to inspire, support and develop their careers and retention to the sector. This membership platform has been developed by a group of key partners and will be target scale growth of members in 2025.

Structure, governance and management

The organisation is a charitable company limited by guarantee, incorporated on 1 December 1981 and registered as a charity on 11 February 1982. The charity is registered under the name The British Institute of Innkeeping and it trades under the title of BII.

The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

All the Council give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 7 to the accounts.

The members have delegated the day to day running of the BII to the National Council. The council consists of a Chair, 3 Regional chairs and 6 industry experts.

Council delegates to the Chief Executive the day to day management and direction of the BII's business, together with the right to appoint and remove such paid officers and employees as he/she may deem necessary for the purposes of the BII together with the right to prescribe their respective duties and remuneration.

Committees and Advisory Groups are appointed by Council from time to time to exercise such powers and to perform such duties under the control of Council as may be delegated to them by Council.

Appointment of Council

The BII is governed by its National Council, which is formed of Statutory Members who hold office in accordance with the Articles of Association. For the purposes of company law the members of

Council are treated as the directors mentioned in that section. All directors of the BII are trustees of the charity.

Trustee induction and training

New Council members receive formal training about the roles and responsibilities of trustees generally. They are also issued with comprehensive documentation about all aspects of the BII's operations.

Refresher training continues to be available on request for any Council member. Additionally, whenever new legislation affecting the BII is introduced the full National Council are appraised of the potential impact of the changes.

Related parties and relationships with other organisations

The BII has the following relationships with related parties, subsidiaries and other connected organisations:

- BII – A private company limited by guarantee number 4310751 and is a dormant company.
- BII Business Limited – A company limited by share capital number 2835362 and is the trading company for the BII. The single issued share is held by the BII.
- BIIAB Qualifications Limited is owned by the Skills and Education Group. A long-term partnership agreement is in place to jointly promote and sell qualifications and apprenticeships to the benefit of both parties. Steve Alton CEO of the BII is a trustee on the Skills and Education Board.

Remuneration policy for key management personnel

The aim of the BII's remuneration policy is to ensure BII achieves best value whilst ensuring it can attract the best talent for its key roles. Salary levels of key management personnel are benchmarked against pay levels in similar charitable organisations but also with organisations in the licensed retail sector. The remuneration benchmark is the mid-point range for similar roles but can be adjusted for additional responsibilities or specialised skills. Salaries are reviewed annually and normally increased in accordance with average earnings.

Funds held as custodian trustee on behalf of others

The BII does not hold any funds on behalf of other organisations.

Statement of responsibilities of the Council

The Council (who are also directors of The British Institute of Innkeeping for the purposes of company law) are responsible for preparing the Council's annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and group and of the incoming resources, the application of resources, including the income and expenditure, of the charitable

company or group for that period. In preparing these financial statements, the Council 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 and statements of recommended practice 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 operation

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

In so far as the Council are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware
- The Council have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

The Council 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.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2024 was 12 (2023: 14). The Council are members of the charity, but this entitles them only to voting rights. The Council have no beneficial interest in the charity.

Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The Council's annual report has been approved by the Council on 12 June 2025 and signed on their behalf by

Mark Robson
Chairman

Independent auditor's report

To the members of

The British Institute of Innkeeping

Opinion

We have audited the financial statements of The British Institute of Innkeeping (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2024 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the 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 FRS 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 group's and of the parent charitable company's affairs as at 31 December 2024 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the group financial statements section of our report. We are independent of the group and parent charitable company 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 Council'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 British Institute of Innkeeping 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 Council with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the Council's annual report, other than the group financial statements and our auditor's report thereon. The Council is responsible for the other information contained within the annual report. Our opinion on the group 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the group financial statements themselves. 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 Council's annual report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The Council's annual report has 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 group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Council's annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of Council members' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The directors 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 Council's annual report and from the requirement to prepare a strategic report.

Responsibilities of the Council

As explained more fully in the statement of Council's responsibilities set out in the Council's annual report, the Council members (who are also the directors of the parent 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 Council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council is responsible for assessing the group's and the parent 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 Council either intends to liquidate the group or the parent 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

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;

Independent auditor's report

To the members of

The British Institute of Innkeeping

- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators where applicable.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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 is available 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 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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

Independent auditor's report

To the members of

The British Institute of Innkeeping

company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Orchard (Senior statutory auditor)

7 July 2025

for and on behalf of Sayer Vincent LLP, Statutory Auditor

110 Golden Lane, LONDON, EC1Y 0TG

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

The British Institute of Innkeeping

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2024

		2024	2023
	Note	Total £	Total £
Income from:			
Donations and legacies	3	11,333	17,000
Charitable activities			
Membership		1,123,659	972,757
Other trading activities		671,799	700,362
Interest		6,305	2,321
Total income		1,813,096	1,692,440
Expenditure on:			
Raising funds	4	231,516	245,875
Charitable activities			
Membership	6	1,616,336	1,409,355
Total expenditure		1,847,852	1,655,230
Net income before other recognised gains and losses	7	(34,756)	37,210
Gains on disposal of subsidiary		225,241	318,923
Net investment revaluation		106,312	32,420
Net income for the year		296,797	388,553
Net movements in funds		296,797	388,553
Reconciliation of funds:			
Total funds brought forward		1,539,556	1,151,003
Total funds carried forward		1,836,353	1,539,556

There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed above. All funds are unrestricted.

The gain on disposal of subsidiary is the net proceeds in the year from the sale of BIABQL to the Skills and Education Group which is a five year deal. The income comes from two streams a fixed consideration and a profit share.

The British Institute of Innkeeping

Balance sheets

Company no. 1601185

As at 31 December 2024

	Note	The group 2024 £	2023 £	The charity 2024 £	2023 £
Fixed assets:					
Tangible assets	12	104,160	19,684	104,160	19,684
Investments	13	1,588,732	932,420	1,588,733	932,421
Debtors: amounts falling due after one year	14	262,466	130,393	262,466	130,393
		1,955,358	1,082,497	1,955,359	1,082,498
Current assets:					
Debtors: amounts falling due within one year	15	263,530	446,215	242,411	484,472
Cash at bank and in hand		284,112	593,863	122,908	414,374
		547,642	1,040,078	365,319	898,846
Liabilities:					
Creditors: amounts falling due within one year	16	666,647	583,019	484,324	441,788
		(119,005)	457,059	(119,005)	457,058
Net current assets		1,836,353	1,539,556	1,836,354	1,539,557
Total assets less current liabilities		1,836,353	1,539,556	1,836,354	1,539,557
Total net assets		1,836,353	1,539,556	1,836,354	1,539,557
Funds:					
Unrestricted income funds:					
General funds		1,836,353	1,539,556	1,836,354	1,539,557
Subsidiary trading funds		–	–	–	–
Total unrestricted funds		1,836,353	1,539,556	1,836,354	1,539,557
Total funds		1,836,353	1,539,556	1,836,354	1,539,557

Approved by the trustees on 12 June 2025 and signed on their behalf by

Mark Robson
Chairman

The British Institute of Innkeeping

Consolidated statement of cash flows

For the year ended 31 December 2024

	Note	2024 £	£	2023 £	£
Cash flows from operating activities	18				
Net cash provided by operating activities			57,776		74,820
Cash flows from investing activities:					
Dividends, interest and rents from investments		6,305		2,319	
Net proceeds from sale of subsidiary		277,233		284,773	
Purchase of fixed assets		(101,064)		(9,359)	
Purchase of Investments		(550,000)		(900,000)	
Net cash used in investing activities			(367,526)		(622,267)
Change in cash and cash equivalents in the year			(309,751)		(547,447)
Cash and cash equivalents at the beginning of the year			593,863		1,141,310
Cash and cash equivalents at the end of the year	19		284,112		593,863

1 Accounting policies

a) Basis of preparation and statutory information

The British Institute of Innkeeping is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address (and principal place of business) is Office 3 Sentinel House, Ancells Business Park, Harvest Crescent, Fleet GU51 2UZ.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

The financial statements for 2024 consolidate the results of the charitable company and its wholly-owned subsidiary BIIBusiness Ltd on a line by line basis. Transactions and balances between the charitable company and its subsidiaries have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

Key judgements that the charity has made which have a significant effect on the accounts include discounted long term debtors receivable from the sale of BIIAB Qualifications Limited.

b) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

c) Going concern

The Council has taken steps to reposition the group's business model to improve the long term financial position. Focus has been given to the growth of membership, cost efficiencies and identification of new business opportunities. As the Council considers the group is able to pay their debts as they fall due for a period for 12 months from signing these accounts, the going concern basis remains appropriate. The Council has considered there are no material uncertainties on the group's operations or on the going concern assumption.

1 Accounting policies (continued)

d) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that 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.

Both fixed consideration and profit share received from the sale of the Awarding Body to the Skills and Education Group on 28th February 2021 are included in gains on disposal of subsidiary.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

e) Donations of gifts, services and facilities

On receipt, donated gifts, 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.

f) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

	2024	2023
● Membership	59%	65%
● Support costs	36%	30%
● Governance costs	1%	1%
● Trading	4%	4%

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity.

● Membership	100%	100%
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Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

g) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

1 Accounting policies (continued)

h) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

● Computer equipment	33%
● Computer systems and database	50%
● Fixtures and fittings	20%
● Cycle to work	33%

i) Investments in subsidiaries

Investments in subsidiaries are at cost.

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. Accrued profit share income from the sale of BIIAB Qualifications limited has been valued with a discount rate of 10% to reflect the net present value.

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) 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 their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

n) Pensions

The Institute operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Institute in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the Institute to the fund. The Institute has no liability under the scheme other than for the payment of those contributions.

o) Gains on disposal of subsidiary

These are calculated as the excess of discounted receipts over related discounted costs.

The British Institute of Innkeeping

Notes to the financial statements

For the year ended 31 December 2024

2 Parent charity results for the year

	2024 Total £	2023 Total £
Turnover	1,546,434	1,241,836
Expenditure	(1,478,035)	(1,293,450)
	68,399	(51,614)
Gains on disposal of subsidiary	225,241	318,924
Gift aid donations from subsidiary undertakings	3,157	121,243
Net result of the charity	296,797	388,553

3 Donations and legacies

	2024 Total £	2023 Total £
Other corporate donations	11,333	17,000
	11,333	17,000

4 Costs of raising funds

	2024 Total £	2023 Total £
Staff costs	15,000	15,000
Hosting Fees	15,790	17,339
Events	196,101	210,386
Other costs	4,625	3,150
	231,516	245,875

5 Income from trading subsidiaries

The wholly owned trading subsidiary BIIBusiness, which is incorporated in the United Kingdom, donates taxable profits to the Institute by gift aid. A summary of their trading results is shown below. The wholly owned trading subsidiary, BII, has been dormant since incorporation. BIIBusiness Ltd undertakes the trading activities of the Institute.

Summary profit and loss accounts

	2024	2023
	BIIBusiness £	BIIBusiness £
Turnover	654,556	720,600
Contribution by BII	–	–
Cost of sales	<u>(381,702)</u>	<u>(361,781)</u>
Gross profit	272,854	358,819
Interest receivable	–	–
Administrative expenses	<u>(269,697)</u>	<u>(237,576)</u>
Net (loss)/profit	3,157	121,243
Taxation	–	–
Donation to the Institute	<u>(3,157)</u>	<u>(121,243)</u>
Retained in subsidiary	<u>–</u>	<u>–</u>
The assets and liabilities of the subsidiaries at 31 December:		
Current assets	264,936	237,978
Creditors: amounts falling due within one year	<u>(264,936)</u>	<u>(237,978)</u>
	<u>–</u>	<u>–</u>
Aggregate share capital and reserves	<u>–</u>	<u>–</u>

The British Institute of Innkeeping

Notes to the financial statements

For the year ended 31 December 2024

6 Analysis of charitable expenditure (current year)

2024	Charitable			2024 Total £	2023 Total £
	Membership £	Governance costs £	Support costs £		
Staff costs (Note 8)	590,124	10,211	520,443	1,120,778	986,818
Office and office admin costs	61,627	–	156,904	218,531	160,850
Member benefits	153,646	–	–	153,646	131,434
Training	7,371	–	–	7,371	–
Consultancy	–	–	–	–	4,800
Staff travel and motoring costs	16,362	–	25,794	42,156	43,236
Marketing	7,738	–	–	7,738	16,484
Events	17,901	–	–	17,901	20,873
Professional fees	–	20,452	–	20,452	20,885
Council meetings and expenses	–	10,850	–	10,850	8,728
Membership processing costs	3,718	–	–	3,718	3,221
Other costs	–	–	2,264	2,264	(2,189)
Depreciation and loss on disposal of fixed assets	10,931	–	–	10,931	14,215
	869,418	41,513	705,405	1,616,336	1,409,355
Support costs	705,405	–	(705,405)	–	–
Governance costs	41,513	(41,513)	–	–	–
Total expenditure 2024	1,616,336	–	–	1,616,336	1,409,355

The British Institute of Innkeeping

Notes to the financial statements

For the year ended 31 December 2024

6b Analysis of charitable expenditure (prior year)

2023	Charitable			2023 Total £
	Membership £	Governance costs £	Support costs £	
Staff costs (Note 8)	484,880	13,500	488,438	986,818
Office and office admin costs	33,061	–	127,789	160,850
Member benefits	131,434	–	–	131,434
Consultancy – new qualifications growth strategy	4,800	–	–	4,800
Staff travel and motoring costs	20,510	–	22,726	43,236
Marketing	16,484	–	–	16,484
Events	20,873	–	–	20,873
Professional fees	–	20,885	–	20,885
Council meetings and expenses	–	8,728	–	8,728
Membership processing costs	3,221	–	–	3,221
Other costs	730	–	(2,919)	(2,189)
Depreciation and loss on disposal of fixed assets	3,577	–	10,638	14,215
	719,570	43,113	646,672	1,409,355
Support costs	646,672	–	(646,672)	–
Governance costs	43,113	(43,113)	–	–
Total expenditure 2024	1,409,355	–	–	1,409,355

7 Net income for the year

This is stated after charging

Group

	2024 £	2023 £
Depreciation	10,931	14,216
Operating lease rentals:		
Property	53,737	51,354
Other	5,651	5,458
Auditors' remuneration (excluding VAT):		
Audit	15,363	15,946

8 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2024 £	2023 £
Salaries and wages	932,017	824,577
Redundancy and termination costs	12,681	22,042
Social security costs	81,641	78,280
Employer's contribution to defined contribution pension schemes	75,137	58,305
Freelance & Temporary staff	–	–
Other forms of employee benefits	34,302	18,614
	1,135,778	1,001,818

The following number of employees received employee benefits (excluding employer pension costs and national insurance) during the year between:

	2024 No.	2023 No.
£60,000 – £69,999	1	1
£70,000 – £79,999	1	–
£160,000 – £169,998	–	1
£170,000 – £179,999	1	0

The total employee benefits including pension contributions and employer's national insurance of the key management personnel were £575k (2023: £537k).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2023: £nil). No charity trustee received payment for professional or other services supplied to the charity (2023: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £1,812 (2023 £477) relating to attendance at meetings of the trustees.

9 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2024 No.	2023 No.
Membership	16.2	14.1
Support	7.0	7.0
Trading activities	1.0	0.7
Governance	0.1	0.1
	<u>24.3</u>	<u>21.9</u>

The full time equivalents number of employees (head count based on a 35 hour week) during the year was as follows:

	2024 No.	2023 No.
Membership	15.0	13.1
Support	6.3	6.3
Trading activities	1.0	0.7
Governance	0.1	0.1
	<u>22.4</u>	<u>20.1</u>

10 Related party transactions

Steven Alton, CEO of BII is on the Skills and Education Group board and Paul Eeles CEO of Skills and Education Group is on the BII board. BII sold BIIAB Qualifications to the Skills and Education Group on 28th Feb 2021. BII will receive fixed and profit share consideration. In 2024 BII received £100,000 in relation to the fixed consideration and consultancy fees (2023: £100,000).

Accrued income for future fixed consideration at the year end was £130,393 (2023 £205,525)

During the year BII recharged £269,976 (2023: £237,576) to BIIBusiness for management and administration support. At the end of the year BIIBusiness owed BII £82,613 (2023: £125,409).

During the year BII paid KAM Media £2,250 + VAT (2023 £2,250 + VAT) where a trustee is the sole director. £0 was outstanding at the year end and all transactions were carried out on an arms length basis.

During the year BII paid Amanda Hemming £5,456 (2023 £0) where a trustee has been selected as a judge for the Licensee of the Year award. £0 was outstanding at the year end and all transactions were carried out on an arms length basis.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

11 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiaries gift aid available profits to the parent charity.

12 Tangible fixed assets

The group

	Computer systems & database £	Computer equipment £	Cycle to Work £	Total £
Cost				
At the start of the year	90,881	38,539	4,062	133,482
Additions in year	97,697	2,299	1,068	101,064
Disposals	(6,558)	(8,885)	–	(15,443)
At the end of the year	182,020	31,953	5,130	219,103
Depreciation				
At the start of the year	79,606	32,012	2,180	113,798
Charge for the year	5,585	3,979	1,367	10,931
Disposals	(900)	(8,886)	–	(9,786)
At the end of the year	84,291	27,105	3,547	114,943
Net book value				
At the end of the year	97,729	4,848	1,583	104,160
At the start of the year	11,275	6,527	1,882	19,684

All of the above assets are owned by the charity & used for charitable purposes.

