



Institute of Hospitality

(A Company Limited by Guarantee)

Report and Financial Statements

31 December 2023

Company Number: 00474810

Charity Number: 326180

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Trustees' Report

1) OBJECTIVES AND ACTIVITIES

The Members of the Supervisory Board, who are also the Trustees of the charity and directors of the company, have pleasure in presenting their report and financial statements for the year ended 31st December 2023. These are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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).

Our purpose and objectives

The Institute of Hospitality (herein IoH) exists to promote the highest professional standards of management and education in the international hospitality industry. Our core activities are serving members, supporting vocational education, and promoting hospitality as a career of choice.

Our Five Core Strategies remain (1) Driving Membership and Engagement, (2) Financial Stability and Growth, (3) Education and Accreditation, (4) Brand Value, (5) Industry Support and Wider Impact.

Our prime strategic goal is to achieve Chartered Status for the Institute of Hospitality, and wider hospitality profession.

Governing document

The Charity is controlled by its governing documents, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The organisation is a charitable company limited by guarantee and was incorporated on 9th November 1949 and re-registered as a charity on 28th October 1982.

Our objective is to be the pre-eminent body for individuals engaged in management across the spectrum of Hospitality sectors and in doing so, we aim to:

- Enhance members' career prospects
- Win greater recognition for hospitality managers, in every sector of the Industry
- Help members develop and maintain their knowledge, skills and ability
- Provide an interface between education and industry
- Set recognised educational standards and assist in the mobility and recruitment of hospitality professionals
- Develop best practice in hospitality businesses

Principal activities

The Charity's principal activities in the pursuit of the objectives are:

- The development of qualifications in the hospitality, tourism and leisure sectors
- The provision of information services and the undertaking of research, dissemination and publication of information which is of interest and concern both to the membership of the Institute and the industry at large.

Trustees' Report (continued)

- The validation of quality delivery of programmes of learning and study through our accreditation and endorsement standards of professional career development
- The validation of quality hospitality businesses through the Hospitality Assured standard which supports and recognises best practice in the industry.
- The provision of services to members including membership benefits and networking opportunities

All these activities provide the opportunity to retain and extend the Institute's network of members and in undertaking these activities, the Institute also provides a benefit to the wider community. Through the development and ongoing maintenance of the qualifications framework the Institute has increased educational choice and career progression opportunities for those engaged in the increasingly important hospitality, tourism, and leisure sector, which employs more than three million people in the UK, and countless millions globally.

As a result of establishing and growing this unique knowledge base, the Institute can provide information and advice to key bodies in the public domain and is called upon frequently to participate in a wide variety of public forums where it can influence policy decisions on matters affecting the wider industry.

As a body committed to research and the dissemination of knowledge and best practice, the Institute and its membership are in an excellent position to raise awareness of key issues which impact on the public. These include, but are not limited to, matters relating to the environment, food safety, health and safety, security, and employee engagement.

Finally, in its role as an accrediting body, recognising excellence in both educational institutions and commercial enterprises through the Accreditation, Endorsement and Hospitality Assured quality standards, the Institute continues to drive up standards within the sector and thereby benefit the public at large as consumers of these services.

The Trustees confirm that they have complied with their duty to have due regard to the Charity Commission's general guidance on public benefit. The Trustees have referred to this guidance when reviewing the Institute's aims and objectives, and in planning the future activities of the Charity.

Administration and Governance

The Institute is governed by its Memorandum and Articles adopted on 27th November 1971 and last amended in February 2023.

During the year there were three meetings of the Supervisory Board, one Emergency General Meeting and one Annual General Meeting.

During the year Kellie Rixon MBE FIH was re-elected as Chair of the Supervisory Board, her fourth, and final, year in office.

The Rt Hon The Viscount Thurso FIH MI assumed the role of Institute of Hospitality President on January 1st 2023.

Rachael Stevens FIH vacated the role of Trustee of the Supervisory Board on February 20th 2023.

Trustees' Report (continued)

Strategic Direction

2023 was the Institute of Hospitality's 85th anniversary, a huge milestone for any professional body. Our 85th Anniversary celebrations peaked with our annual dinner and awards ceremony on the 26th of June, where we were privileged to not only have a waiting list, but also members from across 5 countries fly into the United Kingdom to join us, on such a special occasion.

I would like to take a moment and recognise the achievements of our team members, pantheon of CEOs, and trustees since 1938, without whom the IoH could not have grown, evolved, and thrived. More importantly however, thank you to all of members, who have supported our professional body for nearly 9 decades. Without you, our 85th year would never have been reached.

Here's to the next 85 years!

Returning to 2023, our objective for the year was to build on the foundations laid in the preceding post pandemic years, providing valuable opportunities for members engagement, both in the UK and overseas, and to increase the value of their investment in membership whilst equally providing opportunities for our College of Fellows to give back to the profession.

At a time of great challenge for our profession, exhibitions such as the Hotel, Restaurant and Catering show and the Hotel & Resort Innovation Expo (for which the IoH was a headline sponsor), allowed us greater opportunities to meet our members, whilst our support of the Roux Scholarship and Gold Service Scholarship, and our own Restaurant Manager of the Year, allowed us greater opportunity to meet the hospitality leaders of the future. Our webinars and podcasts grew their global audiences, with notably our podcast growing its listenership by 86% across the year and expanding into 51 counties.

Our regional restructure allowed for greater local level membership engagement, all of which was complimented by our hosting nearly 40 opportunities for our members to come together across the course of the year.

As alluded to above, and with the valuable support of our Nominations Committee, our regional restructure (superseding the previously known branch structure) in England concluded, with all but IoH East of England (which in 2023 appointed a chair, with a committee to be appointed in early 2024) up and running and providing many memorable learning and networking experiences for our members in their own geographical locations. I would like to thank every chair, and committee member that has worked so hard with us to build a strong and collaborative regional structure as we together launched a bigger, brighter, regional network across England, which has allowed far greater membership representation in the country.

Our aspiration to be more visible outside of London saw our interacting with our members across the UK, through the provision of round table discussions, events, and membership surgeries, with warm welcomes received in Birmingham, Bournemouth, Essex, Gloucestershire, Kent, Lincolnshire, Liverpool, Manchester, Northern Ireland, Nottingham, Oxford, Scotland, Somerset, Surrey, Wales, and York.

As a global professional body, we also ensured that we held opportunities for meaningful interaction with our members outside of the UK with virtual opportunities held in Bangladesh, Dubai, India, Sri Lanka and Nigeria, and face to face opportunities held across Switzerland, in Lucerne, Montreux, Sörenberg and Zurich.

Global penetration of the IoH continued with our "I'm in" CPD Podcast finding an audience in 51 countries, with the UK, USA, India, Qatar and Canada being the top five in terms of listenership. Use of more mainstream media platforms such as Google, Apple App Store, Spotify and Castbox has been valuable in raising the IoHs profile as a brand both in the UK and internationally.

This continued effort to be geographically diverse was matched by efforts to be representative across the spectrum of industry, with a spectrum of industry sectors represented including the Care Sector, Chefs, Contract Catering, Cruise Sector, Education (Apprenticeships and Universities), Hotels, Human Resources, Marketing, Restaurants and Revenue Management, through output such as our popular "In Conversation" and "Spotlight" series, our webinars and "Fellows Broadsheets". Popular output included "The Continuing Economic Impact on UK Hospitality: how to do more with less", "A Career in Hospitality Around The World" and "Building Trust In The Workplace".

