

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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For the year ended 31 December 2022

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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.

The British Institute of Innkeeping

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.

Independent auditor's report

To the members of

The British Institute of Innkeeping

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

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

For the year ended 31 December 2022

		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.

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 2022 £	2021 £	Other 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.