13 Investments

	The group		The charity	
	2024 £	2023 £	2024 £	2023 £
At the start of the year	932,420	–	932,421	1
Additions in year	550,000	900,000	550,000	900,000
Disposals	–	–	–	–
Investment gain	106,312	32,420	106,312	32,420
At the end of the year	1,588,732	932,420	1,588,733	932,421

14 Debtors: amounts falling due after one year

	The group		The charity	
	2024	2023	2024	2023
	£	£	£	£
Accrued income	262,466	130,393	262,466	130,393
	262,466	130,393	262,466	130,393

This represents proceeds from Skills and Education Group over the next 2 years for the sale of the awarding body. BII is also entitled to a portion of profits of BIIAB up to 2026. However, the profit share cannot currently be ascertained with reasonable certainty, and is therefore a contingent asset and is not recognised as income as at the balance sheet date. The profit share is recognised when the profit has been

15 Debtors: amounts falling due within one year

	The group		The charity	
	2024	2023	2024	2023
	£	£	£	£
Trade debtors	163,509	154,229	78,431	108,205
Amounts due from group undertakings			82,614	96,747
Accrued Income	35,838	219,897	35,838	219,897
Prepayments	64,183	72,089	45,528	59,623
	263,530	446,215	242,411	484,472

16 Creditors: amounts falling due within one year

	The group		The charity	
	2024	2023	2024	2023
	£	£	£	£
Trade creditors	49,255	29,578	32,731	22,073
Taxation and social security	36,720	19,299	36,720	19,299
VAT	36,810	44,111	36,810	44,111
Accruals	36,260	19,692	23,231	14,612
Pension	14,750	9,236	14,750	9,236
Deferred income	492,852	461,103	340,082	332,457
	666,647	583,019	484,324	441,788

17 Deferred income

Deferred income comprises advance payments for services not yet delivered as well as subscription income received which relates to a future period.

	The group		The charity	
	2024	2023	2024	2023
	£	£	£	£
Balance at the beginning of the year	461,103	384,172	332,457	267,030
Amount released to income in the year	(461,103)	(384,172)	(332,457)	(267,030)
Amount deferred in the year	492,852	461,103	340,082	332,457
Balance at the end of the year	492,852	461,103	340,082	332,457

18 Reconciliation of net income to net cash flow from operating activities

	2024	2023
	£	£
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	296,797	388,553
Depreciation charges	10,931	14,216
Other non-cash movements relating to disposals	5,657	-
(Profit) on disposal of subsidiary	(225,241)	(318,924)
Gains on investment	(106,312)	(32,420)
Dividends, interest and rent from investments	(6,305)	(2,321)
(Increase) in debtors	(1,379)	(63,088)
Increase in creditors	83,628	88,804
Net cash provided by / (used in) operating activities	57,776	74,820

19 Analysis of cash and cash equivalents

	At 1 January 2024	Cash flows	At 31 December 2024
	£	£	£
Cash at bank and in hand	593,863	(309,751)	284,112
Total cash and cash equivalents	593,863	(309,751)	284,112

20 Operating lease commitments

The group and charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Buildings		Other	
	2024	2023	2024	2023
	£	£	£	£
Less than one year	43,157	53,740	5,651	5,458
One to five years	-	43,157	7,007	6,538
	<u>43,157</u>	<u>96,897</u>	<u>12,658</u>	<u>11,996</u>

21 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

THE BRITISH INSTITUTE OF INNKEEPING

England & Wales - Charity number 283945

Accounts

Company number: 01601185
Charity number: 283945
Scottish Charity number: SC042351



BRITISH INSTITUTE OF INNKEEPING

The British Institute of Innkeeping
Report and financial statements
For the year ended 31 December 2023

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For the year ended 31 December 2023

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The British Institute of Innkeeping

Reference and administrative information

For the year ended 31 December 2023

Company number 01601185

Charity number 283945

Registered office and operational address Office 3 Sentinel House
Ancells Business Park
Harvest Crescent
Fleet
GU51 2UZ

Country of registration: England & Wales, Scotland

Country of incorporation: United Kingdom

Council The Council members named below (who are the trustees of the BII under charity law) have served throughout the year and up to the date of this report unless otherwise stated. The appointment and retirement of Council members is governed by the Articles of Association.

Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Amanda Hemming	(Appointed on 11 Sept 2023)
Bruce Cuthbert	
Chris Black	(Appointed on 11 Sept 2023)
James Nye	(Appointed on 11 Sept 2023)
Joanne Graham	
Katy–Anne Hamilton	
Gregory Mangham	
Kelly McCarthy	
Neil Morgan	(Resigned on 11 Sept 2023)
Matthew Phipps	
Mark Robson (Chair)	
Paul Eeles	
Philip Strong	
Steven Owens	(Appointed on 11 Sept 2023)
Timothy Smith	

The British Institute of Innkeeping

Reference and administrative information

For the year ended 31 December 2023

The trustees delegate day to day management to the following senior leadership team (SLT):

Steven Alton	Chief Executive Officer
Shila Singh	Head of Finance
Molly Davis	Head of Communications
Natalie Wickham	Head of Partnerships
Hannah Solomons	Head of Membership Development

Secretary Gill Cooper

Bankers Barclays Bank
Leicester
LE87 2BB

Auditor Sayer Vincent LLP
Chartered Accountants and Statutory Auditors
110 Golden Lane
LONDON
EC1Y 0TG

The Council present their report and the audited financial statements for the year ended 31 December 2023.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

Purposes and aims

The BII's principal object remains to advance the education and training of persons engaged, or preparing to be engaged, in a) the sale of beverages and/or the preparation or sale of food at premises licensed for the sale of intoxicating liquor; and/or b) ensuring regulatory compliance and/or good operation in such premises. Professional standards, training and sharing best practice & innovation is at the heart of the approach of the BII.

The BII has a very clear purpose to do all it can to keep pubs thriving at the heart of every community which brings together its key activities;

- Provision of clear and actionable information and insight through regular member emails (INNFocus), online business resources in the BII resource hub including interactive guides and our quarterly member magazine (BII News)
- Access to nine expert helplines giving critical independent advice with all key elements of our members' businesses including legal, employment law, health & safety and risk management
- Access to a network of Trusted Partners providing advice, products and services for our members to improve their businesses
- Deliver a series of national awards to recognise, celebrate and promote best practice across our sector; Licensee of the Year Award and the National Innovation in Training Awards
- National events providing networking opportunities for our members
- Through the BIIAB and the partnership with the Skills and Education Group, the provision of qualifications and apprenticeships for learners working in, or planning to work in the hospitality industry and other industries outside the hospitality industry in particular the care sector
- Provision of PEAT (Pre-Entry Awareness Training) for new industry entrants before they sign an agreement with a pub company or brewery, providing information they need to consider in particular their legal and operational responsibilities
- Provision of an BII Accredited Advisors network providing independently assessed Chartered Surveyors, Accounts and Solicitors meeting the highest professional standards to support our members through major commercial lifecycle events i.e. taking new agreements or major changes to existing ones.
- Provision of support for industry initiatives including

Council's Report

For the year ended 31 December 2023

- Running administrative services for the Pub Governing Body (PGB), the Pub Independent Rent Review Scheme (PIRRS) and the Pub Independent Conciliation and Arbitration Service (PICAS)
- Providing day to day support and running administrative services for the successful Best Bar None Professional & Safer Venues scheme. The BBN scheme promotes and maintains an inclusive national Awards Scheme for all licensed premises across England, Wales, Scotland and Northern Ireland. The schemes' aim is to promote responsible management and operation of alcohol licensed premises, improve standards in the night time economy, and reduce alcohol related crime and disorder in a town centre by building a positive relationship between the licensed trade, police and local authorities.

The Council reviews the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The Council reports the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the Council ensure the charity's aims, objectives and activities remained focused on its stated purposes.

The Council have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the Council consider how planned activities will contribute to the aims and objectives that have been set. The British Institute of Innkeeping does not raise funds specifically for fundraising and so does not use professional fundraisers.

Achievements and performance

The charity's main activities and who it tries to help are described below. All its charitable activities are undertaken to further The British Institute of Innkeeping's charitable purposes for the public benefit.

Membership and member services

Trading conditions continued to be incredibly tough for our members who faced significant increases in their costs of doing business through inflationary impacts to energy, food & drink and labour costs. This rendered many of our members, predominately operating single pubs, unprofitable as they continue to recover from the pandemic with many still paying back covid-related debts in addition to escalating costs across their businesses.

The BII team have continued to regularly engage Government at all levels, Ministers, MPs and officials, to ensure the situation of its individual members was fully understood. This engagement was backed with several insight surveys providing a clear evidence base for trading insight and priority of Government investment needed. We also continue to create opportunities for direct conversations between our members and Government, the first licensee roundtable with the Minister of Business and Trade was held.

The BII CEO continues to be an active member of the Hospitality Sector Council working collaboratively with key leaders from across hospitality and the Minister of Business and Trade alongside his team. The Council co-creates longer term solutions to leverage the capabilities and potential of the hospitality sector alongside Government.

The BII team continues to make the case for long term investment in its members pubs in every community across the UK. Ongoing commitment to business rates relief was targeted in addition to longer term reduction of the unfair taxation burden of pubs. The ongoing business rates relief announced throughout 2023 and for a further year until early 2025 is valued by many members. The BII team continue to make the case for longer term reform of overall taxation with a priority, confirmed by members through regular insight surveys, on a reduced rate of VAT. The #MyPub campaign was created to engage MPs with their local pubs to understand their trading realities, see first hand the powerful work they do in their communities and gain their backing for the investment needed to unlock their full potential.

The whole BII team remains passionate about its clear purpose to **keeping pubs thriving at the heart of every community**. The team continues to focus on continually improving engagement levels across all platforms and holding regular reviews of impact. The membership team has grown capacity targeting three contacts per member each year and is making good progress against this with over 10,000 successful calls completed in 2023. The calls are very well received by members, allow us to signpost them to key resources depending upon their immediate needs and provide an invaluable source of regular insight.

Our expert helplines have been well utilised again throughout the year with over 1000 to our legal, HR and Licensing. In addition to circa 400 to our Landlord & Pub co Relationship helpline. The BII team regularly review key themes and develop additional resources for the knowledge hub and to proactively engage members via the weekly INNFocus email. INNFocus remains an incredibly well valued weekly checklist for members on key information and updates.

The BII member website has been further developed utilising feedback from the whole team to develop more specific member journeys tailored towards specific member needs. The new 'resource hub' has been launched allowing for an easier navigation of resources and access to independent expert advice. In addition, the BII's Trusted Partner network has continued to expand into a wider set of essential capabilities, products and services for our members tailored around member priorities. We closely engage all Trusted Partners to develop specific content and insight on key themes. We have also developed a Partners Event which engages all partners in a face to face event to share BII developments and create an opportunity for networking.

The BII continues to focus its approach in three key areas; inspire, support and develop. Inspiring our members through sharing best practice, innovation and excellence from our members is key. Our two key award platforms; BII Licensee of the Year Award (LOYA) and the BII National Innovation in Training Award (NITA) provide an opportunity to recognise, celebrate and share best practice and innovation across our membership. Both award events are the culmination of day events; the BII Summer Event and the BII People Conference.

Council's Report

For the year ended 31 December 2023

We have also developed the BII Sustainability Champion Award designed to recognise best practice in sustainability. The award is available for all pub operators delivering key activities in energy reduction, waste reduction, sustainable procurement and engaging customer & staff in their approach. This has awarded over 300 operators and provided a platform to promote sustainability in pubs, highlight the commercial opportunities through lean operating & engaging customers with sustainable options. This platform is gaining momentum and is a key focus area for 2024.

The BII People Conference and NITAs was held in November in London with a full capacity day and evening event. The day content was designed around key themes of inclusivity, professional development and culture with leading speakers from across the sector. The event was incredibly well received by guests. The evening provided a platform to celebrate our National Innovation in Training Award winners.

In June the BII Summer Event was held again at the HAC in London to a capacity crowd of circa 900 people. The event provides a platform to celebrate our Licensee of the Year Award (LOYA) finalists and eventual winners. At the event a number of proven current operators were recognised as BII Ambassadors due to their commitment to supporting the BII, its members and the wider sector. These Ambassadors, and previously recognised individuals, have continued to heavily support the BII with insight, at events and in representing the BII with key stakeholders including Government.

Despite significant challenges throughout the year overall membership numbers have yet risen further to over 13,000. The BII team continue to pursue further opportunities for growth in the coming year in particular focusing on free traders. Overall feedback remains strong on the quality and breadth of support the BII team provide to members. Our annual support survey reconfirmed the most valued benefits including the helplines, BII INNFocus and increasingly important the representation of independent pubs into Government.

The BII team continues to grow to support our growing member network with capacity and new capabilities that will be key as we continue to develop our services.

On-going partnership with the BIIAB

The BIIAB is the awarding organisation and end point organisation for work-based learning providers, FE Colleges and employers. They offer Qualifications, Apprenticeship Frameworks and End Point Assessments. The BIIAB, now formally part of the Skills and Education Group since March 2021, remains a strategic long-term partner of the BII. The partnership has further strengthened with both CEOs being directors of each other's respective organisations with them also meeting regularly.

Overall levels of qualifications have remained strong in particular with APLH and security awards. Apprenticeship end point assessment is taking longer to grow in line with the broader market. The two teams continue to work closely together in particular with the launch of our new membership platform for team members, BII Workforce, to be launched early in 2024.

Beneficiaries of our services

The BII aims to inspire, develop and support individuals in the licensed retail and hospitality industry as its primary beneficiaries. The BII continues to believe that the benefits derived by individuals in its focus on raising professional standards, recruiting, developing, and retaining talent alongside providing support, advice and guidance to individuals, provides a wider public benefit. These benefits will be further enhanced through the launch of BII Workforce specifically designed to inspire team members to develop their careers in the pub sector.

The BII remains passionate about the role its members and their pubs play in communities across the UK through local employment, providing skilled careers, supporting local suppliers & brewers and being an accessible, safe space for people to connect. Their role is supporting mental wellbeing and community connections irradicating loneliness and isolation remains critical. The BII #MyPub campaign has been used effectively to promote the wider social and community value of pubs alongside their clear economic and employment value. This approach will continue in the coming year as a positive platform and a call to action to engage local MPs for their support for the key measures needed to allow our members' pubs to thrive.

BII continues to support Best Bar None Professional & Safer Venues ensuring that the public benefits from the schemes in improving standards and providing a safer night time economy. The scheme is expanding across the UK and continues to have great success in achieving its aims of reducing alcohol related crime and disorder, reducing the harmful effects of binge drinking and improving knowledge and skills of individuals, and the enforcement and regulation agencies to help them responsibly manage licensed premises. In particular the safety of all individuals in the late night economy is paramount within the aims of Best Bar None. The BII CEO is an active director of the Best Bar None organisation.

Financial review

The BII team look to fully deploy all its revenues into services delivering value to its members. Budgets are constructed to create a small surplus to ensure the charity has the resilience to cope with any market, member or cost changes throughout the year. The sale of the awarding body continues to generate an exceptional contribution to surpluses that provides an opportunity for material investment in new capabilities in the future.

the BII is in a robust financial position to cope with any exceptional pressures and invest for the future. The Senior Leadership Team (SLT) continue to develop plans for large scale investment that will return the maximum benefit to members. In addition to this the SLT continue to invest in core services and capabilities. They continue to work extremely hard to reduce overheads to a viable minimum allowing further investment in team members to drive member value.

Reserves

Our reserves policy has been reviewed and updated during 2023 with an aim to ensure the support to members is protected from the risk of disruption due to any potential future lack of funds. The target level for reserves is £700,000 (2022 £342,000) and is subject to an on-going review.

Council's Report

For the year ended 31 December 2023

Strong cash management has continued through this year which has allowed a further improvement in cash reserves to around £1.5m. Free reserves held by the group were also £1.5m (unrestricted funds less the net book value of tangible fixed assets) at the year end. This improved position stems from a small trading surplus with the majority of the improvements coming from the proceeds from the sale of the BIIAB and ongoing profit share.

During 2023 the council decided to move a total of £900k into a longer-term investment portfolio, with a view to help cover inflationary costs increases, at the end of the year the value had increased by £32,420.

The value of total cash and investment exceed the target value of reserves by £800k, and this will continue whilst we are receiving a profit share from the sale of BIIAB. Overall funds being accumulated beyond the reserves policy will be used for a number of defined capital investment programs for the benefit of the membership.

Going concern

The council are very pleased with the improved cash position in 2023. A small operating surplus generated from core membership services is reflective of a well-run and lean organisation delivering with a clear focus. The team have worked hard to further reduce overheads and implement new technologies to streamline processes wherever possible. The plans for further growth are well founded and the quality of the existing membership services provides a platform for growth.

The BII Team has strong relationships across the market and are making good progress expanding membership into regional pub groups with a number being converted this year. Relationships with brands supporting free trade growth are strong and already yielding results. Even with the pressure on individual members and some business failure, the BII team are well positioned to continue growing their membership base.

The partnership with the Skills and Education Group also provides a solid source of income from the continued delivery of BIIAB products and services for BII members and the wider hospitality sector. The partnership is developing well and alongside the launch of Workforce early in 2024 further progress in volumes of qualifications and apprenticeships are expected which will benefit the BII directly through the partnership.

Based on the above assessment the Council considers that there are no material uncertainties on the going concern assumption.

