

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



BRITISH INSTITUTE OF INNKEEPING

Report and financial statements
For the year ended 31 December 2020

The British Institute of Innkeeping

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For the year ended 31 December 2020

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The British Institute of Innkeeping

Council's Report

For the year ended 31 December 2020

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	Appointed 27 February 2020
Gregory Mangham	
Kelly McCarthy	
Neil Morgan	
Matthew Phipps	
Mark Robson (Chair)	
Timothy Smith	
Philip Strong	

The trustees delegate day to day management to the following senior management team

Mike Clist – Chief Executive Officer	Resigned February 2020
Steven Alton – Chief Executive Officer	
Andrew Bowen – Head of Finance	Resigned April 2021
Shila Singh – Head of Finance	Appointed January 2021
Anne Harper – Director of BIIAB	Appointed February 2020

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For the year ended 31 December 2020

Secretary	Gill Cooper
Bankers	Allied Irish Bank (GB) 51 Belmont Road Uxbridge Middlesex UB8 1RZ
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditors Invicta House 108-114 Golden Lane LONDON EC1Y 0TL

Council's Report

For the year ended 31 December 2020

The Council present their report and the audited financial statements for the year ended 31 December 2020.

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, online business resources including interactive guides and our quarterly member magazine (BII News)
- Access to eight expert helplines giving critical advice with all key elements of our members' businesses including legal, employment law and health & safety including Covid-19 measures
- 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
- National events providing networking opportunities for our members
- Through the BIIAB, the awarding body of the BII, provision of qualifications and apprenticeships for learners working in, or planning to work in the hospitality industry and other industries outside the hospitality industry in particular the care sector
- Provision of PEAT (Pre-Entry Awareness Training) for new industry entrants before they sign an agreement with a pub company or brewery, providing information they need to consider in particular their legal and operational responsibilities
- Provision of support for industry initiatives including
 - Running administrative services for the Pub Governing Body (PGB), the Pub Independent Rent Review Scheme (PIRRS) and the Pub Independent Conciliation and Arbitration Service (PICAS)
 - Providing day to day support and running administrative services for the successful Best Bar None Professional & Safer Venues scheme. The BBN scheme promotes and maintains an inclusive national Awards Scheme for all licensed premises across England, Wales, Scotland and Northern Ireland. The schemes' aim is to promote responsible management and operation of alcohol licensed premises, improve standards in the night time economy, and reduce alcohol related crime and disorder

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For the year ended 31 December 2020

- in a town centre by building a positive relationship between the licensed trade, police and local authorities.
- Supporting PASS, the UK's national proof of age accreditation scheme, endorsed by the Home Office, the Association of Chief Police Officers (ACPO), the Security Industry Authority (SIA) and the Trading Standards Institute (TSI).

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

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

Achievements and performance

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

Membership and member services

2020 was dominated by the impact of the pandemic on our members, their businesses and the wider sector. As this report is written it is hoped that trading restrictions imposed upon pubs and hospitality businesses will be lifted with a restoration of normal trading by the summer. The impact on our members during the last twelve months, with many closed for the majority of that period, has been significant. We did receive a number of initial cancellations as members stopped all bank payments in the initial lockdown, however the membership team did a great job engaging these members and retaining a large percentage of them.

The BII membership team has worked incredibly hard over the last twelve months, mainly working from home, to deliver clear and actionable information for our members as they have tackled the challenges of the year. From information about the several steps of restricted opening differing by devolved nation to accessing Government support. Through this work and representing our members' voices into Government we were able to grow our membership through the pandemic with just under 9000 members at the end of December 2020.

We have also built additional member services through the pandemic; adding an expert helpline covering health & safety alongside Covid-19 requirements, added new Trusted Partners with additional capability for our members, introducing regular member surveys to ensure our members' priorities were at the centre of our approach and significantly enhanced all of our communications platforms; email, online and social media for all of our members. These developments have been

Council's Report

For the year ended 31 December 2020

well received by our members which was reflected in our recent member support survey where 95% of our members confirmed that they would recommend being a member of the BII to others in the licensed trade.

The year has been extremely challenging for our members, the BII team and our partners. We have had to cancel all of our events for 2020 but were able to continue momentum with the National Innovation & Training Awards that were successfully delivered online. We gained significant insight into the power of online engagement through this process that we will use moving forward alongside our face to face events.