Building on the foundations laid in 2022, our strategy to expand outside of London saw our Annual Dinner in Scotland (in partnership with IoH Scotland), and our Annual Golf Day and Gala Dinner (in support of our Youth Council, and in partnership with HandC News) were well attended by members, non-members, and members of government. Both are now established events in our calendar, with dates scheduled for 2024.

Equally we were pleased to visit our members in Northern Ireland with the relaunch of the IoH Northern Ireland Annual Dinner and Awards, which raised over £2,500 for our highly successful "funded membership scheme".

Trustees' Report (continued)

To support both our value to members and ability to provide further opportunities we secured strategic partnerships with several industry bodies, including the Society of the Golden Keys, WiHTL (We are inclusive across Hospitality, Tourism and Leisure) and USA based ICHRIE (Council on Hotel, Restaurant, and Institutional Education), whilst building on the foundations of long established relations with organisations such as CHME ([The] Council for Hospitality and Tourism Management Education).

The IoH and the Master Innholders also took the opportunity to renew, and grow, the relations between our two industry bodies, with greater opportunities for collaboration as a result.

During 2023, and with support from the Savoy Educational Trust and many of our academic partners both in the UK and internationally, we commenced our strategy to raise education and awareness in the field of Diversity, Equity, Belonging and Inclusion (DEIB) within hospitality, which will see us invest more than £160,000 over three years.

As an organisation, this strategy includes:

- Our funded membership (bursary) scheme which provides a level playing field for membership to talented individuals who for reasons outside of their control would be prohibited joining our professional body and the benefits that this provides.
- "Hearts in Hospitality", (launched at our 2023 Annual Dinner and Awards) which aims to recognise and reward people who are the everyday 'unsung heroes' of the hospitality profession, providing them recognition and development opportunities.
- Ensuring accessibility for our annual educational conference and careers fair, Passion4Hospitality, by successfully bidding for funding to cover the travel costs of colleges and universities across the UK, to attend and benefit from the impact this will have on their careers.

Both our funded membership and "hearts" schemes are overseen by talented groups from within our membership, and I would like to take a moment and thank them for their dedication and support in providing greater opportunities for members of our profession, all within our overarching EDI strategy.

Other initiatives undertaken in support of our EDI educational strategy included podcasts, webinars and thought pieces around subjects including, but not limited to, International Women's Day, Mental Health Awareness week, Generational Diversity, and How to Avoid Tokenism in the Workplace.

We also worked with the University of Surrey on various EDI initiatives, including a Women in Leadership project and their well-received "Credit Club" launch (Co-creating equitable, diverse, and inclusive travel and tourism).

A particular highlight of our 2023 EDI output was a white paper produced with our members in the North of England discussing 'How hospitality can help create sustainable jobs in social mobility cold spots?'

We have many future EDI initiatives planned as part of our strategy, including a partnership with e-hotelier, and an industry wide EDI glossary, we achieved a major milestone in 2023 when we formed a partnership with the mental health charity MIND, to produce a toolkit for our members and the wider hospitality profession to help support their mental health.



As a reaction to the challenging times our sector found itself in during 2023, we took the step to launch a "Redundancy Information Hub" to support our members through the continuing trend of business closures. Employment and HR advice, CV and Interview Skills, Mentoring, Wellness and Mental Health have been made available via the hub, as have links to industry support such as CareersScope (powered by Springboard) and Hospitality Action.

Trustees' Report (continued)

Internally, our team has benefited from a greater exposure to the subject matter, and partnerships based on a shared aspiration for a more inclusive industry, and profession, have included Be Inclusive Hospitality and the Blue Badge Access Awards. A working group, the "DEIB Council" replaced our previous EDI working group "The Future Forum" and has been extremely supportive of our delivery of this strategy.

Our year of EDI education culminated at Passion4Hospitality 2023, when we were host to Aaron Phipps MBE, Gold Medal Winning Paralympic Champion, who delivered a keynote on resilience in the face of adversity to an audience of 500 hospitality professionals and students, providing them a valuable lesson in the normalisation of EDI and an unparalleled life experience.

Our primary strategic goal to achieve Chartered Status for the Institute of Hospitality, and wider hospitality profession, came a step closer to realisation in 2023, with our submitting a comprehensive application, in the region of 200 pages, with vast support from the hospitality, education and chartered sectors.

Whereas this application was returned with very constructive feedback, it did also provide comfort that the restructure of the organisation, our solvency, and the demographic breakdown of our membership were not obstacles in our application. Further correspondence with the Office of the Privy Council has given us positive and clear direction in the steps we need to take during 2024, which is set out below.

Feedback received from the Privy Council Office	Action(s) taken
<p>Advisors commented that the work of the Institute was not well known across government</p>	<p>The IoH now responds to appropriate (SME, business, education) UK government consultations and participants in All Party Parliamentary Groups (including the APPG for modernising employment) which allows us to engage with Ministers, raising awareness of our work across government.</p>
	<p>We have expanded our existing relationship with the Ministry of Defence, which will facilitate 500 new IoH chef apprentice members.</p>
	<p>We are part of the Employer Directory for Institute of Apprenticeships and Technical Education (IfATE) (part of the Department of Education) to advise directly on technical and Apprenticeship education for the Hospitality Profession.</p>
	<p>We meet regularly with The Office of Qualifications and Examinations Regulation (Ofqual) to provide industry intelligence, trends, and statistics, so they are updated with the sector's challenges.</p>
	<p>We have opened discussions with the Hospitality Sector Council, regarding what support the IoH may provide. (Currently we are a member of the Hospitality and Tourism Skills Board, which provides input to the Hospitality Sector Council.)</p>

	<p>We have signed a Memorandum of Understanding between ourselves and the Night Time Industry Association (NTIA), who will support us in promoting the work of the Institute within Government.</p>
	<p>We have signed a Memorandum of Understanding between ourselves and the Night Time Industry Association (NTIA), who will support us in promoting the work of the Institute within Government.</p>
	<p>We are recording all interactions with Government across the UK and will include this in our next application to demonstrate our efforts here.</p>
<p>[the application] fails to draw a clear distinction between the work of the IOH and that of other trade bodies working across hospitality and tourism, in particular UK-Hospitality.</p>	<p>Our President The Rt Hon The Viscount Thurso has written on our behalf to the members and office of the Privy Council to put forward the differences between our professional development association, and an industry trade body.</p> <p>At the suggestion of the Privy Council Office we are drafting a paper that outlines the difference between our professional development association, and an industry trade body. An initial draft of this has been provided to UK Hospitality.</p>

It is a huge point of pride that the structure and output of the organisation was well received by way of our application, and that our mission to promote professionalism within the sector was demonstrated to be in the public interest, as evidenced through many letters of support from well-respected professional bodies.

During 2024 a revised application will be submitted addressing the advisors' points, feedback, and clear helpful directions as transcribed above.

Whereas we have yet to cross the line for this aspiration, during 2023 we took the Institute a lot closer to becoming a Chartered body for our profession. Thank you to everyone that has helped, guided and supported us this far.

Trustees' Report (continued)

Membership



During 2023 the Institute lost 5,187 members (verses 5,642 in the prior year). We acquired 6,379 new members, including 3,195 students and 2,204 apprentices, which is a net gain of 1,210 in a challenging trading environment.

We are confident that as the industry recovers, we will see the numbers in this sector continue to build, and with the recruitment of a Head of Membership Sales for 2024 have an ambitious growth plan.

At the end of 2023 we had 15,001 members vs 13,826 at the same time in 2022, which is positive growth of 1,175 members (9%) year on year.

Currently one fifth of our members are outside of the UK.