Principal risks and uncertainties

In accordance with SORP 2015, the business risks of the BII and the steps taken to manage those risks are documented on a risk register, which is reviewed by the management team and presented to Council. Council is satisfied that the risks are managed adequately. Risks are graded in terms of both potential financial impact and likelihood of occurrence.

Council's Report

For the year ended 31 December 2023

One of the biggest risks remains the loss of members as pub businesses potentially fail due to the cost of doing business, with escalating costs in energy, food & drink and labour. The sector has actually seen relatively low failure so far with high interest in both acquiring and operating pubs. We are keeping this under regular review and have budgeted for a modest level of lost members in our free trade membership portfolio.

Overall membership continues to grow, and the team have delivered agreements with the larger pub groups supporting their licensees through centrally paid membership which has been secured on multiyear commitments. The membership base remains broadly split between free trade, leasehold and tenanted licensees providing further resilience in the longer term.

Privacy, data protection and cyber security risks, while rated as a low possibility, still carry severe implications. These continue to be addressed by strict system controls, adhering to guidance and regulation under the Data Protection Act and team wide training.

Plans for the future

The BII team remains focused on exploring new ways to fulfil its purpose whilst ensuring its core membership deliverables are maintained to the highest standard. Checking in with members and gaining their feedback is critical to ensure members priorities are addressed. The whole team are committed to long term growth of membership and are engaged in multiple initiatives to deliver this. The team continues to aim to double the membership in the medium term to 20,000 members and is confident the core platforms and capabilities can all be scaled to deliver this.

Trusted Partners remain an important element of our membership offer providing expertise, products and services to improve our members businesses. We continue to develop deeper relationships with our core partners and seek out additional partners for new capabilities. In addition the BII Awards and events remain key platforms to recognise, celebrate and share innovation & best practice. The event quality continues to develop each year which has also improved financial performance whilst always ensuring excellent value for members and partners.

We have focused on enhancing engagement with members and good progress has been made. This remains a key focus in the coming year to ensure all off our members are engaged with our services and feel connected to their membership organisation. Our new team members and improved technology platform will enable this to be delivered effectively.

A key strategic challenge remains for our members which is the attraction, development and retention of talent. The BII will launch a new membership offer for team members, BII Workforce, in early 2024 to provide a platform to inspire, support and develop their careers and retention to the sector. This membership platform has been developed by a group of key partners and will be launched on the 25th of March.

Council's Report

For the year ended 31 December 2023

Structure, governance and management

The organisation is a charitable company limited by guarantee, incorporated on 1 December 1981 and registered as a charity on 11 February 1982. The charity is registered under the name The British Institute of Innkeeping and it trades under the title of BII.

The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

All the Council give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 7 to the accounts.

The BII is a membership organisation and as such all decisions are made by the members in general meetings.

The members have delegated the day to day running of the BII to the National Council. The council consists of a Chair, 3 Regional chairs and 6 industry experts.

Council delegates to the Chief Executive the day to day management and direction of the BII's business, together with the right to appoint and remove such paid officers and employees as he/she may deem necessary for the purposes of the BII together with the right to prescribe their respective duties and remuneration.

A regional structure is being redeveloped with the formation of four regional panels to allow local engagement and insight within those regions including the devolved nations and authorities. These will be formally relaunched in early 2024.

Committees and Advisory Groups are appointed by Council from time to time to exercise such powers and to perform such duties under the control of Council as may be delegated to them by Council. The current committees are:

Appointment of Council

The BII is governed by its National Council, which is formed of Statutory Members who hold office in accordance with the Articles of Association. For the purposes of company law the members of Council are treated as the directors mentioned in that section. All directors of the BII are trustees of the charity.

Trustee induction and training

New Council members receive formal training about the roles and responsibilities of trustees generally. They are also issued with comprehensive documentation about all aspects of the BII's operations.

Refresher training continues to be available on request for any Council member. Additionally, whenever new legislation affecting the BII is introduced the full National Council are appraised of the potential impact of the changes.

Council's Report

For the year ended 31 December 2023

Related parties and relationships with other organisations

The BII has the following relationships with related parties, subsidiaries and other connected organisations:

- BII – A private company limited by guarantee number 4310751 and is a dormant company.
- BII Business Limited – A company limited by share capital number 2835362 and is the trading company for the BII. The single issued share is held by the BII.
- BIIAB Qualifications Limited is owned by the Skills and Education Group. A long-term partnership agreement is in place to jointly promote and sell qualifications and apprenticeships to the benefit of both parties. Steve Alton CEO of the BII is a trustee on the Skills and Education Board and Paul Eeles Group CEO of the Skills and Education Group is a trustee on the BII board.

Remuneration policy for key management personnel

The aim of the BII's remuneration policy is to ensure BII achieves best value whilst ensuring it can attract the best talent for its key roles. Salary levels of key management personnel are benchmarked against pay levels in similar charitable organisations but also with organisations in the licensed retail sector. The remuneration benchmark is the mid-point range for similar roles but can be adjusted for additional responsibilities or specialised skills. Salaries are reviewed annually and normally increased in accordance with average earnings.

Funds held as custodian trustee on behalf of others

The BII does not hold any funds on behalf of other organisations.

Statement of responsibilities of the Council

The Council (who are also directors of The British Institute of Innkeeping for the purposes of company law) are responsible for preparing the Council's annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and group and of the incoming resources, the application of resources, including the income and expenditure, of the charitable company or group for that period. In preparing these financial statements, the Council 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 and statements of recommended practice 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 operation

Council's Report

For the year ended 31 December 2023

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

In so far as the Council are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware
- The Council have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

The Council 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.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2023 was 14 (2022: 11). The Council are members of the charity, but this entitles them only to voting rights. The Council have no beneficial interest in the charity.

Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The Council's annual report has been approved by the Council on 4 June 2024 and signed on their behalf by

Mark Robson
Chairman

Independent auditor's report

To the members of

The British Institute of Innkeeping

Opinion

We have audited the financial statements of The British Institute of Innkeeping (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the 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 FRS 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 group's and of the parent charitable company's affairs as at 31 December 2023 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the group financial statements section of our report. We are independent of the group and parent charitable company 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 Council'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 British Institute of Innkeeping 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 Council with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the Council's annual report, other than the group financial statements and our auditor's report thereon. The Council is responsible for the other information contained within the annual report. Our opinion on the group 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the group financial statements themselves. 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 Council's annual report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The Council's annual report has 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 group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Council's annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of Council members' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The directors 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 Council's annual report and from the requirement to prepare a strategic report.

Responsibilities of the Council

As explained more fully in the statement of Council's responsibilities set out in the Council's annual report, the Council members (who are also the directors of the parent 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 Council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council is responsible for assessing the group's and the parent 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 Council either intends to liquidate the group or the parent 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

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;

Independent auditor's report

To the members of

The British Institute of Innkeeping

- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators where applicable.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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 is available 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 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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

Independent auditor's report

To the members of

The British Institute of Innkeeping

company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Orchard (Senior statutory auditor)

Date 18 June 2024

for and on behalf of Sayer Vincent LLP, Statutory Auditor

110 Golden Lane, LONDON, EC1Y 0TG

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

The British Institute of Innkeeping

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2023

		2023	2022
	Note	Total £	Total £
Income from:			
Donations and legacies	3	17,000	17,000
Charitable activities			
Membership		972,757	929,697
Other trading activities		700,362	652,742
Investments		34,741	1,229
Total income		1,724,860	1,600,668
Expenditure on:			
Raising funds	4	245,875	223,684
Charitable activities			
Membership	6a	1,409,355	1,336,068
Total expenditure		1,655,230	1,559,751
Net (expenditure)/income before other recognised gains and losses	7	69,630	40,917
Gains on disposal of subsidiary		318,924	138,879
Net (expenditure)/income for the year		388,553	179,796
Net movements in funds		388,553	179,796
Reconciliation of funds:			
Total funds brought forward		1,151,004	971,208
Total funds carried forward		1,539,557	1,151,004

There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed above. All funds are unrestricted.

The gain on disposal of subsidiary is the net proceeds in the year from the sale of BIIABQL to the Skills and Education Group, which is a five year deal. The income comes from two streams, a fixed consideration and a profit share.

Balance sheets

Company no. 1601185

As at 31 December 2023

	Note	The group 2023 £	2022 £	The charity 2023 £	2022 £
Fixed assets:					
Tangible assets	12	19,684	24,541	19,684	24,541
Investments	13	932,420	–	932,421	2
Debtors: amounts falling due after one year	14	130,393	205,525	130,393	205,525
		1,082,497	230,066	1,082,498	230,068
Current assets:					
Debtors: amounts falling due within one year	15	446,215	375,661	484,472	396,044
Cash at bank and in hand		593,863	1,141,310	414,374	986,718
		1,040,078	1,516,971	898,846	1,382,762
Liabilities:					
Creditors: amounts falling due within one year	16	583,019	596,033	441,788	461,827
		457,059	920,938	457,058	920,935
Total assets less current liabilities		1,539,557	1,151,004	1,539,556	1,151,003
Total net assets		1,539,557	1,151,004	1,539,556	1,151,003
Funds:					
Unrestricted income funds:					
General funds		1,539,556	1,151,003	1,539,556	1,151,003
Subsidiary trading funds		1	1	–	–
Total unrestricted funds		1,539,557	1,151,004	1,539,556	1,151,003
Total funds		1,539,557	1,151,004	1,539,556	1,151,003

Approved by the trustees on 4th June 2024 and signed on their behalf by

Mark Robson
Chairman

The British Institute of Innkeeping

Consolidated statement of cash flows

For the year ended 31 December 2023

	Note	2023 £	£	2022 £	£
Cash flows from operating activities	18				
Net cash provided by operating activities			74,820		9,354
Cash flows from investing activities:					
Dividends, interest and rents from investments		2,319		1,230	
Net proceeds from sale of subsidiary		284,773		100,000	
Purchase of fixed assets		(9,359)		(19,792)	
Purchase of Investments		(900,000)		–	
Net cash used in investing activities			(622,267)		81,438
Change in cash and cash equivalents in the year			(547,447)		90,792
Cash and cash equivalents at the beginning of the year			1,141,310		1,050,518
Cash and cash equivalents at the end of the year	19		593,863		1,141,310

1 Accounting policies

a) Basis of preparation and statutory information

The British Institute of Innkeeping is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address (and principal place of business) is Office 3 Sentinel House, Ancells Business Park, Harvest Crescent, Fleet GU51 2UZ.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

The financial statements for 2023 consolidate the results of the charitable company and its wholly-owned subsidiary BIIBusiness Ltd on a line by line basis. Transactions and balances between the charitable company and its subsidiaries have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

Key judgements that the charity has made which have a significant effect on the accounts include discounted long term debtors receivable from the sale of BIAB Qualifications Limited.

b) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

c) Going concern

The Council has taken steps to reposition the group's business model to improve the long term financial position. Focus has been given to the growth of membership, cost efficiencies and identification of new business opportunities. As the Council considers the group is able to pay their debts as they fall due for a period for 12 months from signing these accounts, the going concern basis remains appropriate. The Council has considered there are no material uncertainties on the group's operations or on the going concern assumption.

d) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that 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.

Both fixed consideration and profit share received from the sale of the Awarding Body to the Skills and Education Group on 28th February 2021 are included in gains on disposal of subsidiary.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

1 Accounting policies (continued)

e) Donations of gifts, services and facilities

On receipt, donated gifts, 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.

f) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

	2023	2022
● Membership	65%	60%
● Support costs	30%	36%
● Governance costs	1%	1%
● Trading	4%	4%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

g) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

h) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

● Computer equipment	33%
● Computer systems and database	50%
● Fixtures and fittings	20%
● Cycle to work	33%

i) Investments in subsidiaries

Investments in subsidiaries are at cost.

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. Accrued profit share income from the sale of BIIAB Qualifications limited has been valued with a discount rate of 10% to reflect the net present value.

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.

1 Accounting policies (continued)

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) 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 their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

n) Pensions

The Institute operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Institute in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the Institute to the fund. The Institute has no liability under the scheme other than for the payment of those contributions.

o) Gains on disposal of subsidiary

These are calculated as the excess of discounted receipts over related discounted costs.

2 Parent charity results for the year

	2023 Total £	2022 Total £
Turnover	1,241,836	1,048,356
Expenditure	(1,293,450)	(1,229,278)
	<u>(51,614)</u>	<u>(180,921)</u>
Gains on disposal of subsidiary	318,924	138,879
Gift aid donations from subsidiary undertakings	121,243	28,313
Net result of the charity	<u><u>388,553</u></u>	<u><u>(13,729)</u></u>

3 Donations and legacies

	2023 Total £	2022 Total £
Other corporate donations	17,000	17,000
	<u>17,000</u>	<u>17,000</u>

4 Costs of raising funds

	2023 Total £	2022 Total £
Staff costs	15,000	15,000
Hosting Fees	17,339	21,130
Events	210,386	187,554
Other costs	3,150	–
	<u>245,875</u>	<u>223,684</u>

5 Income from trading subsidiaries

The wholly-owned trading subsidiary BIIBusiness, which is incorporated in the United Kingdom, donate taxable profits to the Institute by gift aid. A summary of their trading results is shown below. The wholly owned trading subsidiaries, BII, The National Licensee's Certificate Awarding Body Ltd and Association for Personal Licence Holders have been dormant since incorporation. BIIBusiness Ltd undertakes the trading activities of the Institute.

Summary profit and loss accounts

	2023	2022
	BIIBusiness	BIIBusiness
	£	£
Turnover	720,600	654,758
Contribution by BII	–	–
Cost of sales	<u>(361,781)</u>	<u>(330,475)</u>
Gross profit	358,819	324,283
Interest receivable	–	–
Administrative expenses	<u>(237,576)</u>	<u>(102,448)</u>
Net (loss)/profit	121,243	221,835
Taxation	–	–
Donation to the Institute	<u>(121,243)</u>	<u>(28,313)</u>
Retained in subsidiary	<u>–</u>	<u>193,522</u>
The assets and liabilities of the subsidiaries at 31 December:		
Current assets	237,978	261,301
Creditors: amounts falling due within one year	<u>237,977</u>	<u>261,300</u>
	<u>1</u>	<u>1</u>
Aggregate share capital and reserves	<u>1</u>	<u>1</u>

6a Analysis of charitable expenditure (current year)

2023	Charitable			2023 Total £	2022 Total £
	Membership £	Governance costs £	Support costs £		
Staff costs (Note 8)	484,880	13,500	488,438	986,818	889,602
Office and office admin costs	33,061	–	127,789	160,850	158,803
Member benefits	131,434	–	–	131,434	121,551
Consultancy – new qualifications growth strategy	4,800	–	–	4,800	16,800
Staff travel and motoring costs	20,510	–	22,726	43,236	32,486
Marketing	16,484	–	–	16,484	11,734
Events	20,873	–	–	20,873	27,087
Professional fees	–	20,885	–	20,885	16,948
Council meetings and expenses	–	8,728	–	8,728	5,257
Membership processing costs	3,221	–	–	3,221	951
Other costs	730	–	(2,919)	(2,189)	18,233
Depreciation and loss on disposal of fixed assets	3,577	–	10,638	14,215	36,618
	719,570	43,113	646,672	1,409,355	1,336,069
Support costs	646,672	–	(646,672)	–	–
Governance costs	43,113	(43,113)	–	–	–
Total expenditure 2023	1,409,355	–	–	1,409,355	1,336,069

The British Institute of Innkeeping

Notes to the financial statements

For the year ended 31 December 2023

6b Analysis of charitable expenditure (prior year)

2022	<u>Charitable</u>			2022 Total £
	Membership £	Governance costs £	Support costs £	
Staff costs (Note 8)	398,667	13,621	477,313	889,601
Office and office admin costs	38,478	–	120,325	158,803
Member benefits	121,551	–	–	121,551
Consultancy – new qualifications growth strategy	16,800	–	–	16,800
Staff travel and motoring costs	17,957	–	14,529	32,486
Marketing	11,734	–	–	11,734
Events	18,043	–	9,044	27,087
Professional fees	–	16,948	–	16,948
Council meetings and expenses	–	5,257	–	5,257
Membership processing costs	951	–	–	951
Other costs	–	–	18,233	18,233
Depreciation and loss on disposal of fixed assets	36,618	–	–	36,618
	<u>660,799</u>	<u>35,826</u>	<u>639,444</u>	<u>1,336,069</u>
Support costs	639,444	–	(639,444)	–
Governance costs	35,826	(35,826)	–	–
Total expenditure 2022	<u><u>1,336,069</u></u>	<u><u>–</u></u>	<u><u>–</u></u>	<u><u>1,336,069</u></u>

7 Net income for the year

This is stated after charging

Group

	2023 £	2022 £
Depreciation	14,216	45,662
Operating lease rentals:		
Property	51,354	51,354
Other	5,458	5,458
Auditors' remuneration (excluding VAT):		
Audit	15,946	15,000

8 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2023 £	2022 £
Salaries and wages	824,577	758,554
Redundancy and termination costs	22,042	–
Social security costs	78,280	73,589
Employer's contribution to defined contribution pension schemes	58,305	56,450
Freelance & Temporary staff	–	–
Other forms of employee benefits	18,614	16,008
	1,001,818	904,601

The following number of employees received employee benefits (excluding employer pension costs and national insurance) during the year between:

	2023 No.	2022 No.
£60,000 – £69,999	1	1
£150,000 – £159,999	–	1
£160,000 – £169,999	1	–

The total employee benefits including pension contributions and employer's national insurance of the key management personnel were £537k (2022: £508k).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2022: £nil). No charity trustee received payment for professional or other services supplied to the charity (2022: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £477 (2022 £1492) relating to attendance at meetings of the trustees.

