

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

The British Institute of Innkeeping

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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 irradiating 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.

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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.

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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 | Charitable | | | 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 |
| | 660,799 | 35,826 | 639,444 | 1,336,069 |
| Support costs | 639,444 | – | (639,444) | – |
| Governance costs | 35,826 | (35,826) | – | – |
| Total expenditure 2022 | 1,336,069 | – | – | 1,336,069 |

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 |
| | 20.2 | 18.3 |

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.