Company sponsored membership

Company sponsored membership (CSM) has continued to see growth, with 81 companies and 1,825 members (verses 83 companies and 1,526 members in 2023) joining our membership.

Company-sponsored membership allows employers to purchase membership for a group of their employees to grow team retention, support learning, and develop individual business management strategies.

During 2023, we continued to push our CSM scheme to the non-hotel sector by welcoming employers from Private Members Clubs (including the Royal Automobile Club), Restaurants (including Gouqi Restaurants and COSMO Restaurant Group), Visitor Attractions (including Royal Yacht Britannia), and our first employer from Bangladesh (the Pearl Hotel).

Two employers have used the CSM scheme to add graduates into IoH membership (De Vere Hotels and Leonardo Hotels) to sit alongside their professional members. We have improved the onboarding for members of the CSM scheme with online and in-person presentations on accessing our CPD resources, materials, and events to demonstrate the wealth of resources available to them.

Trustees' Report (continued)

Professional development

Our library, powered by EBSCO, continues to be our most extensive resource, with an average monthly usage of 12,213 unique sessions, which is up by 16.3% year on year.

Library top search terms in 2023:



18 professional development webinars were delivered in 2023 (2 more than in 2022), with 484 bookings (560 bookings in 2022), a decrease of 13.5% year on year. The interest rating was an average of 67%, versus 63% in 2022 which is an increase of 4%. Our webinar subjects are mapped to the hospitality educational syllabus, which provides professional development resources to students and experienced members. All webinars are placed on our website with 280 views, up from 256 in 2022, a 9.3% increase.

The IoH Mentoring programme (Mentor Me) is the leading global provider of outstanding quality and career development for the profession, and it has a reputation as an international best-in-class programme. Our programme can match students, apprentices, and entry-level talent to leading global professionals in order to develop future hospitality talent.

In 2023, we had an average of 135 mentoring pairs per month (down from 193 in 2022, 30%). This is due to the migration to an automated change in the Mentoring platform and a tidy-up of the database where we had to regain commitment from members to be mentors. However, this saw an increase of 80% of mentoring pairs completing the programme and providing valuable feedback on how the programme has a meaningful impact on their personal and professional development. Sian Rann MIH, who is a mentee, said "Having mentors has been incredible for my personal and professional growth. They create an environment where I not only can explore my strengths and weaknesses openly but, their encouragement has really helped me believe in myself and my abilities. Their guidance and experience helped me navigate tricky situations and has been invaluable in setting and achieving goals. It's like having a personal cheerleader and coach all rolled in one, pushing me to reach my full potential."

During 2023 the IoH and Master Innholders partnered, with the IoH overseeing the Master innholders mentorship programme. Chairman of the Master Innholders, Dan Rose-Bristow FIH MI said: "This demonstrates the strength of sharing a vision to improve and develop tomorrow's talent within the hotel industry. We are delighted we have so many mentors already signed up and with the IoH framework this promises to be a successful and rewarding programme for both the mentor and mentee."

During 2023, we published 13 Market Intelligence, Research and White Papers on our website, giving members access to the latest thought leadership and information from a range of sources.

We aspire for all members to complete at least 30 hours of CPD each year. In 2023, 1,934 hours of learning was recorded by members, up by 8.7% from 2022.

Commercially, we continue to receive nominal royalties from our outsourced qualifications partner, CTH Awards, and Stepstone for our global jobs board, and we launched an online learning Academy with eHotelier (to support CPD opportunities). These courses have a 20% discount for all IoH members.

Trustees' Report (continued)

Engagement with Hospitality Management Educators

Strengthening hospitality education remains a vital strategic objective. Hospitality, Leisure and Tourism (HLT) departments of universities and colleges can sponsor individual institute membership for their students, seeing that their students and staff benefit from having access to all of our specialist resources.

We saw growth in the number of universities and colleges joining our Education Membership Scheme (EMS) with 72 establishments in the programme compared to 70 in 2022, with 4,728 student members (1,621 international students) compared to 3,637 in 2022, a 29% increase.

New members were Lewisham College, University of Lincoln, University of Wolverhampton, Buckinghamshire New University, Edinburgh College, Our Lady of Fatima University, and HTMi Switzerland Dubai.

We have continued to increase our engagement with students and EMS clients; we have been introducing the IoH to the students members by Onboarding sessions both in person and online, these sessions are interactive and a member of the Youth Council joins where they can talk about their career, the industry and how they best use the IoH resources.

We have mapped our CPD resources to curriculum, giving our materials currency to their studies, and in September 2023, we surveyed our Educational Membership partners using the Gather platform.

The response rate was 24%.

- i. Overall, the results have shown that recruitment of students is at the expected level within the partner's plans. 76% saying it was at the level they expected, with 47% saying it is becoming hard or very hard to recruit students.
- ii. 47% of partners say that student numbers are staying the same, with 29% saying student numbers are decreasing and 23% saying they are increasing.
- iii. 76% of partners think this is a trend and is expected to continue for the medium term.
- iv. The partners believe that 80% of students will complete their courses that they start.
- v. Some of the main reasons for the movement of numbers include a decline in UK based students and an increase in international students.
- vi. During Covid, Hotel Management Courses grew rapidly from 100's to 1000's as an online course, but Tourism & Events recruitment (which was strong in 2020) dropped off during the pandemic and has not hasn't increased.
- vii. Cost of the programmes, negative perception of hospitality-based careers and cost of living impacting decisions to study, and a focus from UK Government on STEM subjects has impacted the attraction of hospitality programmes.
- viii. Respondents are very happy with the service given to them by the IoH, with many thanking us for the support they received.

The survey will be repeated in September 2024.

As a founding partner, we continue supporting the CareerScope initiative led by Springboard and supported by Hospitality Action, the Savoy Education Trust and UK Hospitality. Our work continues as part of the Employer Directory for Institute of Apprenticeships and Technical Education (IfATE), part of the Department of Education (DfE) where we have been involved directly on technical and Apprenticeship education for the hospitality sector through several consultations and reviews.

Equally, we meet regularly with The Office of Qualifications and Examinations Regulation (Ofqual) to provide industry intelligence, trends, and statistics, so they are updated with the sector's challenges.

Trustees' Report (continued)

Accreditation and endorsement

Total number of providers is 94 located in 21 countries.

42 institutions have accredited programmes. UK 48%, International 52%

52 training providers have endorsed programmes. UK 75%, International 25%

2023 saw positive growth for the Institute of Hospitality **Accreditation** and **Endorsement** services, which has granted professional recognition to **1,100** programmes offered by **94** providers across **21** countries.

These programme level recognition services support the charitable aims of the Institute, and support the professional career development of IoH members, aspiring members, and global learners.

In 2023 revenue increased by £14k (19.5%) vs the prior year. Accreditation saw growth from renewals with a total of 210 accredited programmes of professional study (qualifications) in hospitality, leisure, tourism, events, and related fields (2.5% increase on 2022), offered by 42 educational institutions. The professional endorsement also saw growth during 2023, with 890 endorsed training courses for continuing professional development (38% increase on 2022), offered by 52 training providers (6% increase on 2022).

The Professional Review Panel (PRP) undertakes the quality review process for all applications and recommends a range of outcomes based on professional judgements and the evidence submitted. During 2023 the panel reviewed applications from a wide range of global programme providers in Bermuda, Egypt, Hong Kong, India, Ireland, New Zealand, Philippines, Singapore, Turkey, United Kingdom, and the USA.

Accreditation and Endorsement provide international credibility, an enhanced status, and an assurance of quality for individuals and companies. The panel findings assist in the further development, enhancement and improvement of the recognised programmes and the organisation's quality management systems.