9 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2023 No.	2022 No.
Membership	13.1	11.0
Support	6.3	6.5
Trading activities	0.1	0.7
Governance	0.7	0.1
	<u>20.2</u>	<u>18.3</u>

10 Related party transactions

Steven Alton, CEO of BII is on the Skills and Education Group board and Paul Eeles CEO of Skills and Education Group is on the BII board. BII sold BIIAB Qualifications to the Skills and Education Group on 28th Feb 2021. BII will receive fixed and profit share consideration. In 2023 BII received £100,000 in relation to the fixed consideration and consultancy fees (2022: £200,000).

Accrued income for future fixed consideration at the year end was £205,525 (2022 £288,170)

During the year BII recharged £237,576 (2022: £102,448) to BIIBusiness for management and administration support. At the end of the year BIIBusiness owed BII £125,409 (2022: £4,738).

During the year BII paid KAM Media £2,250 + VAT (2022 £1950 + VAT) where a trustee is the sole director. £0 was outstanding at the year end and all transactions were carried out on an arms length basis.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

11 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiaries gift aid available profits to the parent charity.

12 Tangible fixed assets

The group

	Computer systems & database £	Computer equipment £	Cycle to Work £	Total £
Cost				
At the start of the year	85,070	38,109	4,062	127,241
Additions in year	5,811	3,548	–	9,359
Disposals	–	(3,118)	–	(3,118)
At the end of the year	90,881	38,539	4,062	133,482
Depreciation				
At the start of the year	73,568	28,472	660	102,700
Charge for the year	6,038	6,658	1,520	14,216
Disposals	–	(3,118)	–	(3,118)
At the end of the year	79,606	32,012	2,180	113,798
Net book value				
At the end of the year	11,275	6,527	1,882	19,684
At the start of the year	11,502	9,637	3,402	24,541

All of the above assets are owned by the charity & used for charitable purposes.

13 Investments

	The charity 2023 £	2022 £
Cash Investments	932,420	–
Investment in unquoted subsidiary undertakings, at cost	1	2
Total cash and cash equivalents	932,421	2

14 Debtors: amounts falling due after one year

	The group 2023 £	2022 £	The charity 2023 £	2022 £
Accrued income	130,393	205,525	130,393	205,525
	130,393	205,525	130,393	205,525

This represents proceeds from Skills and Education Group over the next 4 years for the sale of the awarding body. BII is also entitled to a portion of profits of BIIAB up to 2026. However, the profit share cannot currently be ascertained with reasonable certainty, and is therefore a contingent asset and is not recognised as income as at the balance sheet date.

15 Debtors: amounts falling due within one year

	The group		The charity	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	154,229	65,595	108,205	5,904
Amounts due from group undertakings			96,747	127,094
Accrued Income	219,897	212,433	219,897	212,433
Prepayments	72,089	97,634	59,623	50,613
	446,215	375,662	484,472	396,044

This includes profit share income for the sale of BIIAB for their year ending Aug 2023.

16 Creditors: amounts falling due within one year

	The group		The charity	
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	29,578	32,117	22,073	17,053
Taxation and social security	19,299	19,762	19,299	19,762
VAT	44,111	19,267	44,111	19,267
Accruals	19,692	132,326	14,612	130,326
Pension	9,236	8,389	9,236	8,389
Deferred income	461,103	384,172	332,457	267,030
	583,019	596,033	441,788	461,827

17 Deferred income

Deferred income comprises advance payments for services not yet delivered as well as subscription income received which relates to a future period.

	The group		The charity	
	2023	2022	2023	2022
	£	£	£	£
Balance at the beginning of the year	384,172	400,060	267,030	288,676
Amount released to income in the year	(384,172)	(400,060)	(267,030)	(288,676)
Amount deferred in the year	461,103	384,172	332,457	267,030
Balance at the end of the year	461,103	384,172	332,457	267,030

18 Reconciliation of net income to net cash flow from operating activities

	2023 £	2022 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	388,553	179,795
Depreciation charges	14,216	45,662
(Profit)/loss on disposal of subsidiary	(318,924)	(138,879)
Other non-cash movements relating to disposal of subsidiary (Gains) on investment	(32,420)	
Dividends, interest and rent from investments	(2,321)	(1,229)
(Increase)/decrease in debtors	(63,088)	(40,492)
Increase/(decrease) in creditors	88,804	(35,503)
Net cash provided by / (used in) operating activities	74,820	9,354

19 Analysis of cash and cash equivalents

	At 1 January 2023 £	Cash flows £	At 31 December 2023 £
Cash at bank and in hand	1,141,309	(547,447)	593,862
Total cash and cash equivalents	1,141,309	(547,447)	593,862

20 Operating lease commitments

The group and charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Buildings		Other	
	2023 £	2022 £	2023 £	2022 £
Less than one year	53,740	53,740	5,458	5,458
One to five years	53,980	107,840	6,538	11,995
	107,720	161,580	11,996	17,453

21 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

THE BRITISH INSTITUTE OF INNKEEPING

England & Wales - Charity number 283945

Accounts

Company number: 01601185
Charity number: 283945
Scottish Charity number: SC042351



BRITISH INSTITUTE OF INNKEEPING

Report and financial statements
For the year ended 31 December 2022

The British Institute of Innkeeping

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The British Institute of Innkeeping

Council's Report

For the year ended 31 December 2022

Company number 01601185

Charity number 283945

Registered office and operational address Office 3 Sentinel House
Ancells Business Park
Harvest Crescent
Fleet
GU51 2UZ

Country of registration: England & Wales, Scotland

Country of incorporation: United Kingdom

Council The Council members named below (who are the trustees of the BII under charity law) have served throughout the year and up to the date of this report unless otherwise stated. The appointment and retirement of Council members is governed by the Articles of Association.

Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Bruce Cuthbert
Joanne Graham
Katy-Anne Hamilton
Gregory Mangham
Kelly McCarthy
Neil Morgan
Matthew Phipps
Mark Robson (Chair)
Timothy Smith
Philip Strong
Paul Eeles

The trustees delegate day to day management to the following senior leadership team (SLT):

Steven Alton	Chief Executive Officer
Shila Singh	Head of Finance
Molly Davis	Head of Communications
Natalie Wickham	Head of Partnerships
Hannah Solomons	Head of Membership Development

The British Institute of Innkeeping

Council's Report

For the year ended 31 December 2022

Secretary	Gill Cooper
Bankers	Barclays Bank Leicester LE87 2BB
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditors Invicta House 108-114 Golden Lane LONDON EC1Y 0TL

The Council present their report and the audited financial statements for the year ended 31 December 2022.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

Purposes and aims

The BII's principal object is to advance the education and training of persons engaged, or preparing to be engaged, in a) the sale of beverages and/or the preparation or sale of food at premises licensed for the sale of intoxicating liquor; and/or b) ensuring regulatory compliance and/ or good operation in such premises.

The main activities undertaken to support the BII's purpose include:

- Provision of clear and actionable information and insight through regular member emails (INNFocus), online business resources including interactive guides and our quarterly member magazine (BII News)
- Access to eight expert helplines giving critical independent advice with all key elements of our members' businesses including legal, employment law, health & safety and risk management
- Access to a network of Trusted Partners providing advice, products and services for our members to improve their businesses
- Deliver a series of national awards to recognise, celebrate and promote best practice across our sector; Licensee of the Year Award and the National Innovation in Training Awards
- National events providing networking opportunities for our members
- Through the BIIAB and the partnership with the Skills and Education Group, the provision of qualifications and apprenticeships for learners working in, or planning to work in the hospitality industry and other industries outside the hospitality industry in particular the care sector
- Provision of PEAT (Pre-Entry Awareness Training) for new industry entrants before they sign an agreement with a pub company or brewery, providing information they need to consider in particular their legal and operational responsibilities
- Provision of an BII Accredited Advisors network providing independently assessed Chartered Surveyors, Accounts and Solicitors meeting the highest professional standards to support our members through major commercial lifecycle events i.e. taking new agreements or major changes to existing ones.
- Provision of support for industry initiatives including
 - Running administrative services for the Pub Governing Body (PGB), the Pub Independent Rent Review Scheme (PIRRS) and the Pub Independent Conciliation and Arbitration Service (PICAS)

- Providing day to day support and running administrative services for the successful Best Bar None Professional & Safer Venues scheme. The BBN scheme promotes and maintains an inclusive national Awards Scheme for all licensed premises across England, Wales, Scotland and Northern Ireland. The schemes' aim is to promote responsible management and operation of alcohol licensed premises, improve standards in the night time economy, and reduce alcohol related crime and disorder in a town centre by building a positive relationship between the licensed trade, police and local authorities.

The Council reviews the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The Council reports the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the Council ensure the charity's aims, objectives and activities remained focused on its stated purposes.

The Council have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the Council consider how planned activities will contribute to the aims and objectives that have been set. The British Institute of Innkeeping does not raise funds specifically for fundraising and so does not use professional fundraisers.

Achievements and performance

The charity's main activities and who it tries to help are described below. All its charitable activities are undertaken to further The British Institute of Innkeeping's charitable purposes for the public benefit.

Membership and member services

2022 presented an incredibly challenging year for BII's over 10,000 members predominantly licensees independently operating single pub businesses. Final trading restrictions fell away in the first quarter and initial positive trading hit significant inflationary pressures driving costs across all areas of pub businesses. Energy costs have risen to exceptional levels for operators not fixed into contract secured before 2022 with many facing 3–4 times previous levels of costs. All of these issues, plus the changing consumer habits due to the cost-of-living crisis, have prevented many of our members starting their full recovery in 2022 and many are facing an incredibly uncertain future.

The BII team has continued to provide regular Insight to Government officials, Ministers and MPs throughout the year through its well supported insight surveys. In addition we have supported a number of opportunities to get our members feeding back directly on key issues into Government and key stakeholders. The BII CEO Steve Alton has been fully engaged with the newly formed Hospitality Sector Council, and despite a number of changes in key Ministers, this has created a number of key initiatives to support the recovery and long term sustainability of our members' pub businesses.

Two areas of short-term support have been achieved; the re-rating of Business Rates evaluation has, for many, reduced overall rates alongside a 75% relief for 23/24 and the Energy Bill Relief Scheme has provided support with business energy bills. Longer term aims, aligned to our members' priorities continue to be pursued; a hospitality sector VAT reduction, long term change to Business Rates recognising the community value of hospitality businesses and further support with fair energy costs. The BII launched its campaign #notjustapub to highlight the diverse and essential businesses pubs are in every community. At its heart is a call to action to engage all local MPs to gain their support for the measures pubs need in place to allow them to survive and thrive in every community.

The whole BII team remains passionate about its clear purpose to **keeping pubs thriving at the heart of every community**. A clear objective in 2022 has been to increase direct engagement with members throughout the year with greater outbound calls in addition to the weekly INNFocus email. The membership team has been further strengthened and is delivering circa 1000 successful calls per month to members, this is addition to circa 4000 inbound contacts received from members across the year to our BII Helpdesk. Our expert helplines have been well utilised throughout the year with over 1000 to our legal, HR and Licensing in addition to circa 400 to our Landlord & Pub co Relationship helpline. The team have continued to develop interactive guides with clear actionable information on key subjects including our energy saving, the Government Energy Bill Relief Scheme (EBRS), cyber security and business planning. The weekly INNFocus email remains one of the strongest engagement tools where open rates are double that of the industry average and with continued development of our CRM tools engagement is easily tracked.

The BII Team's investment in IT has enabled new ways of working and allowed further development of key services. The CRM platform allows collection of key members insight that is used in real-time to track key issues allowing enhancements to guides, collateral and development of further services. The BII's Trusted Partner network has continued to expand into a wider set of essential capabilities, products and services for our members. Working closely with these partners best practice collateral has been developed and delivered via online events, podcasts and through leadership articles in both INNFocus and the quarterly BII News.

The BII continues to focus its approach in three key areas; inspire, support and develop. Inspiring our members through sharing best practice, innovation and excellence from our members is key. Our two key award platforms; BII Licensee of the Year Award (LOYA) and the BII National Innovation in Training Award (NITA) provide an opportunity to recognise, celebrate and share best practice and innovation across our membership. Both award events are the culmination of day events; the BII Summer Event and the BII People Conference.

The BII People Conference and NITAs was held on the 22nd of April in East Wintergarden at Canary Wharf with around 300 people attending an inspiring day event featuring key speakers centred on the challenges of attracting, developing and retaining great talent leading into the NITA awards in the evening. In June the BII Summer Event returned to the HAC in London and despite significant disruption through a national rail and tube strike circa 550 people came together to celebrate the awarding of our Licensee of the Year Award (LOYA). At the event a number of proven current

Council's Report

For the year ended 31 December 2022

operators were recognised as BII Ambassadors due to their commitment to supporting the BII, its members and the wider sector. These Ambassadors, and previously recognised individuals, have continued to heavily support the BII with insight, at events and in representing the BII with key stakeholders including Government.

Despite significant challenges throughout the year overall membership numbers have risen further to over 10,000 and the BII team are pursuing further growth in the coming year in particular focusing on free traders. Overall feedback remains strong on the quality and breadth of support the BII team provide to members. Our annual support survey in February recorded that 95% of members would recommend membership to others in the licensed trade. This insight survey was invaluable in highlighting key areas for further support such as sustainability, diversification and building teams which have featured highly across all platforms throughout the year.

The BII Team has been further strengthened in 2022 with both the Senior Leadership Team (SLT) working highly effectively together and the onboarding of new talented individuals in the membership and communications team. This has provided additional capabilities to the team resulting in new deliverables including a BII podcast platform and the in-house production of training collateral. The team is now well positioned to scale its deliverables to support the expected increase in member numbers.

On-going partnership with the BIIAB

The BIIAB is the awarding organisation and end point organisation for work-based learning providers, FE Colleges and employers. They offer Qualifications, Apprenticeship Frameworks and End Point Assessments. The BIIAB, now formally part of the Skills and Education Group since March 2021, remains a strategic long term partner of the BII. The partnership has further strengthened with both CEOs being directors of each other's respective organisations with them also meeting regularly.

The overall market has started to recover as Government restrictions to trading eventually fell away in quarter 1 of 2022 and has now gained momentum towards the back end of the year. The respective teams continue to work closely together to provide joined up development pathways through qualifications and apprenticeships for BII members to develop and retain essential talent in their teams. The acquisition of talent for the wider hospitality sector remains a strategic challenge and the partnership provides a significant opportunity to enable professional development as a key driver on why join the sector.

Beneficiaries of our services

The BII aims to inspire, develop and support individuals in the licensed retail and hospitality industry as its primary beneficiaries. The BII continues to believe that the benefits derived by individuals in its focus on raising professional standards, recruiting, developing, and retaining talent alongside providing support, advice and guidance to individuals, provides a wider public benefit.

The BII remains passionate about the role its members and their pubs play in communities across the UK through local employment, providing skilled careers, supporting local suppliers & brewers

and being an accessible, safe space for people to connect. Their role is supporting mental wellbeing and community connections irradiating loneliness and isolation remains critical. The BII #notjustapub campaign has been used effectively to promote the wider social and community value of pubs alongside their clear economic and employment value. This approach will continue in the coming year as a positive platform and a call to action to engage local MPs for their support for the key measures needed to allow our members' pubs to thrive.

BII continues to support Best Bar None Professional & Safer Venues ensuring that the public benefits from the schemes in improving standards and providing a safer night time economy. The scheme is expanding across the UK and continues to have great success in achieving its aims of reducing alcohol related crime and disorder, reducing the harmful effects of binge drinking and improving knowledge and skills of individuals and enforcement and regulation agencies to help them responsibly manage licensed premises. In particular the safety of all individuals in the late night economy is paramount within the aims of Best Bar None.

Financial review

The year end provides a strong platform for further investment in membership services moving forward. The small surplus from core activities allows for a degree of resilience in still an uncertain environment for membership. The additional funds being generated from the partnership with the Skills and Education Group through the trading of the BIIAB are building key reserves for the BII. These reserves, whilst essential to ensure any economic headwinds can be navigated, provides an asset that is intended to be invested in facilities to directly facilitate the training and development of members and their teams. The Senior Leadership Team are developing plans for this initiative which is expected to be delivered in the coming years when funds allow.

In the meantime the team is investing the vast majority of funds received in delivering and constantly improving core membership services. They have worked extremely hard to reduce overheads to a viable minimum allowing further investment in team members to drive member value.

Reserves

Strong cash management has continued through this year which has allowed a further improvement in cash reserves to around £1.1m. Free reserves held by the group were also £1.1 million (unrestricted funds less the net book value of tangible fixed assets) at the year end. This improved position stems from a small trading surplus with the majority of the improvements coming from the proceeds from the sale of the BIIAB and ongoing profit share.

Our reserves policy is set at three months of operating costs, totalling £342,000 based on the budget for 2023 this is subject to an on-going review

The BII is now on a firmer financial footing and the Senior Leadership Team are reviewing a number of key initiatives that require significant financial investment to further enhance membership services.

Council's Report

For the year ended 31 December 2022

The council believes that the cashflow position provides significant resilience and will ensure the charity remains a going concern over the next 18 months despite the ongoing uncertainties.