BIIAB

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

The BIIAB was severely impacted by the pandemic with the initial closure of training centres and many work based learning programmes being cancelled. As the BIIAB's core market is hospitality, the significant closure of the sector was felt in registrations and completion of qualifications in particular. In 2019 80,000 certificates in vocational qualifications were delivered, this dropped to circa 40,000 in 2020 with activity tracking the status of opening for hospitality.

The BIIAB team were furloughed through the initial lockdown period with a skeleton staff in place to look after the needs of a small number of customers that were still able to operate. The full team was brought back on board in quarter four of 2020 as the education and training sector came back online. This action ensured that we were able to sensibly manage costs through this critical period with overall trading being low.

The BIIAB has continued its fundamental review of its portfolio and commercial terms throughout 2020 with a consolidation of its learning centres down to 320 nationwide and a further re-focussing of its portfolio with renewed focus on its hospitality offer. A wider strategic review of the business was also undertaken which has now led to the confirmation of a strategic partnership with the Skills and Education Group with BIIAB joining their business in quarter one of 2021. This long term partnership will provide additional expertise.

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 believes 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.

Council's Report

For the year ended 31 December 2020

The BII also provides support and recognition of community services nationally. Its BII Heart of the Community Award was given to over 130 pubs and hospitality individuals who reached out and provided essential community support and services. It also looks to promote local engagement through the ten regional councils who provide an ambassadorial role through support, guidance and mentoring. BIIAB qualifications and apprenticeships also provide opportunities nationwide supporting individuals with essential skills to power their hospitality careers in every community.

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

Financial review

The pandemic has presented a real challenge to the BII across all of its activities. It is testament to the hard work of the full BII team that a small surplus has been delivered in the year. Membership has delivered a loss for the year predominantly through the inability to run any of its programme of events, however, this has been supported with a small surplus from the BIIAB despite the significant reduction in revenues resulting in an overall surplus. Moving forward the BII team is confident in growing further our membership base and associated services building on momentum during the pandemic. With the BIIAB moving to become part of the Skills and Education Group this allows the BII to solely focus on its membership activities. The BII retains a small lean business following the move of the BIIAB and with investment in a new leadership team and core membership systems is well placed to grow.

Reserves

The BII team have focused on managing cash within the business throughout the pandemic. Significant gains have been made in the successful management of debt and overall cost management. As revenues have also delivered well, particularly in membership, overall reserves have grown strongly through the last twelve months. (2020 £848k, 2019 £648k)

This performance provides real resilience for the BII covering both the target of three months operating costs at around £320k for the membership business only and further reserves available to reinvest to further improve membership services. 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 current uncertainties.

Going concern

The council are very pleased with the improved financial position in 2020, both making a small surplus despite the impact of the pandemic and strongly improving the cash-flow position. Close monitoring of the performance by both the executive team and the Council provides confidence that a solid platform has been developed across the charity on which further growth is expected.

Council's Report

For the year ended 31 December 2020

A number of key initiatives will be delivered in the first half of 2021 that will provide further efficiency in operating costs; moving to a new smaller office based upon team collaboration recognising that the team will also use flexible homeworking plus a full change of membership systems and website that also significantly reduces costs whilst improving performance in delivering for our members.

The pandemic has provided an opportunity for the BII to connect and support with its members helping them through a once in a lifetime challenge. The BII team is confident that they will be able to build on this performance to both grow membership and services across the BII.

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

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

Principal risks and uncertainties

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

Ongoing disruption from the pandemic presents the single biggest risk to the future of the charity. That said it is expected that through the positive progression of the vaccine programme then hospitality will return to broadly normal operation by summer. Supporting our members through this period and beyond as they recover their businesses presents significant opportunities for the BII team.

Long term membership decline has been reversed in the year, despite the pandemic. The relevance and value of BII membership has been significantly enhanced through the charities actions through the last twelve months. Growth is expected in its core membership and there are clear plans in place to deliver this.

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

Plans for the future

Despite the impact of the pandemic the BII team remains very confident of growing the organisation in the coming year. The core membership team have re-established its value, relevance and

Council's Report

For the year ended 31 December 2020

significance to individuals in the licensed trade, particularly licensees. The addressable market over 30,000 licensees across the free trade and independently operated pubs remains valid and accessible to the BII. A number of partnerships are already in place that will help the BII connect to these potential members and through the strong advocacy of current members we are confident of further growth.