Magda Stabinska
Head of Learning, Development and Culture
Red Carnation Hotels

"Having our training courses endorsed by the Institute of Hospitality significantly amplifies the value of our programmes for our learners. This endorsement signifies our commitment to excellence in learning and development, providing learners with the assurance that their development aligns with industry standards and best practices."



Dr Saijal Divakaran
Director Academic and Academic Services
London School of Business and Finance, Singapore

"We take immense pride in receiving accreditation from the Institute of Hospitality, which serves as a testament to the exceptional quality of our hospitality programmes and to our commitment to shaping graduates into highly capable and industry-ready professionals. This recognition greatly boosts our confidence as we continue to strive for excellence."

Trustees' Report (continued)

Commercial activities

Academic partnerships:

The Institute continues to support and develop the relationship with universities who wish to be more involved with our work and take advantage of our extensive network. Education Membership Scheme establishes the students and three teaching staff as Members; Academic Partnership is a more involved partnership including a series of benefits and opportunities to connect with the industry sharing thought-leadership and research with Members. Academic Partnership usually includes membership for all academic staff.

Academic Partners in 2023 include:

Glion
Greenwich
UCB
University of Surrey
Stenden
Westminster Kingsway College
Swiss Education Group

Business partnerships

The Institute continues to develop and grow the relationship with business partners, those suppliers of goods / services who wish to support the work we do.

These relationships provide revenue, but also contribute to the thought leadership and expertise. This feeds into the IoH's CPD offering via white papers, webinars, podcasts, management guides, news features, magazine articles and speaker contributions.

Business Partners in 2023 include:

Amadeus
Aspire Airport Lounges
Belu
Bolsius Professional
Caterer.com
CGA
Davenport Solicitors
Foodbuy
Glion
HiT Training
Lightspeed
Oxwash
Paperchase
Planday
Sterling Law
Workday
Yummy Jobs
Zonal

Trustees' Report (continued)

Strategic and sponsorship partners

The strategic partnerships are vital and contribute to the commercial success of the IoH in terms of providing products or services which we would otherwise have to fund.

These partners include:

Gather (feedback and survey provision)
Fentimans (soft drinks)
Prosecco DOC (Prosecco for events)
Encore (AV and staging at events)
IPW1 (printing of tickets, programmes, banners, stage sets)
Spirit Cartel (gin and cocktails provision)
Twist Teas (soft drinks and fruit tea)
Lowy Group (provision of IoH London office)
Hotel Café Royal (venue Restaurant Manager Of the Year)
Honourable Artillery Company (reduced venue costs for Fellows' Dinner)
Searcy's (Prosecco provision at Fellows' Dinner)

Events

Institute events are a vital part of our engagement with members, suppliers, and the industry at large.

Five Above & Beyond events were in 2023:

Shangri-La, The Shard, London (122 guests)
Honourable Artillery Company (128 guests)
The Rosewood, London (125 guests)
The Waldorf, London (55 guests)
RAF Club, London (104 guests)

Passion4Hospitality was bigger than ever in terms of delegates (550 students), quality of speakers (keynote speaker Aaron Phipps MBE), exhibitors (46 businesses) and workshops (12 workshops during the day). Funding (from the Savoy Educational Trust) was sought for students to attend from the following universities:

Oxford Brookes University
University of Derby
University of Wolverhampton
Manchester Metropolitan University
Leeds Beckett University
University of Plymouth
University of Wales Trinity St David
Sheffield Hallam University
University of Gloucestershire

The first ever **Best Student Paper Award 2023** was launched sponsored by Preferred Hotels & Resorts and the winning article published in Hospitality Magazine.

The **Scotland Dinner** was held on board Fingal. 49 Guests attended.

The **Golf Day** was held at The Belfry. £2.5k raised for the Youth Council.

The **Annual Dinner** was held at Hilton London Bankside (320 guests) and the Fellows' Dinner was held at the Honourable Artillery Company (140 guests).

Restaurant Manager of the Year at the Hotel Café Royal had 18 semi-finalists competing during the day and 110 guests for the Winner's Reception.

Trustees' Report (continued)

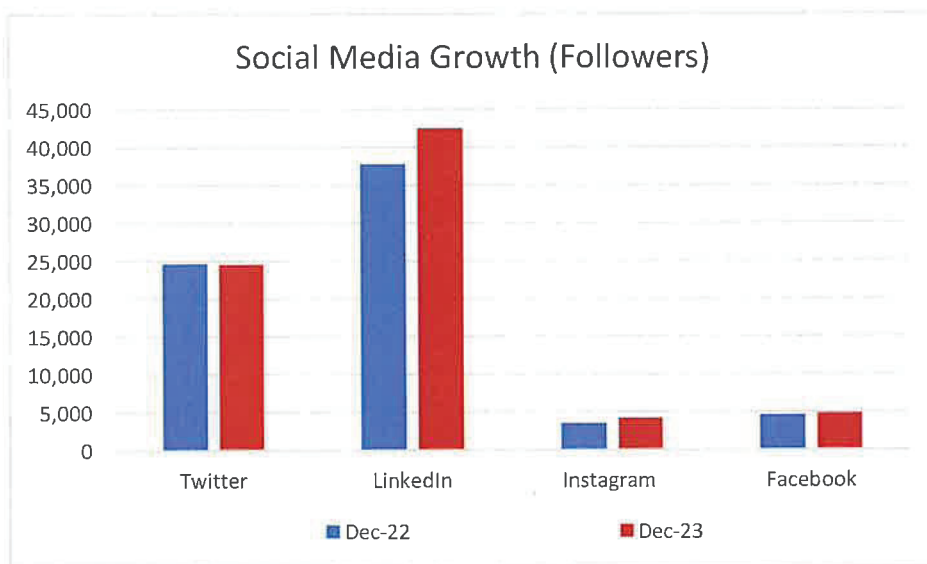
Marketing

For a second year, our flagship Membership Brochure with a 2023 wall planner of IoH Activities was produced. Used for our annual membership renewal campaign, it is now our key 'sales brochure at events. It continues to provide a strong, visual commitment to members about all the resources and professional opportunities that are available to them through professional membership of the Institute. A digital version is also available on our website.

The planner forms the basis of the support the team provides to areas of the business and the regions. Over 100 planned activities were supported and delivered, alongside our daily social media and other direct marketing activities.

Our social media activity was brought in-house in the summer and our engagement has continued to grow across our four platforms; Twitter, LinkedIn, Instagram, and Facebook. In particular LinkedIn followers increased 11.7%

Our social media activity combined with our other integrated communications continues to build our brand.



Our monthly members' 'I'm Informed' newsletter, and student newsletters continue to outperform the industry average with an average 30% monthly engagement, 8.3% above the industry average for membership email marketing engagement.