Going concern

The council are very pleased with the improved cash position in 2022. A small surplus generated from core membership services is reflective of a well-run and lean organisation delivering with a clear focus. The team have worked hard to further reduce overheads and implement new technologies to streamline processes wherever possible. The plans for further growth are well founded and the quality of the existing membership services provides a platform for growth.

The BII Team has strong relationships across the market and are making good progress expanding membership into regional pub groups with a number being converted this year. Relationships with brands supporting free trade growth are strong and already yielding results. Even with the pressure on individual members and some business failure, the BII team are well positioned to continue growing their membership base.

The partnership with the Skills and Education Group also provides a solid source of income from the continued delivery of BIIAB products and services for BII members and the wider hospitality sector. The partnership is now gaining momentum after a slow start due to the pandemic and the team are confident of further growth with direct financial benefit to the BII.

Based on the above assessment the Council considers that there are no material uncertainties on the going concern assumption.

Principal risks and uncertainties

In accordance with SORP 2015, the business risks of the BII and the steps taken to manage those risks are documented on a risk register, which is reviewed by the management team and presented to Council. Council is satisfied that the risks are managed adequately. Risks are graded in terms of both potential financial impact and likelihood of occurrence.

One of the biggest risks remains the loss of members as businesses are at risk of failure following the pandemic, inflationary pressures across their businesses and extreme energy costs from contracts agreed in 2022. The sector has seen relatively low failure so far and with investment interest in acquiring pubs remaining strong and with our growing standing with national pub groups, we are confident that any loss of members will not be material.

Overall membership continues to grow, and the team have delivered agreements with the larger pub groups supporting their licensees through centrally paid membership which has been secured on multiyear commitments. The membership base remains evenly split between free trade, leasehold and tenanted licensees providing further resilience in the longer term.

Privacy, data protection and cyber security risks, while rated as a low possibility, still carry severe implications. These continue to be addressed by strict system controls, adhering to guidance and regulation under the Data Protection Act and team wide training.

Plans for the future

The BII team remains focused on exploring new ways to fulfil its purpose whilst ensuring its core membership deliverables are maintained to the highest standard. Checking in with members and gaining their feedback is critical to ensure members priorities are addressed. The whole team are committed to long term growth of membership and are engaged in multiple initiatives to deliver this. The team continues to aim to double the membership in the medium term to 20,000 members and is confident the core platforms and capabilities can all be scaled to deliver this.

Trusted Partners remain an important element of our membership offer providing expertise, products and services to improve our members businesses. We continue to develop deeper relationships with our core partners and seek out additional partners for new capabilities. In addition the BII Awards and events remain key platforms to recognise, celebrate and share innovation & best practice. The event quality continues to develop each year which has also improved financial performance whilst always ensuring excellent value for members and partners.

We have focused on enhancing engagement with members and good progress has been made. This remains a key focus in the coming year to ensure all of our members are engaged with our services and feel connected to their membership organisation. Our new team members and improved technology platform will enable this to be delivered effectively.

A key strategic challenge remains for our members which is the attraction, development and retention of talent. The BII will launch a new membership offer for team members this year to provide a platform to inspire, support and develop their careers and retention to the sector. This membership platform is being developed by a group of key partners and is expected to be launched around the half year point.

Structure, governance and management

The organisation is a charitable company limited by guarantee, incorporated on 1 December 1981 and registered as a charity on 11 February 1982. The charity is registered under the name The British Institute of Innkeeping and it trades under the title of BII.

The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

All the Council give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 7 to the accounts.

The BII is a membership organisation and as such all decisions are made by the members in general meetings.

Council's Report

For the year ended 31 December 2022

The members have delegated the day to day running of the BII to the National Council. The council consists of a Chair, 3 Regional chairs and 6 industry experts.

Council delegates to the Chief Executive the day to day management and direction of the BII's business, together with the right to appoint and remove such paid officers and employees as he/she may deem necessary for the purposes of the BII together with the right to prescribe their respective duties and remuneration.

The BII has also supported its local members through a network of 10 regions covering England, Wales and Scotland and has regional councils in each area. The regions are independent organisations and are not included in the financial statements of the British Institute of Innkeeping. The regions are being redeveloped in the coming year to strengthen engagement.

Committees and Advisory Groups are appointed by Council from time to time to exercise such powers and to perform such duties under the control of Council as may be delegated to them by Council. The current committees are:

- Governance committee, established in 2015, which will report directly to Council. It usually meets twice a year.

Appointment of Council

The BII is governed by its National Council, which is formed of Statutory Members who hold office in accordance with the Articles of Association. For the purposes of company law the members of Council are treated as the directors mentioned in that section. All directors of the BII are trustees of the charity.

Trustee induction and training

New Council members receive formal training about the roles and responsibilities of trustees generally. They are also issued with comprehensive documentation about all aspects of the BII's operations.

Refresher training continues to be available on request for any Council member. Additionally, whenever new legislation affecting the BII is introduced the full National Council are appraised of the potential impact of the changes.

Related parties and relationships with other organisations

The BII has the following relationships with related parties, subsidiaries and other connected organisations:

- BII – A private company limited by guarantee number 4310751 and is a dormant company.
- BII Business Limited – A company limited by share capital number 2835362 and is the trading company for the BII. The single issued share is held by the BII.
- The National Licensee's Certificate Awarding Body Limited – A company limited by share capital number 4414250 and is dormant. The single issued share is held by the BII.

Council's Report

For the year ended 31 December 2022

- BII Benchmarking and Accreditation Services Limited. A private company limited by guarantee number 6124783 and is used to accredit the codes of practices of companies offering leases for licensed premises, this company was dissolved during 2022
- Association for Personal Licence Holders – A private company limited by guarantee number 6548681 and it is a dormant company.
- BIIAB Qualifications Limited is owned by the Skills and Education Group. A long term partnership agreement is in place to jointly promote and sell qualifications and apprenticeships to the benefit of both parties. Steve Alton CEO of the BII is a trustee on the Skills and Education Board and Paul Eeles Group CEO of the Skills and Education Group is a trustee on the BII board.

Remuneration policy for key management personnel

The aim of the BII's remuneration policy is to ensure BII achieves best value whilst ensuring it can attract the best talent for its key roles. Salary levels of key management personnel are benchmarked against pay levels in similar charitable organisations but also with organisations in the licensed retail sector. The remuneration benchmark is the mid-point range for similar roles but can be adjusted for additional responsibilities or specialised skills. Salaries are reviewed annually and normally increased in accordance with average earnings.

Funds held as custodian trustee on behalf of others

The BII does not hold any funds on behalf of other organisations.

Statement of responsibilities of the Council

The Council (who are also directors of The British Institute of Innkeeping for the purposes of company law) are responsible for preparing the Council's annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company or group for that period. In preparing these financial statements, the Council 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 and statements of recommended practice 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 operation

Council's Report

For the year ended 31 December 2022

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

In so far as the Council are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware
- The Council have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

The Council 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.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2022 was 11 (2021: 11). The Council are members of the charity, but this entitles them only to voting rights. The Council have no beneficial interest in the charity.

Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The Council's annual report has been approved by the Council on 3 May 2023 and signed on their behalf by

Mark Robson
Chairman

Independent auditor's report

To the members of

The British Institute of Innkeeping

Opinion

We have audited the financial statements of The British Institute of Innkeeping (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the 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 FRS 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 group's and of the parent charitable company's affairs as at 31 December 2022 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the group financial statements section of our report. We are independent of the group and parent charitable company 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 Council'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 British Institute of Innkeeping ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Independent auditor's report

To the members of

The British Institute of Innkeeping

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

Other Information

The other information comprises the information included in the Council's annual report, other than the group financial statements and our auditor's report thereon. The Council is responsible for the other information contained within the annual report. Our opinion on the group 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the group financial statements themselves. 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 Council's annual report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The Council's annual report has 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 group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Council's annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of Council members' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or

Independent auditor's report

To the members of

The British Institute of Innkeeping

- The directors 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 Council's annual report and from the requirement to prepare a strategic report.

Responsibilities of the Council

As explained more fully in the statement of Council's responsibilities set out in the Council's annual report, the Council members (who are also the directors of the parent 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 Council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council is responsible for assessing the group's and the parent 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 Council either intends to liquidate the group or the parent 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

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators where applicable.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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 is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditor's report

To the members of

The British Institute of Innkeeping

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 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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.

Jonathan Orchard (Senior statutory auditor)

Date: 7 June 2023

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108–114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

		2022			2021	
	Note	Continuing operations £	Total £	Continuing operations (as restated) £	Discontinued operations (as restated) £	Total £
Income from:						
Donations and legacies	3	17,000	17,000	17,000	–	17,000
Charitable activities		–				
Membership		929,697	929,697	879,432	–	879,432
Qualifications, examinations and education		–	–	–	184,020	184,020
Publications and handbooks		–	–	–	3,040	3,040
Other trading activities		652,742	652,742	481,337	11,316	492,653
Investments		1,229	1,229	2,323	–	2,323
Total income		1,600,668	1,600,668	1,380,092	198,376	1,578,468
Expenditure on:						
Raising funds	4	223,684	223,684	152,863	–	152,863
Charitable activities		–				
Membership	6	1,336,068	1,336,068	1,429,142	–	1,429,142
Qualifications, examinations and education	6	–	–	–	234,822	234,822
Publications and handbooks	6	–	–	–	3,553	3,553
Total expenditure		1,559,752	1,559,752	1,582,005	238,375	1,820,380
Net (expenditure)/income before other recognised gains and losses	7	40,916	40,916	(201,913)	(39,999)	(241,912)
Gains on disposal of subsidiary		138,879	138,879	293,841	–	293,841
Net (expenditure)/income for the year		179,795	179,795	91,928	(39,999)	51,929
Transfers between funds		–	–	(39,999)	39,999	–
Net movements in funds		179,795	179,795	51,929	–	51,929
Reconciliation of funds:						
Total funds brought forward		971,208	971,208	919,279	–	919,279
Total funds carried forward		1,151,003	1,151,003	971,208	–	971,208

Discontinued activities in the prior year relate to BIAB Qualifications Limited, which was sold on 28 February 2021. All activities in 2022 are continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed above. All funds are unrestricted.

The gain on disposal of subsidiary is the net proceeds in the year from the sale of BIABQL to the Skills and Education Group which is a five year deal. The income comes from two streams a fixed consideration and a profit share.

Balance sheets

Company no. 1601185

As at 31 December 2022

	Note	The group 2022 £	2021 £	The charity 2022 £	2021 £
Fixed assets:					
Tangible assets	12	24,541	50,411	24,541	50,411
Investments	13	–	–	2	2
Debtors: amounts falling due after one year	14	205,525	288,170	205,525	288,170
		230,066	338,581	230,068	338,583
Current assets:					
Debtors: amounts falling due within one year	15	375,661	304,554	396,044	825,534
Cash at bank and in hand		1,141,309	1,050,518	986,718	597,544
		1,516,970	1,355,072	1,382,762	1,423,078
Liabilities:					
Creditors: amounts falling due within one year	16	596,033	722,445	461,827	596,929
		920,937	632,627	920,935	826,149
Net current assets					
		1,151,003	971,208	1,151,003	1,164,732
Total assets less current liabilities					
		1,151,003	971,208	1,151,003	1,164,732
Total net assets					
		1,151,003	971,208	1,151,003	1,164,732
Funds:					
Unrestricted income funds:					
General funds		1,151,003	1,164,732	1,151,003	1,164,732
Subsidiary trading funds		–	(193,524)	–	–
Total unrestricted funds		1,151,003	971,208	1,151,003	1,164,732
Total funds		1,151,003	971,208	1,151,003	1,164,732

Approved by the trustees on 3 May 2023 and signed on their behalf by

Mark Robson
Chairman

The British Institute of Innkeeping

Consolidated statement of cash flows

For the year ended 31 December 2022

	Note	2022 £	£	2021 £	£
Cash flows from operating activities	18				
Net cash provided by operating activities			9,354	(458,211)	
Cash flows from investing activities:					
Dividends, interest and rents from investments		1,229		2,323	
Net proceeds from sale of subsidiary		100,000		149,906	
Purchase of fixed assets		(19,792)		(60,718)	
Net cash provided by investing activities			81,437	91,511	
Change in cash and cash equivalents in the year			90,791	(366,700)	
Cash and cash equivalents at the beginning of the year			1,050,518	1,417,218	
Cash and cash equivalents at the end of the year	19		1,141,309	1,050,518	

1 Accounting policies

a) Basis of preparation and statutory information

The British Institute of Innkeeping is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address (and principal place of business) is Office 3 Sentinel House, Ancells Business Park, Harvest Crescent, Fleet GU51 2UZ.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

The financial statements for 2022 consolidate the results of the charitable company and its wholly-owned subsidiary BIIBusiness Ltd on a line by line basis. These 2021 financial statements consolidate the results of the charitable company and its wholly-owned subsidiaries BIIAB, BIIBusiness Ltd and BII Benchmarking and Accreditation Service Ltd on a line by line basis. BIIAB Qualifications Limited was a wholly owned subsidiary until 28th February 2021, and the income and expenditure for the two months have also been consolidated in these financial statements. Transactions and balances between the charitable company and its subsidiaries have been eliminated from the consolidated financial statements. Balances between the five companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

Key judgements that the charity has made which have a significant effect on the accounts include discounted long term debtors receivable from the sale of BIIAB Qualifications Limited.

b) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

c) Going concern

The Council has taken steps to reposition the group's business model to improve the long term financial position. Focus has been given to the growth of membership, cost efficiencies and identification of new business opportunities. As the Council considers the group is able to pay their debts as they fall due for a period for 12 months from signing these accounts, the going concern basis remains appropriate. The Council has considered there are no material uncertainties on the group's operations or on the going concern assumption.

d) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that 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.

Both fixed consideration and profit share received from the sale of the Awarding Body to the Skills and Education Group on 28th February 2021 are included in gains on disposal of subsidiary.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

1 Accounting policies (continued)

e) Donations of gifts, services and facilities

On receipt, donated gifts, 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.

f) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

	2022	2021
• Qualifications, examination and education	0%	28%
• Membership	60%	23%
• Publications and handbooks	0%	1%
• Support costs	36%	45%
• Governance costs	1%	1%
• Trading	4%	2%

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity.

• Qualifications, examination and education	0%	48%
• Membership	100%	47%
• Publications and handbooks	0%	5%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

g) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

h) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

• Computer equipment	33%
• Computer systems and database	50%
• Office and exhibition equipment	20%
• Fixtures and fittings	20%
• Cycle to work	33%

i) Investments in subsidiaries

Investments in subsidiaries are at cost.

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. Accrued profit share income from the sale of the Awarding Body has been valued with a discount rate of 10% to reflect the net present value.

1 Accounting policies (continued)

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) 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 their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

n) Pensions

The Institute operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Institute in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the Institute to the fund. The Institute has no liability under the scheme other than for the payment of those contributions.

o) Gains on disposal of subsidiary

These are calculated as the excess of discounted receipts over related discounted costs.

2 Parent charity results for the year

	2022 Total £	2021 Total £
Turnover	1,048,356	1,087,849
Expenditure	(1,229,278)	(1,468,488)
	(180,921)	(380,639)
Gains on disposal of subsidiary	138,879	293,841
Gift aid donations from subsidiary undertakings	28,313	138,644
Net result of the charity	(13,729)	51,846

3 Donations and legacies

	2022 Total £	2021 Total £
Other corporate donations	17,000	17,000
	17,000	17,000

4 Costs of raising funds

	2022 Total £	2021 Total £
Staff costs	15,000	14,930
Hosting Fees	21,130	20,700
Events	187,554	102,070
Promotion of products	-	15,163
	223,684	152,863

5 Income from trading subsidiaries

The wholly owned trading subsidiary BIIBusiness, which is incorporated in the United Kingdom, donate taxable profits to the Institute by gift aid. A summary of their trading results is shown below.

The wholly owned trading subsidiaries, BII, The National Licensee's Certificate Awarding Body Ltd and Association for Personal Licence Holders have been dormant since incorporation.

The wholly owned subsidiaries, BII Benchmarking & Accreditation Services Ltd and BIIAB have been dissolved during 2022 and BIIAB Qualifications Limited was sold to the Skills and Education Group in March 2021

BIIBusiness Ltd undertakes the trading activities of the Institute.