Through this expanding network of members we have been building further long term relationships with existing and new Trusted Partners. This programme provides our member with proven suppliers of insight, products and services that will work with our members in key areas of their businesses. We have expanded this network in 2020 and have clear plans for further development in 2021.

Further membership offers are in development, in particular addressing the staff of our pub members. We are confident on the relevance of this offer moving forward as the sector looks to attract, develop and retain great talent. This platform will be launched in 2021.

The BIIAB has been under strategic review over recent years and we are very pleased to have concluded a long term partnership with the BIIAB moving to the Skills and Education Group. This partnership will better equip our members with workplace qualifications and apprenticeships helping rebuild the skilled workforce for hospitality as it recovers from the pandemic. This partnership also releases resources for the BII to further invest in membership services. This partnership will deliver income to the BII as part of this agreement for the coming years.

Under the terms of the agreement with the Skills and Education Group, on 1 March 2021 the activities previously undertaken by BIIAB were transferred to SEG. In the year to 31 December 2020, these activities generated revenue for the BII group of £1.6m.

Covid19 risks

The BII is hopeful that the pandemic impact is beginning to reach its end with normal operations expected to return to pubs in the summer. Even if a late impact is made to the current roadmap out of lockdown we are confident that the sector will still start its recovery this summer.

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 British Institute of Innkeeping

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For the year ended 31 December 2020

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.

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

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

- Governance committee, established in 2015, which will report directly to Council. It usually meets twice a year.
- The BIIAB board meets separately and is made up of listed directors and non-listed industry advisors.

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.

Council's Report

For the year ended 31 December 2020

- BIIAB – A private company limited by guarantee number 4068966 and is used as the Awarding Organisation for the BII.
- BII Business Limited – A company limited by share capital number 2835362 and is the trading company for the BII. The single issued share is held by the BII.
- The National Licensee's Certificate Awarding Body Limited – A company limited by share capital number 4414250 and is dormant. The single issued share is held by the BII.
- BII Benchmarking and Accreditation Services Limited. A private company limited by guarantee number 6124783 and is used to accredit the codes of practices of companies offering leases for licensed premises.
- Association for Personal Licence Holders – A private company limited by guarantee number 6548681 and it is a dormant company.
- BIIAB Qualifications Limited is another wholly owned subsidiary of BII. The company is a company limited by share capital number 10054831, and is used as the Awarding Organisation for the BII, since May 2020

Remuneration policy for key management personnel

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

Funds held as custodian trustee on behalf of others

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

Statement of responsibilities of the Council

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

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

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements

Council's Report

For the year ended 31 December 2020

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

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

In so far as the Council are aware:

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

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2019 was 10 (2019: 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 11 May 2021 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 2020 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 2020 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

Basis for opinion

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

Conclusions relating to going concern

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

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

Independent auditor's report

To the members of

The British Institute of Innkeeping

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

Other Information

The other information comprises the information included in the Council's annual report, other than the group financial statements and our auditor's report thereon. The Council is responsible for the other information contained within the annual report. Our opinion on the group financial statements does not cover the other information, and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the group financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the Council's annual report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The Council's annual report has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Council's annual report.

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

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

Independent auditor's report

To the members of

The British Institute of Innkeeping

- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Council's annual report and from the requirement to prepare a strategic report.

Responsibilities of the Council

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

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

- We enquired of management which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:

Independent auditor's report

To the members of

The British Institute of Innkeeping

- 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.

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)

26 May 2021

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

The British Institute of Innkeeping

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

For the year ended 31 December 2020

	Note	2020 Total £	2019 Total £
Income from:			
Donations and legacies	3	99,213	17,000
Charitable activities			
Qualifications, examinations and education		1,664,492	2,734,549
Membership		851,529	836,844
Publications and handbooks		28,566	99,091
Other trading activities		197,639	503,765
Investments		1,477	607
Total income		2,842,916	4,191,856
Expenditure on:			
Raising funds	4	157,216	337,124
Charitable activities			
Qualifications, examinations and education	6	1,594,150	2,933,846
Membership	6	849,816	675,965
Publications and handbooks	6	211,246	229,115
Total expenditure		2,812,428	4,176,050
Net income before other recognised gains and losses	7	30,488	15,806
Net movement in funds		30,488	15,806
Reconciliation of funds:			
Total funds brought forward		888,791	872,985
Total funds carried forward		919,279	888,791

All of the above results are derived from 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.