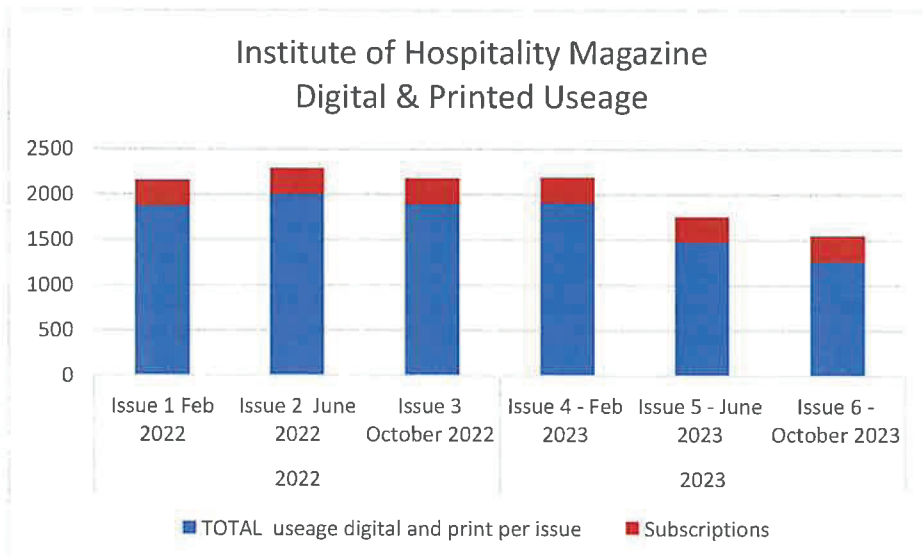
To end our 85-year celebrations we undertook a major membership survey. The first since 2022. We asked 61 questions and 1.9% of our membership responded. Covering all aspects of membership benefits, including how we communicate with our members and what aspects of membership are most valued, the findings are being used to develop our 2024/24 Marketing Strategy.

To broaden our voice across the press and media we issued on average two press releases per month during the year. Notable coverage was received in the Belfast Telegraph, Irish Times, iPaper (The Independent), Delicious Magazine, ITV West (Television), and Global Spirits Magazine. We continued to support our CEO at speaking opportunities which included the Beyond Retail Podcast and a range of UK-based conferences and events.

Under the stewardship of our talented Editor Catherine Chetwynd MIH, the Editorial Forum of Jill Whittaker FIH, Brenda Collin FIH, and Eloise Hanson AIH and our publishers H20, help ensure the magazine successfully delivers relevant news and articles to members. The digital version with its wealth of video content continues to be well-received.

Our magazine, which is mailed to paid subscribers and members who request a printed copy, is being used more widely at events than in previous years. The 85yr research confirmed our members enjoy, respect and value the publication.

Trustees' Report (continued)



Trustees' Report (continued)

Financial

2023 has been another challenging year for the hospitality industry, and the IoH has faced its fair share of challenges as well. However, we have risen to these challenges and proven our resilience. We continue to champion the hospitality industry in all its diverse forms.

Our total income reached £1,230,482, performing favourably against a budget of £1,124,585. Financial growth during this period was driven by Accreditation and Endorsement, attendance at events, grant income, and advertising sales for our magazine. These results reflect the continued growth of our output, reach, and visibility in recent years.

The company achieved a net profit of £37,000 for the year.

NOMINATIONS COMMITTEE REPORT

In my capacity as Chair of the Nominations Committee it is my pleasure to report that during 2023 the nominations committee comprised of:

Committee Chair: Liz Hartstone FIH

Committee Members:

Stephen Carter OBE FIH

Peter Hancock FIH

Liz McGivern FIH

Matthew White FIH

Mike Wood FIH

Eugenio Pirri FIH

I would like to place on record my thanks to all members of the committee for their support and guidance during the year.

During 2023 the Nominations Committee successfully supported the Institute in the appointment of a new Chair for IoH London, Chair and Vice Chairs for IoH South of England, Southwest, Midlands, Cymru, North and Regional Chair and Regional Vice Chair for Nigeria.

We assisted in the updating, and subsequent approval, of Job Descriptions for Chair, Vice Chair and Member of the Supervisory Board roles.

It has been a pleasure to support the work of CEO Robert Richardson, the trustees and the team, and the Nominations Committee and I look forward to further supporting them into 2024.

Liz Hartstone FIH
Chair
Nominations Committee

Trustees' Report (continued)

STRUCTURE, GOVERNANCE AND MANAGEMENT

MEMBERS OF THE SUPERVISORY BOARD

D Adams FIH	
M Ashton FIH	
P Avis FIH	
B Collin FIH	
T Cookson FIH	
P Gilley FIH	
B Nwuso FIH DBA	
K Rixon MBE FIH	
R Stevens MIH	(Resigned 20 February 2023)
W Sutherland FIH	

ADVISORS TO THE SUPERVISORY BOARD

K Bailey MIH	Head of Marketing
S Coulstock FIH	Head of Professional Development
T Daffu AIH	Head of Membership & Membership Sales (1 June 2023 – 12 October 2023)
D James AIH	Head of Membership (until 31 March 2023)
S Peters FIH	Head of Commercial Development
R Richardson FIH	Chief Executive
J Smith MIH	Head of Operations
L Williams FIH	Head of Finance

PRINCIPAL PROFESSIONAL ADVISERS

BANKER

Unity Trust Bank plc
4 Brindleyplace,
Birmingham B1 2JB

SOLICITOR

Gaby Hardwicke
Solicitors
33 The Avenue
Eastbourne, East Sussex, BN21 3YD

FINANCE

The Trust Partnership
6 Trull Farm Buildings
Trull, Tetbury, Gloucestershire
England, GL8 8SQ

INDEPENDENT AUDITOR

Saffery LLP
Midland House
2 Poole Road
Bournemouth BH2 5QY

Reference and Administrative detail.

REGISTERED COMPANY NUMBER: 00474810 (England & Wales)

REGISTERED CHARITY NUMBER: 326180 (England and Wales)

REGISTERED OFFICE: The Counting House
14, Palmerston Road
Sutton, Surrey
SM1 4QL

The Institute of Hospitality is a registered charity (No.326180) that was registered on 28th October 1982. It is also a company (No.00474810) limited by membership guarantees. Its registered office is shown above.

Trustees' Report (continued)

STATEMENT OF FINANCIAL ACTIVITY AND BALANCE SHEET

Income

Charitable Income in the period was £1,230,000 an increase of £132,000 (12%) in the year. The increase in income is made up as follows:

<i>£'000</i>	2023	2022	Variance
<i>Donations</i>	98	95	3
<i>Charitable activities</i>	839	722	117
<i>Other trading activities</i>	235	238	(3)
<i>Investments</i>	-	-	-
<i>Other Income</i>	58	43	15
<i>Total</i>	<u>1,230</u>	<u>1,098</u>	<u>132</u>

Expenditure

As a result of the challenging year the Charity has continued to focus on controlling expenditure. Expenditure is made up as follows:

<i>£'000</i>	2023	2022	Variance
<i>Raising Funds</i>	69	78	(9)
<i>Charitable activities</i>	<u>1,038</u>	<u>1,350</u>	<u>(312)</u>
<i>Total</i>	<u>1,107</u>	<u>1,428</u>	<u>(321)</u>

The variance of £321,000 is due to increased membership activity expenditure, as is demonstrated in note 7 of the accounts.

Funds

The Balance Sheet is shown on page 26.

Funds in 2023 were a surplus of £388,000, an increase of £37,000 on 2022, driven principally by trading performance.

Pension scheme

The deficit as reported for FRS 102 purposes has remained at £nil. Since the last triennial valuation the Pension Trustee and the IOH have taken action to manage the Pension Scheme deficit.

Trustees' Report (continued)

The actuary's report was produced by XPS Pensions Consulting Limited and signed by Michael Robins FFA, a member of the Institute and Faculty of Actuaries, on the 2 February 2024.

The Final Salary Pension Scheme cost the Institute £53,000 in the past financial year and was made up as follows:

· Additional Contributions	£48,000
· Administration and Professional Fees	£5,000
Total cost	£53,000

The additional contributions as per actuary's report for the year in note 15 totaled £48,000.

Net movement in funds

The net trading result for the financial year was a £37,000 profit arising solely from trading activities.