Summary profit and loss accounts

	2022		2021				
	BIIBusiness	2022 Total £	BII Benchmarking & Accreditation Services	BIIAB	BIIAB Qualifications Ltd	BIIBusiness	2021 Total £
Turnover	654,758	654,758	–	–	198,408	471,479	669,887
Contribution by BII	–	–	26,058	185,168	–	–	211,226
Cost of sales	(330,475)	(330,475)	(82)	(44,009)	(52,309)	(237,453)	(333,853)
Gross profit	324,283	324,283	25,976	141,159	146,099	234,026	547,260
Interest receivable	–	–	–	–	–	–	–
Administrative expenses	(102,448)	(102,448)	–	–	(142,025)	(266,510)	(408,535)
Net (loss)/profit	221,835	221,835	25,976	141,159	4,074	(32,484)	138,725
Taxation	–	–	–	–	–	–	–
Donation to the Institute	(28,313)	(28,313)	–	–	(138,644)	–	(138,644)
Retained in subsidiary	193,522	193,522	25,976	141,159	(134,570)	(32,484)	81
The assets and liabilities of the subsidiaries at 31 December:							
Current assets	261,301	261,301	–	–	–	497,360	497,360
Creditors: amounts falling due within one	261,301	261,301	–	–	–	690,884	690,884
			–	–	–	(193,524)	(193,524)
Aggregate share capital and reserves			–	–	–	(193,524)	(193,524)

The British Institute of Innkeeping

Notes to the financial statements

For the year ended 31 December 2022

6 Analysis of charitable expenditure (current year)

2022	<u>Charitable activities</u>			2022 Total £	2021 Total £
	Membership (continuing) £	Governance costs £	Support costs £		
Staff costs (Note 8)	398,667	13,621	477,313	889,601	1,052,865
Office and office admin costs	38,478	–	120,325	158,803	210,708
Member benefits	121,551	–	–	121,551	106,074
Examination process costs	–	–	–	–	52,309
Consultancy – new qualifications growth strategy	16,800	–	–	16,800	16,800
Staff travel and motoring costs	17,957	–	14,529	32,486	12,443
Qualifications development and maintenance	–	–	–	–	3,236
Marketing	11,734	–	–	11,734	8,788
Events	18,043	–	9,044	27,087	17,858
Goods for resale	–	–	–	–	3,553
Professional fees	–	16,948	–	16,948	33,132
Council meetings and expenses	–	5,257	–	5,257	3,696
Membership processing costs	951	–	–	951	4,741
Other costs	–	–	18,233	18,233	33,360
Depreciation and loss on disposal of fixed assets	36,618	–	–	36,618	107,954
	<u>660,799</u>	<u>35,826</u>	<u>639,444</u>	<u>1,336,069</u>	<u>1,667,517</u>
Support costs	639,444	–	(639,444)	–	–
Governance costs	35,826	(35,826)	–	–	–
Total expenditure 2022	<u>1,336,069</u>	<u>–</u>	<u>–</u>	<u>1,336,069</u>	<u>1,667,517</u>

6b Analysis of charitable expenditure (prior year)

2021	Charitable activities					2021 Total £
	Membership (continuing) £	Qualifications, examinations and education (discontinued) £	Publications and handbooks (discontinued) £	Governance costs £	Support costs £	
Staff costs (Note 8)	397,743	76,999	–	13,568	564,555	1,052,865
Office and office admin costs	82	4,536	–	–	206,090	210,708
Member benefits	106,074	–	–	–	–	106,074
Examination process costs	–	52,309	–	–	–	52,309
Consultancy – new qualifications growth strategy	16,800	–	–	–	–	16,800
Staff travel and motoring costs	6,575	104	–	–	5,764	12,443
Qualifications development and maintenance	–	3,236	–	–	–	3,236
Marketing	8,788	–	–	–	–	8,788
Events	17,858	–	–	–	–	17,858
Goods for resale	–	–	3,553	–	–	3,553
Professional fees	–	7,463	–	25,669	–	33,132
Council meetings and expenses	–	–	–	3,696	–	3,696
Membership processing costs	4,741	–	–	–	–	4,741
Other costs	–	32,484	–	–	876	33,360
Depreciation and loss on disposal of fixed assets	36,170	4,484	–	–	67,300	107,954
	594,831	181,615	3,553	42,933	844,585	1,667,517
Freelance & Temporary staff						
Support costs	792,953	51,632	–	–	(844,585)	–
Governance costs	41,358	1,575	–	(42,933)	–	–
Total expenditure 2021	1,429,142	234,822	3,553	–	–	1,667,517

7 Net income for the year

This is stated after charging

	Group	
	2022	2021
	£	£
Depreciation	45,662	47,808
Profit on disposal of fixed assets	–	33,501
Operating lease rentals:		
Property	51,354	59,426
Other	5,777	5,071
Auditors' remuneration (excluding VAT):		
Audit	15,000	16,000
Other services	–	5,350

8 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2022	2021
	£	£
Salaries and wages	758,554	859,641
Redundancy and termination costs	–	27,500
Social security costs	73,589	82,943
Employer's contribution to defined contribution pension schemes	56,450	56,641
Freelance & Temporary staff	–	21,510
Other forms of employee benefits	16,008	19,560
	904,601	1,067,795

The following number of employees received employee benefits (excluding employer pension costs and national insurance) during the year between:

	2022	2021
	No.	No.
£60,000 – £69,999	1	1
£70,000 – £149,999	–	–
£150,000 – £159,999	1	1
£160,000 +	–	–

The total employee benefits including pension contributions and employer's national insurance of the key management personnel were £508k (2021: £531k).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £1,492 relating to attendance at meetings of the trustees.

9 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2022 No.	2021 No.
Qualifications, examinations and education	–	1.7
Membership	11.0	9.1
Publications and handbooks	–	0.2
Support	6.5	7.7
Trading activities	0.7	0.7
Governance	0.1	0.1
	18.3	19.5

10 Related party transactions

Steven Alton, CEO of BII is on the Skills and Education Group board and Paul Eeles CEO of Skills and Education Group is on the BII board. BII sold BIIAB Qualifications to the Skills and Education Group on 28th Feb 2021. BII will receive fixed and profit share consideration. In 2022 BII received £200,000 in relation to the fixed consideration and consultancy fees (2021: £338,196).

Accrued income for future fixed consideration at the year end was £288,169 (2021 £469,999).

During the year BII recharged £102,448 (2021: £196,451) to BIIBusiness for management and administration support. At the end of the year BIIBusiness owed BII £4,738 (2021: £565,366).

During the year BII paid KAM Media £1,950 + VAT where a trustee is the sole director. £0 was outstanding at the year end and all transactions were carried out on an arms length basis.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

11 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiaries gift aid available profits to the parent charity.

12 Tangible fixed assets

The group

	Computer systems & database £	Computer equipment £	Office & exhibition equipment £	Cycle to Work £	Total £
Cost					
At the start of the year	72,340	35,109	–	–	107,449
Additions in year	12,730	3,000	–	4,062	19,792
Disposals	–	–	–	–	–
At the end of the year	85,070	38,109	–	4,062	127,241
Depreciation					
At the start of the year	36,170	20,868	–	–	57,038
Charge for the year	37,398	7,604	–	660	45,662
Disposals	–	–	–	–	–
At the end of the year	73,568	28,472	–	660	102,700
Net book value					
At the end of the year	11,502	9,637	–	3,402	24,541
At the start of the year	36,170	14,241	–	–	50,411

All of the above assets are owned by the charity & used for charitable purposes.

13 Investments

	The charity 2022 £	2021 £
Investment in unquoted subsidiary undertakings, at cost	–	–

14 Debtors: amounts falling due after one year

	The group 2022 £	2021 £	The charity 2022 £	2021 £
Accrued income	205,525	288,170	205,525	288,170
	205,525	288,170	205,525	288,170

This represents proceeds from Skills and Education Group over the next 4 years for the sale of the awarding body. BII is also entitled to a portion of profits of BIIAB up to 2026. However, the profit share cannot currently be ascertained with reasonable certainty, and is therefore a contingent asset and is not recognised as income as at the balance sheet date.

For the year ended 31 December 2022**15 Debtors: amounts falling due within one year**

	The group		The charity	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	65,594	84,962	5,904	44,123
Amounts due from group undertakings		–	127,094	565,366
Accrued Income	212,433	181,818	212,433	181,818
Prepayments	97,634	37,774	50,613	34,227
	375,661	304,554	396,044	825,534

This includes profit share income for the sale of BIIAB for their year ending Aug 2022.

16 Creditors: amounts falling due within one year

	The group		The charity	
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	32,117	31,167	17,053	19,515
Taxation and social security	19,762	22,923	19,762	22,923
VAT	19,267	34,993	19,267	34,993
Accruals	132,326	225,859	130,326	223,379
Pension	8,389	7,443	8,389	7,443
Deferred income	384,172	400,060	267,030	288,676
	596,033	722,445	461,827	596,929

17 Deferred income

Deferred income comprises advance payments for services not yet delivered as well as subscription income received which relates to a future period.

	The group		The charity	
	2022	2021	2022	2021
	£	£	£	£
Balance at the beginning of the year	400,060	549,435	288,676	332,824
Amount released to income in the year	(400,060)	(549,435)	(288,676)	(332,824)
Amount deferred in the year	384,172	400,060	267,030	288,676
Balance at the end of the year	384,172	400,060	267,030	288,676

18 Reconciliation of net income to net cash flow from operating activities

	2022 £	2021 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	179,795	51,929
Depreciation charges	45,662	47,808
(Profit)/loss on disposal of subsidiary	(138,879)	(293,841)
Other non-cash movements relating to disposal of subsidiary		(133,326)
Loss on disposal of fixed assets	–	33,501
Dividends, interest and rent from investments	(1,229)	(2,323)
(Increase)/decrease in stocks	–	4,891
(Increase)/decrease in debtors	(40,492)	260,188
Increase/(decrease) in creditors	(35,503)	(427,038)
Net cash provided by / (used in) operating activities	9,354	(458,211)

19 Analysis of cash and cash equivalents

	At 1 January 2022 £	Cash flows £	At 31 December 2022 £
Cash at bank and in hand	1,050,518	90,791	1,141,309
Total cash and cash equivalents	1,050,518	90,791	1,141,309

20 Operating lease commitments

The group and charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Buildings		Other	
	2022 £	2021 £	2022 £	2021 £
Less than one year	53,740	52,400	4,835	5,777
One to five years	107,840	120,000	2,511	6,216
	161,580	172,400	7,346	11,993

21 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

THE BRITISH INSTITUTE OF INNKEEPING

England & Wales - Charity number 283945

Accounts

Company number: 01601185
Charity number: 283945
Scottish Charity number: SC042351



BRITISH INSTITUTE OF INNKEEPING

Report and financial statements
For the year ended 31 December 2021

The British Institute of Innkeeping

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The British Institute of Innkeeping

Council's Report

For the year ended 31 December 2021

Company number 01601185

Charity number 283945

Registered office and operational address
Office 3 Sentinel House
Ancells Business Park
Harvest Crescent
Fleet
GU51 2UZ

Country of registration: England & Wales, Scotland

Country of incorporation: United Kingdom

Council The Council members named below (who are the trustees of the BII under charity law) have served throughout the year and up to the date of this report unless otherwise stated. The appointment and retirement of Council members is governed by the Articles of Association.

Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Bruce Cuthbert
Joanne Graham
Katy-Anne Hamilton
Gregory Mangham
Kelly McCarthy
Neil Morgan
Matthew Phipps
Mark Robson (Chair)
Timothy Smith
Philip Strong
Paul Eeles

Appointed 21st July 2021

The trustees delegate day to day management to the following senior leadership team (SLT):

Steven Alton	Chief Executive Officer
Andrew Bowen	Head of Finance Resigned April 2021
Shila Singh	Head of Finance Appointed January 2021
Molly Davis	Head of Communications
Natalie Wickham	Head of Partnerships
Hannah Solomons	Head of Membership Development

The British Institute of Innkeeping

Council's Report

For the year ended 31 December 2021

Secretary Gill Cooper

Bankers Barclays Bank UK PLC
Leicester
LE87 2BB

Auditor Sayer Vincent LLP
Chartered Accountants and Statutory Auditors
Invicta House
108-114 Golden Lane
LONDON
EC1Y 0TL

Council's Report

For the year ended 31 December 2021

The Council present their report and the audited financial statements for the year ended 31 December 2021.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

Purposes and aims

The BII's principal object is to advance the education and training of persons engaged, or preparing to be engaged, in a) the sale of beverages and/or the preparation or sale of food at premises licensed for the sale of intoxicating liquor; and/or b) ensuring regulatory compliance and/ or good operation in such premises.

The main activities undertaken to support the BII's purpose include:

- Provision of clear and actionable information and insight through regular member emails (INNFocus), online business resources including interactive guides and our quarterly member magazine (BII News)
- Access to eight expert helplines giving critical independent advice with all key elements of our members' businesses including legal, employment law, health & safety and risk management
- Access to a network of Trusted Partners providing advice, products and services for our members to improve their businesses
- Deliver a series of national awards to recognise, celebrate and promote best practice across our sector; Licensee of the Year Award and the National Innovation in Training Awards
- National events providing networking opportunities for our members
- Through the BIIAB and the partnership with the Skills and Education Group, the provision of qualifications and apprenticeships for learners working in, or planning to work in the hospitality industry and other industries outside the hospitality industry in particular the care sector
- Provision of PEAT (Pre-Entry Awareness Training) for new industry entrants before they sign an agreement with a pub company or brewery, providing information they need to consider in particular their legal and operational responsibilities
- Provision of support for industry initiatives including
 - Running administrative services for the Pub Governing Body (PGB), the Pub Independent Rent Review Scheme (PIRRS) and the Pub Independent Conciliation and Arbitration Service (PICAS)
 - Providing day to day support and running administrative services for the successful Best Bar None Professional & Safer Venues scheme. The BBN scheme promotes and maintains an inclusive national Awards Scheme for all licensed premises across England, Wales, Scotland, and Northern Ireland. The schemes' aim is to promote responsible management and operation of alcohol licensed premises, improve standards in the night time

economy, and reduce alcohol related crime and disorder in a town centre by building a positive relationship between the licensed trade, police and local authorities.

- Supporting PASS, the UK's national proof of age accreditation scheme, endorsed by the Home Office, the Association of Chief Police Officers (ACPO), the Security Industry Authority (SIA) and the Trading Standards Institute (TSI).

The Council reviews the aims, objectives, and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The Council reports the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the Council ensure the charity's aims, objectives and activities remained focused on its stated purposes.

The Council have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the Council consider how planned activities will contribute to the aims and objectives that have been set. The British Institute of Innkeeping does not raise funds specifically for fundraising and so does not use professional fundraisers.

Achievements and performance

The charity's main activities and who it tries to help are described below. All its charitable activities are undertaken to further The British Institute of Innkeeping's charitable purposes for the public benefit.

Membership and member services

2021 remained a challenging year for the BII and its members with ongoing closures and trading restrictions. The BII team has continued its focus on delivering support for its members to enable them to navigate the pandemic with complex and frequently changing operating rules. Our communications have further been developed throughout the year delivering timely and accurate communication relied upon by our members.

Members have been engaged throughout the year for their feedback on their financial realities, operational challenges and need for critical ongoing support. These members' insight reports have been used to provide a clear voice directly into Government for independently operated pubs. The resulting overall package of Government support has been broadly welcomed through 2021 and without it many more pubs would have failed. The BII will continue to make the case for ongoing support that will be needed to allow our members to start their recovery in 2022 as restrictions fall away completely across the UK.

The BII has taken every opportunity to provide a member voice directly into Government Ministers and key officials, across all key departments, in addition to presenting evidence to a number of All Party Parliamentary group enquiries. BII's role as the leading membership organisation for individuals in the licensed trade, many being licensees of single pubs across the UK, has been recognised with its formal membership of the Government Hospitality Council which is focused on rebuilding the sector.

Council's Report

For the year ended 31 December 2021

The BII team have done an exceptional job throughout 2021 passionately delivering against the BII purpose of doing all we can to **keep great pubs thriving at the heart of their communities**. Through regular communications: weekly INNFocus updates, interactive guides, speaking directly to members through our membership team and showcasing our professional support via our expert helplines, we have done all we can to help with our members priorities.

The quality of the support was recognised through our member survey with again 95% of members stating that they would recommend membership to others in the licensed trade. This has helped support the retention of members and grow the overall membership base. With around 10,000 members at the end of 2021, this has further solidified the BII organisation and provides a great platform for further growth into 2022.

2021 has seen the BII celebrated 40 years since it was founded. As restrictions eased, we were able to celebrate this key milestone with 900 guests at the BII Winter Event. The event was a celebration of the fantastic people in our sector with the awarding of our Licensee of the Year Award (LOYA) at its heart. The event was highly regarded by all who attended and has provided significant momentum into 2022 with the annual Summer Event back to its usual timing in June again celebrating LOYA 2022 which has been launched in January 2022. In addition, the team delivered a Tied Trade Forum in October, which was fully attended, which provided a platform to share best practice for pub groups and brewers who operate leased and tenanted pubs.

The team implemented significant changes throughout the year to both modernise the business and ensure we had a strong platform for further growth whilst continually developing new services. A major upgrade of all IT platforms was successfully completed in the first half of the year replacing the website, the membership portal and the CRM system. This has provided new capabilities and significantly reduced our costs & risks associated with these systems as they are all now cloud based services.

We also consolidated our office space requirements into a smaller fit for purpose office in Fleet. This space has been configured to allow for growth, the formal introduction of flexi-working for the team and areas for collaborative working. Whilst costs have been incurred for the move, refit and furnishing of the new offices, the overall ongoing office charges have been significantly reduced.

The senior leadership team (SLT) for the business has also been completed with new team members; Shila Singh, Head of Finance, and Hannah Solomons, Head of Membership Development. Both bring extensive external experience to the organisation. The overall SLT is working highly effectively as a team and delivering significant progress in all key areas. Morale in the wider team is strong with a committed team which has benefited from new team members in key roles in membership and communications.

A year of significant change which equips well for growing the organisation in terms of both services and member numbers.

Council's Report

For the year ended 31 December 2021

BIIAB

The BIIAB is the awarding organisation and end point organisation for work-based learning providers, FE Colleges and employers. They offer Qualifications, Apprenticeship Frameworks and End Point Assessments in over 25 sectors.