Balance sheets

Company no. 1601185

As at 31 December 2020

	Note	The group 2020 £	2019 £	The charity 2020 £	2019 £
Fixed assets:					
Tangible assets	12	71,002	240,830	36,926	240,830
Investments	13	–	–	2	2
		71,002	240,830	36,928	240,832
Current assets:					
Stock	14	4,891	33,869	–	–
Debtors	15	382,924	715,978	934,923	951,406
Cash at bank and in hand		1,417,218	935,851	718,045	568,743
		1,805,033	1,685,698	1,652,968	1,520,149
Liabilities:					
Creditors: amounts falling due within one year	16	956,756	1,037,737	577,010	619,234
		848,277	647,961	1,075,958	900,915
Net current assets		919,279	888,791	1,112,886	1,141,747
Total assets less current liabilities		919,279	888,791	1,112,886	1,141,747
Total net assets		919,279	888,791	1,112,886	1,141,747
Funds:					
Unrestricted income funds:					
General funds		1,112,886	1,141,747	1,112,886	1,141,747
Subsidiary trading funds		(193,607)	(252,956)	–	–
Total unrestricted funds		919,279	888,791	1,112,886	1,141,747
Total funds		919,279	888,791	1,112,886	1,141,747

Approved by the trustees on 11 May 2021 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 2020

	Note	2020 £	£	2019 £	£
Cash flows from operating activities	18				
Net cash provided by operating activities			517,266		232,838
Cash flows from investing activities:					
Dividends, interest and rents from investments		1,477		607	
Proceeds from the sale of fixed assets		–		–	
Purchase of fixed assets		(37,376)		(6,092)	
Net cash used in investing activities			(35,899)		(5,485)
Change in cash and cash equivalents in the year			481,367		227,353
Cash and cash equivalents at the beginning of the year			935,851		708,498
Cash and cash equivalents at the end of the year	18		1,417,218		935,851

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) (effective 1 January 2015) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiaries BIIAB, BIIAB Qualifications Limited, BII Business Ltd and BII Benchmarking and Accreditation Service Ltd on a line by line basis. Transactions and balances between the charitable company and its subsidiary 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.

b) Public benefit entity

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

c) Going concern

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

d) Income

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

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

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

1 Accounting policies (continued)

e) Donations of gifts, services and facilities

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

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

f) Expenditure and irrecoverable VAT

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

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

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

g) Allocation of support costs

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

	2020	2019
• Qualifications, examination and education	28%	36%
• Membership	23%	19%
• Publications and handbooks	1%	2%
• Support costs	45%	32%
• Governance costs	1%	1%
• Trading	2%	10%

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	69%	70%
• Membership	25%	24%
• Publications and handbooks	6%	6%

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

1 Accounting policies (continued)

h) Operating leases

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

i) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £100. 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	20%
● Office and exhibition equipment	20%
● Fixtures and fittings	20%

j) Investments in subsidiaries

Investments in subsidiaries are at cost.

k) Stocks

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks.

l) Debtors

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

m) Cash at bank and in hand

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

n) Creditors and provisions

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

o) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

p) Pensions

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

2 Parent charity results for the year

	2020 Total £	2019 Total £
Turnover	1,913,929	2,216,863
Expenditure	(1,942,790)	(2,105,504)
	(28,861)	111,359
Gift aid donations from subsidiary undertakings	–	76,106
Net result of the charity	(28,861)	187,465

3 Donations and legacies

	2020 Total £	2019 Total £
HMRC Coronavirus Job Retention Scheme	82,213	–
Other corporate donations	17,000	17,000
	99,213	17,000

4 Costs of raising funds

	Raising Funds £	Trading activities £	2020 Total £	2019 Total £
Staff costs	–	96,796	96,796	143,304
Consultancy	–	–	–	18,200
Office and office administration costs	–	–	–	448
Events	–	40,121	40,121	145,431
Staff travel and motoring costs	–	–	–	12,719
Promotion of products	20,299	–	20,299	16,318
Institute website	–	–	–	704
	20,299	136,917	157,216	337,124

Notes to the financial statements

For the year ended 31 December 2020

5 Income from trading subsidiaries

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

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

BIIBusiness Ltd undertakes the other trading activities of the Institute.