FINANCIAL MANAGEMENT POLICIES

Institute of Hospitality branches

The Board has incorporated into the financial statements of the Institute the results and position of the active branches operating in the United Kingdom and internationally.

These branches carry out a range of mainly educational and networking activities, which support the local membership in their professional development.

RESERVES POLICY

The Supervisory Board has reviewed the Reserves Policy and believes that the Institute should accumulate reserves whenever possible to fund future development opportunities for the Institute as they arise. The Institute has been utilising reserves to fund the development of products and services and to grow both the reach and number of memberships of the Institute through individual and company memberships. Our aim is to grow the membership base of the Institute by increasing the research and dissemination of knowledge and best practice across our members so that they are the best informed with the industry. The Institute also has an obligation to make good over the next years to the 1st December 2033 the deficit in the company's Final Salary Pension Scheme.

It is the stated intention of the Trustees to hold unrestricted liquid reserves against unexpected increases in running costs, and that reserves equivalent to at least three months' running costs but no more than six months' running costs be held in liquid reserves.

At the year end the Institute held £713,000 in cash, which equates to 7.7 months of running costs. The management is aware that this exceeds the policy of six months but is being held with a specific ongoing project in mind and continue to feel this provides a satisfactory level of reserves as a result.

The Trustees continue to take action to raise the level of income being generated over the coming years. The control of cash flow is a key control for the Trustees and the Senior Management Team and as a result cash flow is monitored on an ongoing basis.

Trustees' Report (continued)

NOTES TO FINANCIAL STATEMENTS

Chief Executive

The Chief Executive is responsible for the day-to-day management of the Institute of Hospitality and for implementing the policies agreed by the Supervisory Board. The Chief Executive is assisted by the Senior Management Team.

Pay policy for senior staff

The Trustees consider the senior management team of the Institute to be the key management personnel. These are the Chief Executive Officer, the Head of Operations, the Head of Finance, the Head of Commercial Development and Events, the Head of Professional Development and the Head of Marketing.

The pay of senior staff is reviewed annually.

Employees

As an employer, the Institute of Hospitality aims to provide employees with a supportive and developmental environment. Employees are informed about the Institute strategy and business plan and regular information is made available through meetings, e-mail briefings, the Internet and staff and manager communication. All employees are invited to provide their input and suggestions to operational activities

The Charity supports equal opportunities and its recruitment policy is on the basis of aptitude and ability without discrimination. The Institute of Hospitality is committed to training and career development. Formal appraisals are conducted on an annual basis supplemented by regular job chats. Cross departmental working has been improved with a number of Project Teams being set up to deliver an improved standard of support to the membership.

Pension

The company operates two schemes on behalf of its employees. The first is a defined benefit pension scheme providing benefits based on final pensionable pay; this scheme is closed to both new and existing members. The assets of the scheme are held separately from those of the company, being invested by Phoenix Life Limited, trading as Phoenix Corporate Investment Services. The second scheme is a defined contribution scheme that is administered by Aviva and open to new and existing employees of the Institute.

In common with many other organisations, the final salary pension scheme deficit shown within the financial statements is not an immediate cash outflow for the Institute. Following the 2018 triennial valuation a revised funding regime was discussed and given the restrictions of the ongoing financial position it was agreed that the existing shortfall payments would be maintained with the intention of eradicating the shortfall by 2033.

Corporate governance

Internal controls continue to be refined to improve efficiency and risk management. Processes are in place to ensure that performance is monitored, and that appropriate management information is prepared and reviewed regularly by both management and the Supervisory Board.

The systems of internal controls are designed to provide reasonable assurance against misstatement or loss. They include:

- A strategic plan and annual budget approved by the Trustees;
- Regular consideration by the Trustees of financial results, variances from budget, non-financial performance and benchmarking reviews;
- Delegation of day-to-day management authority and segregation of duties;
- Identification and management of risks.

Trustees' Report (continued)

Risk management

The Supervisory Board has a formal risk management process to identify and assess business risks and implement risk management strategies. This has involved identifying the types of risks that the Charity faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. The Risk Management process allocates all identified risks to a member of the Senior Management Team who owns the risk and is responsible for implementing strategies for reducing the likelihood of a risk occurring and its impact should the risk materialise. The Risk Register process is reviewed by the Senior Management Team formally three times a year.

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations. Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its net movement in funds for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to operate.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charitable company's transactions and 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the trustees at the date of this report is aware, there is no relevant audit information of which the charity's auditors are unaware. Each trustee has taken all the steps that he/she ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

EXEMPTION FROM DISCLOSURE

The Institute of Hospitality has no exemptions from the disclosure of information.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

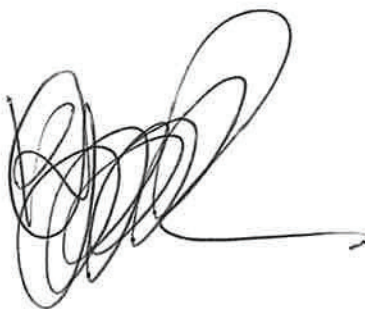
The Charity holds no funds on behalf of other Charities or organisations.

By order of the Board of Trustees

Signed on behalf of the Board of Trustees

Date:

22/8/24



Institute of Hospitality

Independent Auditor's Report to the members of Institute of Hospitality

Opinion

We have audited the financial statements of Institute of Hospitality (the 'charitable company') for the year ended 31st December 2023 which comprise the Statement of Financial Activities, the Balance Sheet, Statement of Cash Flows and 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 Financial Reporting Standard 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 charitable company's affairs as at 31st December 2023 and of its 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 financial statements section of our report. We are independent of the 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 trustees' 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 entity's 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 trustees 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 annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the 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 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 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 trustees' report, which includes the directors' report prepared for company law purposes, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

Institute of Hospitality

Independent Auditor's Report to the members of Institute of Hospitality (continued)

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 21 the trustees (who are also the directors of the 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 trustees determine 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 trustees are responsible for assessing the 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 trustees either intend to liquidate the 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 as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

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 is detailed below:

We assessed the susceptibility of the charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with trustees and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006, and guidance issued by the Charity Commission for England and Wales .

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

Institute of Hospitality

Independent Auditor's Report to the members of Institute of Hospitality (continued)

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://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. 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.

Saffery LLP

Casidhe Baleri
(Senior Statutory Auditor)
For and on behalf of Saffery LLP
Midland House
2 Poole Road
Bournemouth
Dorset BH2 5QY

Date 10 September 2024

Statement of Financial Activities
for the year ended 31 December 2023

	Notes	Unrestricted Funds £'000	Pension Reserve £'000	Total Funds 2023 £'000	Total Funds 2022 £'000
Income from:					
Donations		98	-	98	94
Other trading activities	3	235	-	235	238
Charitable activities	4	839	-	839	712
Other income	5	58	-	58	54
Total Income		1,230	-	1,230	1,098
Expenditure on:					
Raising funds	6	74	(5)	69	78
Charitable activities	7	1,119	(81)	1,038	1,350
Total Expenditure		1,193	(86)	1,107	1,428
Total income less total expenditure		37	86	123	(330)
Net surplus/(deficit)		37	86	123	(330)
Other recognised gains/(losses)					
Pension scheme actuarial gain/(loss)	15	-	(86)	(86)	1,161
Net movement in funds		37	-	37	831
Reconciliation of funds					
Total funds brought forward	21	351	-	351	(480)
Total funds carried forward	21	388	-	388	351

All amounts relate to continuing activities and there were no recognised gains or losses other than those shown above.

The notes on pages 28 to 38 form part of these Financial Statements.