Following an extensive strategic review and detailed process the BII formally sold the BIIAB business to the Skills and Education Group in March 2021. This was following an extensive due diligence process ensuring the aims of the BIIAB will be maintained under new ownership. The agreement includes a long-term partnership with the Skills and Education Group that will enable the BII and BIIAB to work closely together to leverage the capabilities of both organisations to the benefit of members.

The partnership has made strong progress following the formal transition of the business. The respective Chief Executives are working closely on several key initiatives to ensure the pub and hospitality sector is fully supported with professional development pathways as it rebuilds its businesses and teams. The agreement is hugely beneficial to the BII, securing its long-term future and providing an opportunity to grow additional joint services with the expertise of the Skills and Education Group. The working relationship has been further enhanced with Paul Eeles CEO of the Skills and Education Group, joining the board of the BII, and Steve Alton CEO of The BII, joining the board of the Skills and Education Group. Paul Eeles, is a well-respected leader in the education and development sector for many years, having previously chaired the Federation of Awarding Bodies (FAB) for several years. Steven Alton, having led The BII for two years through the pandemic is also a director of Best Bar None (BBN), and an advisor for Only a Pavement Away, and a member of the Hospitality Sector Council, working closely with Government.

Beneficiaries of our services

The BII aims to inspire, develop, and support individuals in the licensed retail and hospitality industry as its primary beneficiaries. The BII continues to believe that the benefits derived by individuals in its focus on raising professional standards, recruiting, developing, and retaining talent alongside providing support, advice, and guidance to individuals, provides a wider public benefit.

The BII remains passionate about the role its members and their pubs play in communities across the UK. Its Heart of the Community Award continues recognising individuals and teams who have gone above and beyond in serving their communities throughout the pandemic. Many of the 130 winners of this award joined as guests at the BII Winter Event in November. The BII has campaigned throughout the year for the deserved recognition that our members and their pubs play in their communities through local employment, providing skilled careers, supporting local suppliers & brewers and being an accessible, safe space for people to connect. Their role is supporting mental wellbeing and community connections irradiating loneliness and isolation remains critical. It was encouraging for those at the heart of Government to recognise the unique role pubs play in society which was explicitly referenced in the first published Government Hospitality Strategy.

BII continues to support Best Bar None Professional & Safer Venues ensuring that the public benefits from the schemes in improving standards and providing a safer night time economy. The scheme

Council's Report

For the year ended 31 December 2021

is active across the UK and continues to have great success in achieving its aims of reducing alcohol related crime and disorder, reducing the harmful effects of binge drinking and improving knowledge and skills of individuals and enforcement and regulation agencies to help them responsibly manage licensed premises.

Financial review

The further growth of membership numbers and delivery of the BII Winter Event much improved revenues in the year. This was balanced against significant reorganisation costs with new systems, the separation of the BIIAB, an office move, and changes in the team structure. Majority of these costs are one-offs and will enable the organisation to move forward on a significantly stronger platform. The organisation has been designed as a lean multiskilled team that will focus on its core objectives around delivering valued membership services and support for the delivery of its overall purpose. This has resulted in a trading loss for the membership organisation of £241,912 however, after accounting for the transfer of ownership of the Awarding Body to the Skills and Education Group which contributed £293,841, the overall business delivered a surplus of £51,929. The transfer of ownership allows for future conditional pay-outs which are dependent on BIIABQL delivering an agreed profit, this is for the coming five years. The changes implemented provide a strong platform for the membership business to profitably operate in 2022, allowing for further reserves to be created that will be used for further investment in additional member services.

During 2021 all cost areas were subject to a full review with key focus on office expenses, ICT cost and telecoms, to ensure we have a lean overheads base moving into 2022, which is fit for our current business requirements and structure.

Reserves

Strong cash management has continued through this year with our cash reserves moving from a temporary level of £1.4m, back to an expected and strong cash reserve of £1.1m, due to some known and planned one off payments. As expected, this has also reduced our net current assets from £848k to £633k. The overall position provides real security to the BII covering both three months of operating costs contingency of circa £320k as agreed by the Council and allows for further targeted investment moving forward.

The council believes that the reserves and cashflow position provides significant resilience and will ensure the charity remains a going concern over the next 18 months despite the current uncertainties.

Going concern

The council are very pleased with the cash position in 2021. The losses incurred this year are predominantly non-trading and one-off restructuring items. This puts the charity in an extremely positive position with strengthened operational and senior leadership teams, new digital platforms, and a modern collaborative office environment. The plans for further development of services and membership growth are also well constructed.

Council's Report

For the year ended 31 December 2021

The BII team have already secured two new free-trade partnerships with a drinks digital wholesale solution and a global drinks brand that will drive new membership growth. Both of these are expected to start delivering new member growth as pubs start their recovery. The role of Membership Development is already delivering new members via estate wide commitments from regional pub groups. The overall SLT is focused on delivering both enhanced services and significant new member growth over the coming years.

The partnership with the Skills and Education Group also provides a source of income from the continued delivery of BIIAB products and services for BII members and the wider hospitality sector. The scale, expertise and collaboration through this partnership is expected to grow BIIAB revenues significantly as the sector tackles its strategic challenge to attract, develop and retain talent as it rebuilds its businesses over the coming years.

Based on the above assessment the Council considers that there are no material uncertainties on the going concern assumption.

Principal risks and uncertainties

In accordance with SORP 2015, the business risks of the BII and the steps taken to manage those risks are documented on a risk register, which is reviewed by the management team and presented to Council. Council is satisfied that the risks are managed adequately. Risks are graded in terms of both potential financial impact and likelihood of occurrence.

One of the biggest risks from the pandemic is now business failure of our members, from the significant commercial damage to pub businesses from nearly two years of closure and severe trading restrictions. Supporting our members through the critical period ahead as they recover their businesses does present an opportunity for the BII team to both maintain membership and grow into the Free Trade sector, where we already have a strong track record. There does remain strong investment interest in the sector, and we believe that this could support the retention and growth of membership, despite this risk. However, the loss of independent licensees does present a risk of loss of long term and loyal members.

Overall membership continues to grow and initiatives with larger pub groups supporting their licensees through centrally paid membership has been secured on multiyear commitments. The membership base remains evenly split between free trade, leasehold and tenanted licensees providing further resilience in the longer term.

Privacy and data protection risks, while rated as a low possibility, carries severe implications. This continues to be addressed by strict system controls and adhering to guidance and regulation under the Data Protection Act.

Council's Report

For the year ended 31 December 2021

Plans for the future

The BII team remains committed to further enhancing the core services provided by membership alongside targeting further growth. All areas are under constant review to drive further improvements.

Membership growth is a key priority, and we have clear plans to target estate wide membership in national and regional pub groups, alongside independent free trade growth through partners. There remains a strong free trade sector of around 20,000 pubs which presents a significant opportunity for growth.

Our events programme continues to develop, particularly after the significant success of the BII Winter Event. A minimum of three core member events will be delivered in the coming year: the BII People Conference showcasing the National Innovation in Training (NITAs) Awards in April, our Summer Event showcasing the Licensee of the Year Award (LOYA) in June and the Tied Trade Forum in October.

Our connection to our members is critical and we are enhancing the proactive contact across all our members. Building on the initial welcome call that all members get we are now adding additional contacts throughout the year to check in with all our members. The use of member insight surveys will continue to be a key platform to ensure we are developing our services and support in line with member priorities.

Our Trusted Partner network continues to grow strongly, and we see further opportunity in this area. As our members tackle the fragility of their business due to the pandemic and ongoing crippling inflation, they will need to review all areas of their business to improve the quality and cost of operations.

Our partnership with the Skills and Education brings together huge opportunities for growth for the BII and BIIAB together. The structural problem facing hospitality around resourcing presents significant opportunities to the BII & BIIAB promoting professional development pathways and membership support. In particular providing specific membership services for team members to support their performance and progression in hospitality remains a key focus area.

Covid19 risks

The BII is hopeful that the pandemic impact is beginning to reach its end with normal operations expected to return to pubs in the first half of 2022 as all restrictions fall away across the UK.

Structure, governance and management

The organisation is a charitable company limited by guarantee, incorporated on 1 December 1981 and registered as a charity on 11 February 1982. The charity is registered under the name The British Institute of Innkeeping and it trades under the title of BII.

The British Institute of Innkeeping

Council's Report

For the year ended 31 December 2021

The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

All the Council give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 7 to the accounts.

The BII is a membership organisation and as such all decisions are made by the members in general meetings.

The members have delegated the day to day running of the BII to the National Council. The Council consists of a Chair, 3 Regional chairs and 6 industry experts. The Board reviews regularly that the make up of its Council, is reflective of its wider membership.

Council delegates to the Chief Executive the day-to-day management and direction of the BII's business, together with the right to appoint and remove such paid officers and employees as he/she may deem necessary for the purposes of the BII together with the right to prescribe their respective duties and remuneration.

The BII also supports its local members through a network of 10 regions covering England, Wales and Scotland and has regional councils in each area. The regions are independent organisations and are not included in the financial statements of the British Institute of Innkeeping.

Committees and Advisory Groups are appointed by Council from time to time to exercise such powers and to perform such duties under the control of Council as may be delegated to them by Council. The current committees are:

- Governance committee, established in 2015, which will report directly to Council. It usually meets twice a year.

Appointment of Council

The BII is governed by its National Council, which is formed of Statutory Members who hold office in accordance with the Articles of Association. For the purposes of company law, the members of Council are treated as the directors mentioned in that section. All directors of the BII are trustees of the charity.

Trustee induction and training

New Council members receive formal training about the roles and responsibilities of trustees generally. They are also issued with comprehensive documentation about all aspects of the BII's operations.

Refresher training continues to be available on request for any Council member. Additionally, whenever new legislation affecting the BII is introduced the full National Council are appraised of the potential impact of the changes.

Council's Report

For the year ended 31 December 2021

Related parties and relationships with other organisations

The BII has the following relationships with related parties, subsidiaries, and other connected organisations:

- BII – A private company limited by guarantee number 4310751 and is a dormant company.
- BII Business Limited – A company limited by share capital number 2835362 and is the trading company for the BII. The single issued share is held by the BII.
- The National Licensee's Certificate Awarding Body Limited – A company limited by share capital number 4414250 and is dormant. The single issued share is held by the BII.
- BII Benchmarking and Accreditation Services Limited. A private company limited by guarantee number 6124783 and is used to accredit the codes of practices of companies offering leases for licensed premises.
- Association for Personal Licence Holders – A private company limited by guarantee number 6548681 and it is a dormant company.
- BIIAB – A private company limited by Guarantee number 4068966 was used as the awarding Organisation before the sale to Skills and Education Group, and is now non-trading.

Remuneration policy for key management personnel

The aim of the BII's remuneration policy is to ensure BII achieves best value whilst ensuring it can attract the best talent for its key roles. Salary levels of key management personnel are benchmarked against pay levels in similar charitable organisations but also with organisations in the licensed retail sector. The remuneration benchmark is the mid-point range for similar roles but can be adjusted for additional responsibilities or specialised skills. Salaries are reviewed annually and normally increased in accordance with average earnings.

Funds held as custodian trustee on behalf of others

The BII does not hold any funds on behalf of other organisations.

Statement of responsibilities of the Council

The Council (who are also directors of The British Institute of Innkeeping for the purposes of company law) are responsible for preparing the Council's annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company or group for that period. In preparing these financial statements, the Council 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 and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements

Council's Report

For the year ended 31 December 2021

- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

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

In so far as the Council are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware
- The Council have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

The Council 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.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2021 was 11 (2020: 10). The Council are members of the charity, but this entitles them only to voting rights. The Council have no beneficial interest in the charity.

Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The Council's annual report has been approved by the Council on 3 May 2022 and signed on their behalf by

Mark Robson
Chairman

Independent auditor's report

To the members of

The British Institute of Innkeeping

Opinion

We have audited the financial statements of The British Institute of Innkeeping (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the 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 FRS 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 group's and of the parent charitable company's affairs as at 31 December 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the group financial statements section of our report. We are independent of the group and parent charitable company 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 Council'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 British Institute of Innkeeping 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 Council with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the Council's annual report, other than the group financial statements and our auditor's report thereon. The Council is responsible for the other information contained within the annual report. Our opinion on the group 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the group financial statements themselves. 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 Council's annual report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The Council's annual report has 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 group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Council's annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of Council members' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The directors 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 Council's annual report and from the requirement to prepare a strategic report.

Responsibilities of the Council

As explained more fully in the statement of Council's responsibilities set out in the Council's annual report, the Council members (who are also the directors of the parent 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 Council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council is responsible for assessing the group's and the parent 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 Council either intends to liquidate the group or the parent 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

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;

Independent auditor's report

To the members of

The British Institute of Innkeeping

- Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators where applicable.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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 is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditor's report

To the members of

The British Institute of Innkeeping

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 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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.

Jonathan Orchard (Senior statutory auditor)

9 June 2022

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108–114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2021

				2021			2020
	Note	Continuing operations £	Discontinued operations £	Total £	Continuing operations (as restated) £	Discontinued operations (as restated) £	Total £
Income from:							
Donations and legacies	3	17,000	–	17,000	99,213	–	99,213
Charitable activities							
Membership		879,432	–	879,432	851,529	–	851,529
Qualifications, examinations and education		–	184,020	184,020	–	1,570,092	1,570,092
Publications and handbooks		–	3,040	3,040	–	28,566	28,566
Other trading activities		481,337	11,316	492,653	254,835	37,204	292,039
Investments		2,323	–	2,323	1,477	–	1,477
Total income		1,380,092	198,376	1,578,468	1,207,054	1,635,862	2,842,916
Expenditure on:							
Raising funds	4	152,863	–	152,863	157,216	–	157,216
Charitable activities							
Membership	6	1,429,142	–	1,429,142	849,816	–	849,816
Qualifications, examinations and education	6	–	234,822	234,822	–	1,594,150	1,594,150
Publications and handbooks	6	–	3,553	3,553	–	211,246	211,246
Total expenditure		1,582,005	238,375	1,820,380	1,007,032	1,805,396	2,812,428
Net (expenditure)/income before other recognised gains and losses	7	(201,913)	(39,999)	(241,912)	200,022	(169,534)	30,488
Gains on disposal of subsidiary		293,841	–	293,841	–	–	–
Net (expenditure)/income for the year		91,928	(39,999)	51,929	200,022	(169,534)	30,488
Transfers between funds		(39,999)	39,999	–	(169,534)	169,534	–
Net movements in funds		51,929	–	51,929	30,488	–	30,488
Reconciliation of funds:							
Total funds brought forward		919,279	–	919,279	888,791	–	888,791
Total funds carried forward		971,208	–	971,208	919,279	–	919,279

Discontinued activities relate to BIAB Qualifications Limited, which was sold on 28 February 2021. All other activities are continuing. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed above. All funds are unrestricted.

Balance sheets

Company no. 1601185

As at 31 December 2021

	Note	The group 2021 £	2020 £	The charity 2021 £	2020 £
Fixed assets:					
Tangible assets	12	50,411	71,002	50,411	36,926
Investments	13	–	–	2	2
Debtors: amounts falling due after one year	14	288,170	–	288,170	–
		338,581	71,002	338,583	36,928
Current assets:					
Stock	15	–	4,891	–	–
Debtors: amounts falling due within one year	16	304,554	382,924	825,534	934,923
Cash at bank and in hand		1,050,518	1,417,218	597,544	718,045
		1,355,072	1,805,033	1,423,078	1,652,968
Liabilities:					
Creditors: amounts falling due within one year	17	722,445	956,756	596,929	577,010
Net current assets		632,627	848,277	826,149	1,075,958
Total assets less current liabilities		971,208	919,279	1,164,732	1,112,886
Total net assets		971,208	919,279	1,164,732	1,112,886
Funds:					
Unrestricted income funds:					
General funds		1,164,732	1,112,886	1,164,732	1,112,886
Subsidiary trading funds		(193,524)	(193,607)	–	–
Total unrestricted funds		971,208	919,279	1,164,732	1,112,886
Total funds		971,208	919,279	1,164,732	1,112,886

Approved by the trustees on 3 May 2022 and signed on their behalf by

Mark Robson
Chairman

The British Institute of Innkeeping

Consolidated statement of cash flows

For the year ended 31 December 2021

	Note	2021 £	£	2020 £	£
Cash flows from operating activities	19				
Net cash used in operating activities			(458,211)		517,266
Cash flows from investing activities:					
Dividends, interest and rents from investments		2,323		1,477	
Net proceeds from sale of subsidiary		149,906		–	
Purchase of fixed assets		(60,718)		(37,376)	
Net cash provided by investing activities			91,511		(35,899)
Change in cash and cash equivalents in the year			(366,700)		481,367
Cash and cash equivalents at the beginning of the year			1,417,218		935,851
Cash and cash equivalents at the end of the year	19		1,050,518		1,417,218

1 Accounting policies

a) Basis of preparation and statutory information

The British Institute of Innkeeping is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address (and principal place of business) is Office 3 Sentinel House, Ancells Business Park, Harvest Crescent, Fleet GU51 2UZ.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiaries BIIAB, BII Business Ltd and BII Benchmarking and Accreditation Service Ltd on a line by line basis. BIIAB Qualifications Limited was a wholly owned subsidiary until 28th February 2021, and the income and expenditure for the two months have also been consolidated in these financial statements. Transactions and balances between the charitable company and its subsidiaries have been eliminated from the consolidated financial statements. Balances between the five companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

Key judgements that the charity has made which have a significant effect on the accounts include disocunted long term debtors receivable from the sale of BIIAB Qualifications Limited.

b) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

c) Going concern

The Council has taken steps to reposition the group's business model to improve the long term financial position. Focus has been given to the growth of membership, cost efficiencies and identification of new business opportunities. As the Council considers the group is able to pay their debts as they fall due for a period for 12 months from signing these accounts, the going concern basis remains appropriate. The Council has considered there are no material uncertainties, including the impact of Covid-19 on the group's operations, on the going concern assumption.

d) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that 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.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

1 Accounting policies (continued)

e) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation 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), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, 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.

f) 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 relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

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

g) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

	2021 (Mar– Dec)	2021 (Jan– Feb)	2,020
• Qualifications, examination and education	0%	28%	28%
• Membership	39%	25%	23%
• Publications and handbooks	0%	2%	1%
• Support costs	58%	43%	45%
• Governance costs	1%	1%	1%
• Trading	2%	1%	2%

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity.