BII Benchmarking and Accreditation Services Ltd undertakes benchmarking services.

Summary profit and loss accounts

	2020					2019			
	BII Benchmarking & Accreditation Services	BIIAB	BIIAB Qualifications Ltd	BIIBusiness	2020 Total £	BII Benchmarking & Accreditation Services	BIIAB	BIIBusiness	2019 Total £
Turnover	-	619,571	979,054	320,605	1,919,230	-	2,619,374	695,174	3,314,548
Cost of sales	-	(163,944)	(299,994)	(201,993)	(665,931)	-	(795,412)	(305,388)	(1,100,800)
Gross profit	-	455,627	679,060	118,612	1,253,299	-	1,823,962	389,786	2,213,748
Interest receivable	-	200	-	87	287	-	239	116	355
Administrative expenses	(86)	(369,922)	(544,490)	(279,739)	(1,194,237)	(180)	(1,975,617)	(313,797)	(2,289,594)
Net (loss)/profit	(86)	85,905	134,570	(161,040)	59,349	(180)	(151,416)	76,105	(75,491)
Taxation	-	-	-	-	-	-	-	-	-
Donation to the Institute	-	-	-	-	-	-	-	(76,106)	(76,106)
Retained in subsidiary	(86)	85,905	134,570	(161,040)	59,349	(180)	(151,416)	(1)	(151,597)
The assets and liabilities of the subsidiaries at 31 December:									
Current assets	587	533,725	831,330	255,494	1,621,136	576	702,962	365,228	1,068,766
Creditors: amounts falling due within one year	26,563	674,884	696,760	416,534	1,814,741	26,466	909,964	365,228	1,301,658
	(25,976)	(141,159)	134,570	(161,040)	(193,605)	(25,890)	(207,002)	-	(232,892)
Aggregate share capital and reserves	(25,976)	(141,159)	134,570	(161,040)	(193,605)	(25,890)	(207,002)	-	(232,892)

6 Analysis of charitable expenditure

2020	Charitable activities					2020 Total £	2019 Total £
	Qualifications, examinations and education £	Membership £	Publications and handbooks £	Governance costs £	Support costs £		
Staff costs (Note 8)	413,381	441,468	22,990	13,500	292,779	1,184,118	1,275,472
Office and office admin costs	16,828	3,367	–	–	479,758	499,953	460,543
Member benefits	–	24,920	99,820	–	–	124,740	116,008
Membership recruitment	–	–	–	–	–	–	–
Examination process costs	463,938	–	–	–	–	463,938	795,412
Consultancy – new qualifications growth strategy	8,000	–	–	–	–	8,000	839,871
Staff travel and motoring costs	8,990	3,116	–	–	7,965	20,071	57,438
Qualifications development and maintenance	–	–	–	–	–	–	–
Qualifications development and maintenance – S4G	5,525	–	–	–	–	5,525	5,701
Events	–	503	–	–	–	503	6,546
Goods for resale	–	–	37,237	–	–	37,237	48,640
Professional fees	–	–	–	62,862	–	62,862	47,910
Council meetings and expenses	–	–	–	1,078	–	1,078	3,483
Membership processing costs	–	435	–	–	–	435	1,616
Other costs	54,866	–	–	–	(15,318)	39,548	22,094
Depreciation and loss on disposal of fixed assets	33,820	162,673	–	–	10,711	207,204	158,192
	1,005,348	636,482	160,047	77,440	775,895	2,655,212	3,838,926
Freelance & Temporary staff							
Support costs	535,368	193,974	46,553	–	(775,895)	–	–
Governance costs	53,434	19,360	4,646	(77,440)	–	–	–
Total expenditure 2020	1,594,150	849,816	211,246	–	–	2,655,212	3,838,926