Balance Sheet
at 31 December 2023

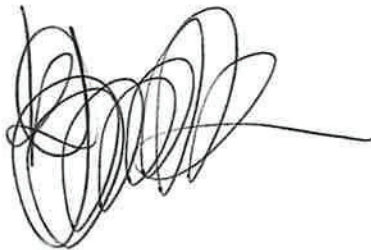
	Notes	2023 £'000	2022 £'000
Fixed assets			
Fixed assets	12	55	58
		55	58
Current assets			
Stock		4	3
Debtors	13	143	178
Cash at bank and in hand	20	713	579
		860	760
Current liabilities			
Creditors falling due within one year	14	(527)	(467)
		333	293
Net current assets			
		388	351
Total assets less net current liabilities			
Pension scheme liability	15	-	-
		388	351
Total net assets/(liabilities)			
		388	351
Funds			
Unrestricted funds	21	388	351
Pension scheme funding reserve	21	-	-
		388	351
Total funds			
		388	351

The notes on pages 28 to 38 form part of these Financial Statements.

22 August 2024

The Financial Statements were approved and authorised for issue by the Board of Trustees on the:
and were signed on behalf of the council by:

Trustee



Trustee



Statement of Cash Flows
for the year ended 31 December 2023

	Notes	2023 £'000	2022 £'000
Cash flows from operating activities:			
Net cash provided by operating activities	19	151	90
Cash flows from investing activities:			
Purchase of fixed assets	12	(17)	(28)
Proceeds on disposal of fixed assets			-
Investment income			-
Purchase of investment			-
Net cash provided by investing activities		(17)	(28)
Change in cash and cash equivalents in the year		134	62
Cash and cash equivalents at the beginning of the year		579	517
Cash and cash equivalents at the end of the year	20	713	579

The notes on pages 28 to 38 form part of these Financial Statements.

Notes to the Financial Statements

1. Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with the Charities Act 2011, the Companies Act 2006, the Statement of Recommended Practice applicable to charities preparing their accounts and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

The Balance Sheet indicated a net liabilities position at the year end. This is as a result of the Pension Scheme liability. This liability can vary greatly depending on changes in market conditions and therefore it is important to continue to focus on meeting the pension contributions as they fall due. The trustees have concluded that it is reasonable to continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Trustees Responsibilities on page 21.

The financial statements have been prepared on the historical cost basis except that the listed investments are stated at fair value.

b) Branch accounting

The financial statements of the Institute incorporate the results, assets and liabilities of branches operating under the Institute name. For this accounting year, the Institute has included the results, assets and liabilities of those branches that have filed their financial returns at the date of preparation of the Institute's financial statements. An estimation of the financial results of those branches that have not filed a return has been incorporated into the Institute's results, assets and liabilities based on a review of their activities over the year.

c) Income

Income relating to subscriptions, student registration and examination fees are accounted for on a receivable basis unless it relates to future periods, in which case the appropriate portion is carried forward as deferred income. Income represents amounts receivable net of VAT where applicable.

d) Expenditure

Expenditure is included in the Statement of Financial Activities on an accruals basis.

Certain expenditure is directly attributable to specific activities and has been included in those cost categories. However, Support Costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Institute's activities. These costs have been allocated between the cost of raising funds and expenditure on charitable activities on the basis of time spent on these areas, as set out in note 8.

e) Fixed Assets

Individual tangible and intangible fixed assets costing more than £500 are capitalised at cost and are depreciated or amortised over their useful economic lives on a straight line basis as follows:

Freehold buildings	2%
Furniture, fittings & equipment:	
Computer software	25%
Computer equipment	33.3%
Office furniture and other equipment	12.5%
Photocopiers	20%
Intangible fixed assets	20%

f) Pension costs

Pension cost is assessed in accordance with advice of professionally qualified actuaries. Actuarial gains or losses arising are recognised within the gains and losses categories of SOFA under the heading "pension scheme actuarial (loss)". Contributions to the defined contributions scheme are charged to the statement of financial activities in the year they are made and are included within staff costs.

Notes to the Financial Statements (continued)

g) **Unrestricted Funds**

These are monies, which have no legal restrictions on their use other than those determined as the charity's activities.

h) **Financial instruments**

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

2. **Critical accounting judgements and key sources of estimation uncertainty**

The trustees do not consider there to be any critical judgements that have been made in the process of applying the Charity's accounting policies.

Notes to the Financial Statements (continued)

3. Income from trading activities

	2023	2022
	£'000	£'000
Business affiliates	126	145
Events	109	93
	235	238

4. Income from charitable activities

	2023	2022
	£'000	£'000
Accreditation activity:		
Course accreditation	85	71
Hospitality assured	15	12
Membership activity:		
Membership subscriptions	630	603
Branch activity	109	22
Information services & publications	-	4
	839	712

5. Other income

	2023	2022
	£'000	£'000
Other income	58	54
	58	54

6. Expenditure on raising funds

	Unrestricted Reserve		Pension Fund	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Events	74	63	-	-
Other finance charges	-	-	(5)	15
	74	63	(5)	15

Notes to the Financial Statements (continued)

7. Expenditure on charitable activities

	Unrestricted Reserve	
	2023 £'000	2022 £'000
Qualifications	134	119
Accreditation activity	125	137
Membership activity	658	541
Information services & publications	78	84
Head Office Fundraising	124	102
	1,119	983

	Pension Fund	
	2023 £'000	2022 £'000
Expected return on scheme assets	(33)	429
Contributions	(48)	(62)
Loss/gain on plan introductions and changes	-	-
	(81)	367

Refer to the table below for the analysis of expenditure on charitable activities in the Unrestricted Reserve:

	Qualifi- cations	Accredi- tation	Member- ship	Info & publi- cation	Head Office Fundraising	Total 2023	Total 2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Accreditation costs	-	8	-	-	-	8	30
Publications	-	-	-	33	-	33	43
Salary	-	-	-	-	25	25	-
Branch costs	-	-	91	-	-	91	27
Travel & meeting costs	-	1	3	-	-	4	1
Printing & office equipment	-	-	9	-	-	9	-
Communications	-	-	-	-	-	-	21
Professional fees	-	1	-	-	-	1	3
Publicity costs	-	-	-	-	-	-	2
Total directly attributable costs	-	10	103	33	25	171	127
Reallocation of support costs & governance costs (note 8)	134	115	555	45	99	948	856
	134	125	658	78	124	1,119	983

Notes to the Financial Statements (continued)

8. Analysis of support and governance costs

The Institute identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between the four key charitable activities undertaken (see note 8) in the year on the basis of an approximation of staff and management time.

Refer to the table below for the analysis of support and governance costs:

	Governance costs £'000	Support costs £'000	Total 2023 £'000	Total 2022 £'000
Salary	-	682	682	612
Travel & meeting costs	-	34	34	27
Printing & office equipment	-	25	25	18
Office cost	-	65	65	56
Premises costs	-	25	25	25
Professional fees	-	83	83	82
Audit fee	14	-	14	10
Depreciation and loss on disposals	-	20	20	26
	14	934	948	856

9. Net income/(expenditure)

This is stated after charging

	2023 £'000	2022 £'000
Depreciation, impairment charges and loss on disposals	20	26
Auditor's remuneration	14	10

10. Staff costs

	2023 £'000	2022 £'000
Wages and salaries	546	493
Social security costs	56	51
Pension costs	70	68
Administration costs of pension schemes	16	16
Staff welfare	10	-
	698	628

Notes to the Financial Statements (continued)

Staff costs (continued)

The number of staff whose emoluments exceeded £60,000 were as follows:

	2023 No	2022 No
£70,001 - £80,000	-	1
£90,001 - £100,000	1	-

Chief Executive Officer gross salary:

	2023 £'000	2022 £'000
Robert Richardson - from April 2021	93	78

The key management personnel of the Institute comprise the Chief Executive, the Head of Operations, the Head of Finance, the Head of Commercial Development and Events, The Head of Professional Development and the Head of Marketing. The total employee benefits of the key management personnel of the Institute total £29,295 per month (2022 £23,283).

