

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



BRITISH INSTITUTE OF INNKEEPING

Report and financial statements
For the year ended 31 December 2021

The British Institute of Innkeeping

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For the year ended 31 December 2021

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The British Institute of Innkeeping

Council's Report

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Company number 01601185

Charity number 283945

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

Country of registration: England & Wales, Scotland

Country of incorporation: United Kingdom

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

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

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

Appointed 21st July 2021

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

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

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For the year ended 31 December 2021

Secretary Gill Cooper

Bankers Barclays Bank UK PLC
Leicester
LE87 2BB

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

Council's Report

For the year ended 31 December 2021

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

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

Objectives and activities

Purposes and aims

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

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

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

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

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

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

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

Achievements and performance

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

Membership and member services

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

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

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

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

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

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

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

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

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

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

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BIIAB

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

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

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

Beneficiaries of our services

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

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

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

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

Financial review

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

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

Reserves

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

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

Going concern

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

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

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

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

Principal risks and uncertainties

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

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

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

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

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Plans for the future

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

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

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

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

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

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

Covid19 risks

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

Structure, governance and management

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

The British Institute of Innkeeping

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

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

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

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

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

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

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

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

Appointment of Council

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

Trustee induction and training

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

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

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Related parties and relationships with other organisations

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

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

Remuneration policy for key management personnel

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

Funds held as custodian trustee on behalf of others

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

Statement of responsibilities of the Council

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

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

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

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

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

In so far as the Council are aware:

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

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

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

Auditor

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

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

Mark Robson
Chairman

Independent auditor's report

To the members of

The British Institute of Innkeeping

Opinion

We have audited the financial statements of The British Institute of Innkeeping (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other Information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of the Council

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Capability of the audit in detecting irregularities

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

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

Independent auditor's report

To the members of

The British Institute of Innkeeping

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Independent auditor's report

To the members of

The British Institute of Innkeeping

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Orchard (Senior statutory auditor)

9 June 2022

for and on behalf of Sayer Vincent LLP, Statutory Auditor

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

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

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

For the year ended 31 December 2021

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

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

Balance sheets

Company no. 1601185

As at 31 December 2021

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

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

Mark Robson
Chairman

The British Institute of Innkeeping

Consolidated statement of cash flows

For the year ended 31 December 2021

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

1 Accounting policies

a) Basis of preparation and statutory information

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

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

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

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

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

b) Public benefit entity

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

c) Going concern

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

d) Income

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

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

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

1 Accounting policies (continued)

e) Donations of gifts, services and facilities

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

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

f) Expenditure and irrecoverable VAT

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

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

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

g) Allocation of support costs

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

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

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

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

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

1 Accounting policies (continued)

h) Operating leases

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

i) Tangible fixed assets

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

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

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

j) Investments in subsidiaries

Investments in subsidiaries are at cost.

k) Stocks

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

l) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Accrued income from the sale of the Awarding Body has been valued with a discount rate of 10% to reflect the net present value.

m) Cash at bank and in hand

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

n) Creditors and provisions

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

o) Financial instruments

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

p) Pensions

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

q) Gains on disposal of subsidiary

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

2 Parent charity results for the year

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

3 Donations and legacies

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

4 Costs of raising funds

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

5 Income from trading subsidiaries

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

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

BIIBusiness Ltd undertakes the other trading activities of the Institute.

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

Summary profit and loss accounts

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

6 Analysis of charitable expenditure (current year)

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

6 Analysis of charitable expenditure (Prior year)

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

7 Net income for the year

This is stated after charging

Group

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

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

Staff costs were as follows:

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

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

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

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

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

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

9 Staff numbers

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

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

10 Related party transactions

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

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

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

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

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

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

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

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

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

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

11 Taxation

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

12 Tangible fixed assets

The group

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

All of the above assets are used for charitable purposes.

The charity

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

All of the above assets are used for charitable purposes.

13 Investments

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

14 Debtors: amounts falling due after one year

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

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

15 Stock

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

16 Debtors: amounts falling due within one year

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

17 Creditors: amounts falling due within one year

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

18 Deferred income

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

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

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

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

20 Analysis of cash and cash equivalents

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

21 Operating lease commitments

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

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

22 Legal status of the charity

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