2019	Charitable activities					2019 Total £
	Qualifications, examinations and education £	Membership £	Publications and handbooks £	Governance costs £	Support costs £	
Staff costs (Note 8)	513,272	268,239	25,196	11,000	457,765	1,275,472
Office and office admin costs	1,760	120	–	–	458,663	460,543
Member benefits	–	21,881	94,127	–	–	116,008
Membership recruitment	–	–	–	–	–	–
Examination process costs	795,412	–	–	–	–	795,412
Consultancy – new qualifications growth strategy	839,871	–	–	–	–	839,871
Staff travel and motoring costs	31,391	18,094	–	–	7,953	57,438
Qualifications development and maintenance	–	–	–	–	–	–
Qualifications development and maintenance – S4G	5,701	–	–	–	–	5,701
Events	–	6,546	–	–	–	6,546
Goods for resale	–	–	48,640	–	–	48,640
Professional fees	–	–	–	47,910	–	47,910
Council meetings and expenses	–	–	–	3,483	–	3,483
Membership processing costs	–	1,616	–	–	–	1,616
Other costs	4,445	–	–	–	17,649	22,094
Depreciation and loss on disposal of fixed assets	38,754	104,672	–	–	14,766	158,192
	2,230,606	421,168	167,963	62,393	956,796	3,838,926
Freelance & Temporary staff						
Support costs	660,189	239,199	57,408	–	(956,796)	–
Governance costs	43,051	15,598	3,744	(62,393)	–	–
Total expenditure 2019	2,933,846	675,965	229,115	–	–	3,838,926

7 Net income for the year

This is stated after charging

	Group	
	2020	2019
	£	£
Depreciation	125,747	158,192
Profit on disposal of fixed assets	81,457	-
Operating lease rentals:		
Property	129,248	117,707
Other	14,489	5,343
Auditors' remuneration (excluding VAT):		
Audit	20,861	19,580
Other services	9,189	7,150

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

Staff costs were as follows:

	2020	2019
	£	£
Salaries and wages	905,956	1,054,244
Redundancy and termination costs	10,000	10,000
Social security costs	87,803	110,494
Employer's contribution to defined contribution pension schemes	109,634	116,803
Freelance & Temporary staff	141,230	102,540
Other forms of employee benefits	26,291	24,695
	1,280,914	1,418,776

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

	2020	2019
	No.	No.
£60,000 – £69,999	-	1
£70,000 – £79,999	1	2
£80,000 – £89,999	-	-
£90,000–£99,999	-	1
£100,000–£109,999	1	1
£110,000 – 119,999	-	1
£120,000 – 149,999	-	-
£150,000 – £159,999	1	-

The total employee benefits including pension contributions and employer's national insurance of the key management personnel were £606k (2019: £597k).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2019: £nil). No charity trustee received payment for professional or other services supplied to the charity (2019: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £1,274 (2019: £1,205) incurred by 10 (2019: 10) members relating to attendance at meetings of the trustees.

9 Staff numbers

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

	2020 No.	2019 No.
Qualifications, examinations and education	10.0	12.0
Membership	7.3	4.5
Publications and handbooks	1.0	1.0
Support	6.5	7.0
Trading activities	0.7	5.5
Governance	0.1	0.1
	25.6	30.1

10 Related party transactions

Gareth Phillips was a Director of BIIAB and is also a Director of Vistar Qualifications Limited which had an income share arrangement with BIIAB. In 2020 £8,000 was due to Vistar Qualifications as an income share (2019: £811,592). At 31 December 2020 £0,0 was owed to Vistar Qualifications Limited from BIIAB (2019: £187,772).

BII paid £2,200 plus VAT to KAM Media in the year where a trustee is the sole director. £0 was outstanding at year end and all transactions were carried out on an arms length basis.

During the year BII recharged £278,087 (2019: £1,037,940) to BIIAB for management and administration support. At the end of the year BIIAB owed BII £0 (2019: £301,943).

During the year BII recharged £441,710 to BIIAB Qualifications for management and administration support. At the end of the year BIIAB Qualifications owed BII £441,710.

During the year BII recharged £242,200 (2019: £301,963) to BIIBusiness for management and administration support. At the end of the year BIIBusiness owed BII £0 (2019: £278,783).

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

11 Taxation

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

12 Tangible fixed assets

The group

	Computer systems & database £	Computer equipment £	Office & exhibition equipment £	Fixtures and fittings £	Total £
Cost					
At the start of the year	748,216	116,010	35,796	45,823	945,845
Additions in year	19,645	17,646	85	–	37,376
Disposals	(399,774)	–	–	–	(399,774)
At the end of the year	368,087	133,656	35,881	45,823	583,447
Depreciation					
At the start of the year	517,627	106,373	35,192	45,823	705,015
Charge for the year	115,036	10,244	467	–	125,747
Disposals	(318,317)	–	–	–	(318,317)
At the end of the year	314,346	116,617	35,659	45,823	512,445
Net book value					
At the end of the year	53,741	17,039	222	–	71,002
At the start of the year	230,589	9,637	604	–	240,830

All of the above assets are used for charitable purposes.