• Qualifications, examination and education	0%	48%	55%
• Membership	100%	47%	40%
• Publications and handbooks	0%	5%	5%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

1 Accounting policies (continued)

h) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

i) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

● Computer equipment	33%
● Computer systems and database	50%
● Office and exhibition equipment	20%
● Fixtures and fittings	20%

j) Investments in subsidiaries

Investments in subsidiaries are at cost.

k) Stocks

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks. Since the sale of the Awarding Body we no longer hold stock.

l) 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. Accrued income from the sale of the Awarding Body has been valued with a discount rate of 10% to reflect the net present value.

m) 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.

n) 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.

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 their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

p) Pensions

The Institute operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Institute in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the Institute to the fund. The Institute has no liability under the scheme other than for the payment of those contributions.

q) Gains on disposal of subsidiary

These are calculated as the excess of discounted receipts over related discounted costs.

2 Parent charity results for the year

	2021 Total £	2020 Total £
Turnover	1,761,296	1,913,929
Expenditure	(2,141,935)	(1,942,790)
	(380,639)	(28,861)
Gains on disposal of subsidiary	293,841	-
Gift aid donations from subsidiary undertakings	138,644	-
	51,846	(28,861)

3 Donations and legacies

	2021 Total £	2020 Total £
HMRC Coronavirus Job Retention Scheme	-	82,213
Other corporate donations	17,000	17,000
	17,000	99,213

4 Costs of raising funds

	2021 Total £	2020 Total £
Staff costs	14,930	79,996
Consultancy	-	16,800
Hosting Fees	20,700	23,625
Events	102,070	16,496
Promotion of products	15,163	20,299
	152,863	157,216

5 Income from trading subsidiaries

The wholly owned trading subsidiaries, BII Benchmarking & Accreditation Services Ltd, BIIAB, BIIBusiness Ltd and (BIIAB Qualifications Limited until March 2021), which are all incorporated in the United Kingdom, donate their taxable profits to the Institute by gift aid. A summary of their trading results is shown below. The wholly owned trading subsidiaries, BII, The National Licensee's Certificate Awarding Body Ltd and Association for Personal Licence Holders have been dormant since incorporation.

BIIAB is the awarding body of the Institute and administers the examinations process. In 2020, BIIAB's activities were transferred to BIIAB Qualifications Limited.

BIIBusiness Ltd undertakes the other trading activities of the Institute.

BII Benchmarking and Accreditation Services Ltd undertakes benchmarking services. Non-trading in both 2020 and 2021.

Summary profit and loss accounts

	2021					2020				
	BII Benchmarking & Accreditation Services	BIIAB	BIIAB Qualification s Ltd	BIIBusiness	2021 Total £	BII Benchmarking & Accreditation Services	BIIAB	BIIAB Qualifications Ltd	BIIBusiness	2020 Total £
Turnover	–	–	198,408	471,479	669,887	–	619,571	979,054	320,605	1,919,230
Contribution by BII	26,058	185,168	–	–	211,226	–	–	–	–	–
Cost of sales	(82)	(44,009)	(52,309)	(237,453)	(333,853)	–	(163,944)	(299,994)	(201,993)	(665,931)
Gross profit	25,976	141,159	146,099	234,026	547,260	–	455,627	679,060	118,612	1,253,299
Interest receivable	–	–	–	–	–	–	200	–	87	287
Administrative expenses	–	–	(142,025)	(266,510)	(408,535)	(86)	(369,922)	(544,490)	(279,739)	(1,194,237)
Net (loss)/profit	25,976	141,159	4,074	(32,484)	138,725	(86)	85,905	134,570	(161,040)	59,349
Taxation	–	–	–	–	–	–	–	–	–	–
Donation to the Institute	–	–	(138,644)	–	(138,644)	–	–	–	–	–
Retained in subsidiary	<u>25,976</u>	<u>141,159</u>	<u>(134,570)</u>	<u>(32,484)</u>	<u>81</u>	<u>(86)</u>	<u>85,905</u>	<u>–</u>	<u>(161,040)</u>	<u>59,349</u>
The assets and liabilities of the subsidiaries at 31 December:										
Current assets	–	–	–	497,360	497,360	587	533,725	831,330	255,494	1,621,136
Creditors: amounts falling due within one	–	–	–	690,884	690,884	26,563	674,884	696,760	416,534	1,814,741
	<u>–</u>	<u>–</u>	<u>–</u>	<u>(193,524)</u>	<u>(193,524)</u>	<u>(25,976)</u>	<u>(141,159)</u>	<u>134,570</u>	<u>(161,040)</u>	<u>(193,605)</u>
Aggregate share capital and reserves	<u>–</u>	<u>–</u>	<u>–</u>	<u>(193,524)</u>	<u>(193,524)</u>	<u>(25,976)</u>	<u>(141,159)</u>	<u>134,570</u>	<u>(161,040)</u>	<u>(193,605)</u>

6 Analysis of charitable expenditure (current year)

2021	Charitable activities			Governance costs £	Support costs £	2021 Total £	2020 Total £
	Membership (continuing) £	Qualifications, examinations and education (discontinued) £	Publications and handbooks (discontinued) £				
Staff costs (Note 8)	641,230	76,999	–	13,568	321,068	1,052,865	1,184,118
Office and office admin costs	82	4,536	–	–	206,090	210,708	499,953
Member benefits	114,862	–	–	–	–	114,862	124,740
Membership recruitment	–	–	–	–	–	–	–
Examination process costs	–	52,309	–	–	–	52,309	463,938
Consultancy – new qualifications growth strategy	16,800	–	–	–	–	16,800	8,000
Staff travel and motoring costs	6,575	104	–	–	5,764	12,443	20,071
Qualifications development and maintenance	–	3,236	–	–	–	3,236	5,525
Events	17,858	–	–	–	–	17,858	503
Goods for resale	–	–	3,553	–	–	3,553	37,237
Professional fees	–	7,463	–	25,669	–	33,132	62,862
Council meetings and expenses	–	–	–	3,696	–	3,696	1,078
Membership processing costs	4,741	–	–	–	–	4,741	435
Other costs	–	32,484	–	–	876	33,360	39,548
Depreciation and loss on disposal of fixed assets	36,170	4,484	–	–	67,300	107,954	207,204
	838,318	181,615	3,553	42,933	601,098	1,667,517	2,655,212
Freelance & Temporary staff							
Support costs	549,466	51,632	–	–	(601,098)	–	–
Governance costs	41,358	1,575	–	(42,933)	–	–	–
Total expenditure 2021	1,429,142	234,822	3,553	–	–	1,667,517	2,655,212

6 Analysis of charitable expenditure (Prior year)

2020	Charitable activities			Governance costs £	Support costs £	2020 Total £
	Membership (continuing, as restated)) £	Qualifications, examinations and education (discontinued, as restated) £	Publications and handbooks (discontinued, as restated) £			
Staff costs (Note 8)	441,468	413,381	22,990	13,500	292,779	1,184,118
Office and office admin costs	3,367	16,828	–	–	479,758	499,953
Member benefits	24,920	–	99,820	–	–	124,740
Membership recruitment	–	–	–	–	–	–
Examination process costs	–	463,938	–	–	–	463,938
Consultancy – new qualifications growth strategy	–	8,000	–	–	–	8,000
Staff travel and motoring costs	3,116	8,990	–	–	7,965	20,071
Qualifications development and maintenance	–	–	–	–	–	–
Qualifications development and maintenance – S4G	–	5,525	–	–	–	5,525
Events	503	–	–	–	–	503
Goods for resale	–	–	37,237	–	–	37,237
Professional fees	–	–	–	62,862	–	62,862
Council meetings and expenses	–	–	–	1,078	–	1,078
Membership processing costs	435	–	–	–	–	435
Other costs	–	54,866	–	–	(15,318)	39,548
Depreciation and loss on disposal of fixed assets	162,673	33,820	–	–	10,711	207,204
	636,482	1,005,348	160,047	77,440	775,895	2,655,212
Freelance & Temporary staff						
Support costs	193,974	535,368	46,553	–	(775,895)	–
Governance costs	19,360	53,434	4,646	(77,440)	–	–
Total expenditure 2020	849,816	1,594,150	211,246	–	–	2,655,212

7 Net income for the year

This is stated after charging

Group

	2021 £	2020 £
Depreciation	47,808	125,747
Loss on disposal of fixed assets	33,501	81,457
Operating lease rentals:		
Property	59,426	129,248
Other	5,071	14,489
Auditors' remuneration (excluding VAT):		
Audit	16,000	20,861
Other services	5,350	9,189

8 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2021 £	2020 £
Salaries and wages	859,641	943,973
Redundancy and termination costs	27,500	10,000
Social security costs	82,943	87,803
Employer's contribution to defined contribution pension schemes	56,641	54,817
Freelance & Temporary staff	21,510	141,230
Other forms of employee benefits	19,560	26,291
	1,067,795	1,264,114

The following number of employees received employee benefits (excluding employer pension costs and national insurance) during the year between:

	2021 No.	2020 No.
£60,000 – £69,999	1	–
£70,000 – £79,999	–	1
£80,000 – £89,999	–	–
£90,000–£99,999	–	–
£100,000–£109,999	–	1
£110,000 – 119,999	–	–
£120,000 – 149,999	–	–
£150,000 – £159,999	1	1

The total employee benefits including pension contributions and employer's national insurance of the key management personnel were £531k (2020: £606k).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £0 (2020 £1,274) incurred by (2020 11) members relating to attendance at meetings of the trustees.

9 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2021 No.	2020 No.
Qualifications, examinations and education	1.7	10.0
Membership	9.1	7.3
Publications and handbooks	0.2	1.0
Support	7.7	6.5
Trading activities	0.7	0.7
Governance	0.1	0.1
	19.5	25.6

10 Related party transactions

Steven Alton, CEO of BII is on the Skills and Education Group board and Paul Eeles CEO of Skills and Education Group is on the BII board. BII sold BIIAB Qualifications to the Skills and Education Group on 28th Feb 2021. BII will receive fixed and profit share consideration. In 2021 BII received £338,196 in relation to the fixed consideration and consultancy fees (2020: £nil).

Accrued income for future fixed consideration at the year end was £469,999 (2020: £nil.)

BII paid £nil (2020: £2,000) plus VAT to KAM Media in the year where a KAM director is also a BII Trustee. All transactions were carried out on an arms length basis.

During the year BII recharged £nil (2020: £278,087) to BIIAB for management and administration support. At the end of the year owed BIIAB £nil (2020: £10,570).

During the year BII recharged £130,247 (2020: £441,710) to BIIAB Qualifications for management and administration support. At the end of the year, BIIABQL owed BII £nil (2020: £551,032).

During the year BII recharged £196,451 (2020: £242,200) to BIIBusiness for management and administration support. At the end of the year BIIBusiness owed BII £565,366 (2020: £266,987).

During the year BIIAB charged £nil (2020: £17,534) to BIIBusiness for management and administration support. At the end of the year BIIAB owed BIIBusiness £nil (2020: £51,922).

During the year BIIABQL recharged £11,674 (2020: £10,999) to BIIBusiness for management and administration support. At the end of the year BIIBusiness owed BIIABQL £nil (2020: £11,643).

The inter-company balances between BII and BIIAB were written off in the year following the sale of the awarding body. The amount totalled £141,159 (2020: £nil). The inter-company balances between BII and BII Benchmarking & Accreditation Services were written off in the year. The amount totalled £25,976 (2020: £nil). The inter-company balances between BII and BIIBusiness were written off in the year. The amount totalled £52,122 (2020: £nil).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

11 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiaries gift aid available profits to the parent charity.

12 Tangible fixed assets

The group

	Computer systems & database £	Computer equipment £	Office & exhibition equipment £	Fixtures and fittings £	Total £
Cost					
At the start of the year	368,087	133,656	35,880	45,823	583,446
Additions in year	52,697	8,021	–	–	60,718
Disposals	(348,444)	(106,568)	(35,880)	(45,823)	(536,715)
At the end of the year	72,340	35,109	–	–	107,449
Depreciation					
At the start of the year	314,346	116,616	35,659	45,823	512,444
Charge for the year	40,654	7,030	124	–	47,808
Disposals	(318,830)	(102,778)	(35,783)	(45,823)	(503,214)
At the end of the year	36,170	20,868	–	–	57,038
Net book value					
At the end of the year	36,170	14,241	–	–	50,411
At the start of the year	53,741	17,040	221	–	71,002

All of the above assets are used for charitable purposes.

The charity

	Computer systems & database £	Computer equipment £	Office & exhibition equipment £	Fixtures and fittings £	Total £
Cost					
At the start of the year	143,227	133,656	35,880	45,823	358,586
Additions in year	52,696	8,021	–	–	60,717
Disposals	(123,583)	(106,568)	(35,880)	(45,823)	(311,854)
At the end of the year	72,340	35,109	–	–	107,449
Depreciation					
At the start of the year	123,583	116,616	35,659	45,823	321,681
Charge for the year	36,170	7,030	124	–	43,324
Disposals	(123,583)	(102,778)	(35,783)	(45,823)	(307,967)
At the end of the year	36,170	20,868	–	–	57,038
Net book value					
At the end of the year	36,170	14,241	–	–	50,411
At the start of the year	19,644	17,040	221	–	36,905

All of the above assets are used for charitable purposes.

13 Investments

	The charity 2021 £	2020 £
Investment in unquoted subsidiary undertakings, at cost	–	2

14 Debtors: amounts falling due after one year

	The group 2021 £	2020 £	The charity 2021 £	2020 £
Accrued income	288,170	–	288,170	–
	288,170	–	288,170	–

This represents proceeds from Skills and Education Group over the next 5 years for the sale of the awarding body. BII is also entitled to a portion of profits of BIIAB up to 2026. However, the profit share cannot currently be ascertained with reasonable certainty, and is therefore a contingent asset and is not recognised as income as at the balance sheet date.

15 Stock

	The group 2021 £	2020 £	The charity 2021 £	2020 £
Handbooks & CD's	–	4,891	–	–
	–	4,891	–	–

16 Debtors: amounts falling due within one year

	The group 2021 £	2020 £	The charity 2021 £	2020 £
Trade debtors	84,962	286,649	44,123	36,552
Amounts due from group undertakings	–	–	565,366	844,542
Accrued Income (note 14)	181,818	–	181,818	–
Prepayments	37,774	96,256	34,227	53,829
VAT	–	19	–	–
	304,554	382,924	825,534	934,923

17 Creditors: amounts falling due within one year

	The group		The charity	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	31,167	29,474	19,515	69,215
Taxation and social security	22,923	23,463	22,923	23,463
Amounts due to group undertakings	–	–	–	10,570
VAT	34,993	122,809	34,993	81,754
Accruals	225,859	231,401	223,379	59,010
Pension	7,443	174	7,443	174
Deferred income	400,060	549,435	288,676	332,824
	722,445	956,756	596,929	577,010

18 Deferred income

Deferred income comprises advance payments for services not yet delivered as well as subscription income received which relates to a future period.

	The group		The charity	
	2021	2020	2021	2020
	£	£	£	£
Balance at the beginning of the year	549,435	362,036	332,824	304,945
Amount released to income in the year	(549,435)	(362,036)	(332,824)	(304,945)
Amount deferred in the year	400,060	549,435	288,676	332,824
Balance at the end of the year	400,060	549,435	288,676	332,824

19 Reconciliation of net income to net cash flow from operating activities

	2021	2020
	£	£
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	51,929	30,488
Depreciation charges	47,808	125,747
(Profit)/loss on disposal of subsidiary	(293,841)	–
Other non-cash movements relating to disposal of subsidiary	(133,326)	–
Loss on disposal of fixed assets	33,501	81,457
Dividends, interest and rent from investments	(2,323)	(1,477)
(Increase)/decrease in stocks	4,891	28,978
(Increase)/decrease in debtors	260,188	333,054
Increase/(decrease) in creditors	(427,038)	(80,981)
Net cash provided by / (used in) operating activities	(458,211)	517,266

20 Analysis of cash and cash equivalents

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	1,417,218	(366,700)	1,050,518
Total cash and cash equivalents	1,417,218	(366,700)	1,050,518

21 Operating lease commitments

The group and charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Buildings		Other	
	2021 £	2020 £	2021 £	2020 £
Less than one year	52,400	30,223	5,777	5,936
One to five years	120,000	–	6,216	7,834
	172,400	30,223	11,993	13,770

22 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.