The average monthly head count was 16 staff (2022: 15 staff) and the average monthly number of full-time equivalent employees (including casual and part-time staff) during the year were as follows:

	2023 No	2022 No
Business affiliates	2	1
Events	1	1
Qualifications	-	-
Accreditation activity	1	1
Membership activity	4	6
Information services & publications	1	-
Support	4	6
Governance	1	1
	14	16

11. Trustees' remuneration

No emoluments for services to the Institute were received by any of the Trustees during the year. One Trustee (2022: Nil) received reimbursed expenses during the period totaling £238 (2022: £Nil). The expenses related to travel and subsistence expenses.

Notes to the Financial Statements (continued)

12. Fixed assets

	Furniture, fittings & equipment £'000	Total £'000
COST		
At 1 January 2023	226	226
Additions	17	17
Disposals		
At 31 December 2023	242	242
DEPRECIATION		
At 1 January 2023	168	168
Charge	20	20
Disposals		
At 31 December 2023	187	187
NBV		
At 31 December 2023	55	55
At 31 December 2022	58	58

13. Debtors

	2023 £'000	2022 £'000
Trade debtors	79	145
Prepayments and accrued income	64	33
	143	178

14. Creditors

	2023 £'000	2022 £'000
Trade creditors	37	28
Taxes and social security costs	7	5
Other creditors	38	22
Accruals and deferred income	445	412
	527	467

15. Pension scheme

The company operates two schemes on behalf of its employees. The first is a defined benefit pension scheme. A full actuarial valuation was carried out as at 30 November 2018.

The HCIMA 1977 Retirement & Death Benefit Scheme is a defined benefit occupational pension scheme. Prior to 1 January 2008, pensions arising were fully secured with the insurer, but pensions arising since this are being paid from the Scheme. Deferred benefits are subject to revaluation broadly in line with price inflation up to 5% p.a. Pensions in payment earned prior to 6 April 1997 increase at a fixed rate of 3.0% pa whilst other pensions are subject to annual increases in line with price inflation up to 5%.

The amounts recognised in the balance sheet for defined pension schemes are as follows:

	2023 £'000	2022 £'000
Present value of funded obligations	(2,576)	(2,483)
Fair value of scheme assets	2,734	2,567
Restriction on asset	(158)	(84)
Balance sheet deficit	-	-

There are no obligations arising from schemes which are wholly unfunded.

The amounts recognised in the statement of financial activities are as follows:

	2023 £'000	2022 £'000
Current service costs	-	-
Interest on obligations	5	(15)
Expected return on scheme assets	107	(345)
Contributions	48	62
Actuarial gains/ (losses)	(86)	1,161
Loss on plan introductions and changes	-	-
	74	863
Actual return on assets	230	(289)

Notes to the Financial Statements (continued)

Changes in the present value of the defined benefit obligation are as follows:

	2023	2022
	£'000	£'000
Opening defined benefit obligation	2,483	3,675
Service cost	-	-
Interest cost	118	71
Employee contributions	-	-
Past service cost	-	-
Actuarial losses/ (gains)	86	(1,161)
Benefits paid	(111)	(102)
Gain on plan introductions and changes	-	-
Closing defined benefit obligations	2,576	2,483

Changes in the fair value of scheme assets are as follows:

	2023	2022
	£'000	£'000
Opening fair value of scheme assets	2,567	2,896
Expected return	230	(289)
Actuarial gains/(loss)	-	-
Contributions by employer	48	62
Contributions by employees	-	-
Benefits paid	(111)	(102)
Year end fair value of scheme assets	2,734	2,567

The Scheme does not own any property used by the Institute of Hospitality.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2023	2022
Equities	47.7%	46.7%
FI Gilts	33.3%	32.6%
Property	3.0%	2.9%
Cash	0.8%	0.8%
Annuities	15.2%	16.9%

Notes to the Financial Statements (continued)

Pension scheme (continued)

The principal actuarial assumptions at the balance sheet date were as follows:

	2023	2022
Discount rate	4.55%	4.85%
Future salary increases	N/a	N/a
Future pension increases	3.00%	3.00%
Pensioner mortality	1.5% with S2PXA IAMI of 0.2%	S2PXA 1.5% with IAMI of 0.2%
Commutation	Cash sum 3/80th of FPS actives. 15% of pension benefits deferred	Cash sum 3/80th of FPS actives. 15% of pension benefits deferred

Accounts for the current and previous four years are as follows:

	2023	2022	2021	2020	2019
	£'000	£'000	£'000	£'000	£'000
Defined benefit obligation	(2,576)	(2,483)	(3,675)	(4,260)	(3,887)
Scheme assets	2,734	2,567	2,896	2,758	2,661
Scheme surplus / (deficit)	158	84	(779)	(1,502)	(1,226)
Experience adjustments on scheme liabilities	(107)	345	(134)	(64)	593
Changes in the assumptions for value of scheme liabilities	(137)	732	676	(319)	43
Experience adjustments on scheme assets	-	-	-	-	-

The second scheme is a defined contribution scheme that is open to new and existing employees of the Institute. Contributions to the scheme are charged to the statement of financial activities so as to spread the cost of pensions over employees' working lives with the charity. The scheme is funded on the basis of contributions from the employer of 8% and from the employee of 6% of earnings. Contributions are paid to Aviva Life & Pensions UK Ltd (previously Friends Provident Corporate Pensions Ltd and London & Manchester Corporate Pensions). These amounted to £21,114 (2022: £19,524) paid by the employer.

16. Taxation

The Institute of Hospitality is a registered charity and as such is entitled to the exemptions from tax afforded by section 505 ICTA 1988 and section 256 TCGA 1992 so far as its income and gains are applied for charitable purposes.

17. Related party transactions

No significant related party transaction occurred in the period except for services of £12,500 paid for Website design from a company in which a Trustee is a director (2022: £12,500). There were no outstanding balances as at the year end.

18. Operating lease commitments

The institute had annual commitments under operating leases expiring as follows:

	2023	2022
	£'000	£'000
Less than 1 year	10	10
2 - 5 years	10	20
	20	30

Notes to the Financial Statements (continued)

19. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2023 £'000	2022 £'000
Net income for the reporting period	37	52
Adjustments for:		
Depreciation charge	20	26
Decrease/(increase) in stock	(1)	(3)
Decrease/(increase) in debtors	35	(24)
(Decrease)/increase in creditors	60	39
	151	90

20. Analysis of changes in net debt

	At 1 January 2023 £'000	Cash flows £'000	at 31 December 2023 £'000
Cash at bank	579	134	713

21. Reconciliation of funds

	At 1 January 2022 £'000	Fund movement £'000	Fund Transfer £'000	at 31 December 2022 £'000
Unrestricted funds				
General fund	299	52	-	351
	299	52	-	351
Pension Reserve	(779)	779	-	-
	(480)	831	-	351
	At 1 January 2023 £'000	Fund movement £'000	Fund Transfer £'000	at 31 December 2023 £'000
Unrestricted funds				
General fund	351	37	-	388
Pension Reserve	-	-	-	-