The charity

	Computer systems & database £	Computer equipment £	Office & exhibition equipment £	Fixtures and fittings £	Total £
Cost					
At the start of the year	748,216	116,010	35,796	45,823	945,845
Additions in year	19,645	17,646	85	–	37,376
Disposals	(624,635)	–	–	–	(624,635)
At the end of the year	143,226	133,656	35,881	45,823	358,586
Depreciation					
At the start of the year	517,627	106,373	35,192	45,823	705,015
Charge for the year	115,036	10,244	467	–	125,747
Disposals	(509,102)	–	–	–	(509,102)
At the end of the year	123,561	116,617	35,659	45,823	321,660
Net book value					
At the end of the year	19,665	17,039	222	–	36,926
At the start of the year	230,589	9,637	604	–	240,830

All of the above assets are used for charitable purposes.

13 Investments

	The charity 2020 £	2019 £
Investment in unquoted subsidiary undertakings, at cost	<u>2</u>	<u>2</u>

14 Stock

	The group 2020 £	2019 £	The charity 2020 £	2019 £
Handbooks & CD's	4,891	33,869	–	–
	<u>4,891</u>	<u>33,869</u>	<u>–</u>	<u>–</u>

15 Debtors

	The group 2020 £	2019 £	The charity 2020 £	2019 £
Trade debtors	286,649	546,646	36,552	25,528
Amounts due from group undertakings	–	–	844,542	843,204
Prepayments	96,256	169,324	53,829	82,674
VAT	19	8	–	–
	<u>382,924</u>	<u>715,978</u>	<u>934,923</u>	<u>951,406</u>

16 Creditors: amounts falling due within one year

	The group 2020 £	2019 £	The charity 2020 £	2019 £
Trade creditors	29,474	345,383	69,215	71,920
Taxation and social security	23,463	30,914	23,463	30,914
Amounts due to group undertakings	–	–	10,570	–
VAT	122,809	193,071	81,754	193,071
Accruals	231,401	106,333	59,010	18,384
Pension	174	–	174	–
Prepaid income	296,015	61,791	79,404	4,700
Membership income in advance	253,420	300,245	253,420	300,245
	<u>956,756</u>	<u>1,037,737</u>	<u>577,010</u>	<u>619,234</u>

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	
	2020	2019	2020	2019
	£	£	£	£
Balance at the beginning of the year	362,036	400,019	304,945	312,083
Amount released to income in the year	(362,036)	(400,019)	(304,945)	(312,083)
Amount deferred in the year	549,435	362,036	332,824	304,945
Balance at the end of the year	549,435	362,036	332,824	304,945

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

	2020	2019
	£	£
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	30,488	15,806
Depreciation charges	125,747	158,192
Loss on disposal of fixed assets	81,457	
Dividends, interest and rent from investments	(1,477)	(607)
(Increase)/decrease in stocks	28,978	(4,814)
(Increase)/decrease in debtors	333,054	(8,084)
Increase/(decrease) in creditors	(80,981)	72,345
Net cash provided by / (used in) operating activities	517,266	232,838

19 Analysis of cash and cash equivalents

	At 1 January 2020	Cash flows	At 31 December 2020
	£	£	£
Cash at bank and in hand	935,851	481,367	1,417,218
Total cash and cash equivalents	935,851	481,367	1,417,218

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	
	2020	2019	2020	2019
	£	£	£	£
Less than one year	30,223	61,770	5,936	12,529
One to five years	–	–	7,834	7,535
	30,223	61,770	13,770	20,064

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.

22 Post balance sheet event

There is an ongoing dispute with a former director and supplier of BIIAB which we expect to be resolved in the coming months.

Following an extensive strategic review the BII has agreed a long term partnership agreement with the Skills and Education Group. As part of this agreement the BIIAB has moved to the group from the 1st of March 2021. This provides a significant opportunity for the BII and its members now able to access the resources of this well established and respected group with it also retaining the identity of the BIIAB and its focus on the hospitality sector.