

Registered number: 6689614

HOSPITALITY GUILD

(A Company Limited by Guarantee without any share capital)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014



HOSPITALITY GUILD

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COMPANY INFORMATION

Directors	Brian Wisdom (resigned 30 June 2014) Simon Tarr Suzanne Jackson (resigned 30 September 2013) Edward Riches Simon Vincent
Company secretary	Simon Tarr
Registered number	6689614
Registered office	Hospitality House 11-59 High Road London N2 8AB
Independent auditors	haysmacintyre 26 Red Lion Square London WC1R 4AG

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DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2014

The directors present their report and the financial statements for the year ended 31 March 2014.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activities

The company which is limited by guarantee and has no share capital, is a not for profit organisation, wholly owned by the charity, People 1st.

The objects for which the Company is established are the promotion and advancement of education for the public benefit and in particular the promotion and advancement of education in the hospitality industry through the following:

- (a) the development, promotion and maintenance of standards for good practice in the provision of education, training and skills,
- (b) the strengthening of links between employers, providers of further and higher education, private training providers and schools to develop networks of vocational specialisation, and
- (c) the provision of support to People 1st in particular acting in support of the overarching strategy for addressing the skills need of the sector.

OBJECTIVES OF THE HOSPITALITY GUILD

Founded in 2012, the Hospitality Guild unites the leading hospitality associations and some of the hospitality industry's largest employers in a modern day guild dedicated to the development of the highest professional standards within hospitality.

It is an alliance of employers, skills bodies, individuals and training providers dedicated to simplifying and promoting the professionalism of the hospitality industry.

The Hospitality Guild is here to address the industry's desire to simplify professional development, in order to

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help the sector address its skills shortages and train and retain the best staff.

The Guild does this by:

- encouraging those within the industry to work together and, as a result, reduce duplication of effort;
- increasing awareness of the many different opportunities available in hospitality, including careers, apprenticeships, education & training and making them easy to find, navigate and understand;
- simplifying all aspects of professional development for individuals and employers;
- highlighting clear career pathways to those wanting to enter the industry or those already in it;
- showcasing innovative best practice from across the industry;
- ensuring businesses of all sizes can access the best training and facilities.

ACHIEVEMENTS AND PERFORMANCE

During the year the Hospitality Guild received funding from the employers and suppliers to the industry with the primary purpose of invigorating and transforming skills and establishing new models of delivery with high impact results to complement existing skills programmes.

The Guild focused primarily on two key areas – promoting the hospitality sector and professionalising the work force.

Key achievements were as follows:

1. Promoting the hospitality sector as a professional and great place to work

In December 2013, we held the second Apprenticeship Awards and Young Hall of Fame event at the Tower of London. The event showcased the high levels of talent across hospitality and brought together industry leaders to celebrate the success of these individuals. Following the success of the inaugural event, the 2013 awards saw a record number of entries.

We continued to develop the Hospitality Guild web portal (www.hospitalityguild.co.uk), based on the award-winning People 1st UKSP careers website, to provide an unrivalled resource for careers information, advice and guidance. The Hospitality Guild web portal is a single source of information on professional development and careers in the hospitality industry. The site has over 45,000 registered users and has received 12,000 unique visitors in the last month. The portal benefits individuals by providing them with clear career pathways, tailored advice on training and development and excellent career opportunities. There are over 4,000 vacancies advertised from the likes of Hilton, Marstons, The Ritz & Jurys Inn, Wagamama and Travelodge. These employers benefit from the web portal by gaining access to thousands of eager, engaged individuals.

We also ran a major campaign to encourage people into careers in food and beverage service.

2. Professionalising the Workforce

As we move towards a greater level of professionalism within the workforce, the Guild has sought to ensure that employers, colleges and training providers who offer excellent training and development opportunities for their staff / students across our industries are recognised. Through its partnership with People 1st, the Guild has:

- promoted 10 Centres of Excellence to support business with the recruitment of skilled individuals. These include Asian & Oriental, Patisserie & Confectionary and Food & Beverage;
- further promoted the Quality Mark programme. This has already recognised the training programmes or courses of 29 employers within hospitality and retail including Youngs, Sea Salt, the Academy of Food & Wine Service, Spirit Pub Company and Accor;
- promoted the accreditation programme, which recognises excellence in catering education and training. Hospitality departments within further education colleges have been able to benefit from a strong

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partnership with AA Hotel Services, which independently assesses the quality of college restaurants, and 17 colleges have so far achieved silver or gold Hospitality Guild accreditation;

- Hospitality House is now open for business with many major companies and industry organisations using the facility. Hospitality House is a £1 million, state-of-the-art training and meeting facility delivering the highest standards in training for the hospitality industry. Hospitality House was created by the Hospitality Guild with public funding from the Skills Funding Agency and privately through the founding partners of the Guild – Compass Group, People 1st, City and Guilds, Hilton and McDonald's – as well as through industry suppliers including Heineken, Electrolux and Claremont Group. The facility is managed by Barnet and Southgate College

In addition we have been working with our partners and major employers on the apprenticeship trailblazer to help shape how the apprenticeships of the future will be implemented. Raising apprenticeship standards across the hospitality sector and delivering a rigorous and flexible system that meets business's changing needs is central to encouraging young people into our sector and for creating our leaders of the future.

Trailblazers benefits the industry as the process brings together representatives from across a wide range of hospitality and tourism companies to help shape the standards, both within the working group itself, and via consultation.

We will be stronger by sharing best practices and working collaboratively, and ultimately ending up with standards that give our managers, supervisors and professional chefs excellent skills to benefit their employers, and the best opportunity for a successful career in the industry.

Trailblazers represents a significant opportunity for employers within hospitality and the Hospitality Guild is pleased to support this.

FINANCIAL REVIEW

Total income from the Growth and innovation Fund (GIF) in the year was £477,497. £501,963 was spent on the core Hospitality Guild team (and associated corporate overheads) and £132,661 was spent on Guild initiatives, delivering a net deficit for the year of £156,655.

Directors

The directors who served during the year were:

Brian Wisdom (resigned 30 June 2014)
Simon Tarr
Suzanne Jackson (resigned 30 September 2013)
Edward Riches
Simon Vincent

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2014**

Auditors

The auditors, haysmacintyre, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 10 September 2014 and signed on its behalf.



Simon Tarr
Director

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOSPITALITY GUILD

We have audited the financial statements of Hospitality Guild for the year ended 31 March 2014, set out on pages 7 to 11. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the 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 company's members those matters we are required to state to them in an Auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOSPITALITY GUILD

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 directors' 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 to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Report.



Bernie Watson (Senior Statutory Auditor)

for and on behalf of
haysmacintyre

Statutory Auditors

26 Red Lion Square
London
WC1R 4AG

10 September 2014

HOSPITALITY GUILD**(A Company Limited by Guarantee without any share capital)****PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2014**

	Note	2014 £	2013 £
TURNOVER	1	477,497	1,036,504
Cost of sales		(31,357)	(311,348)
GROSS PROFIT		446,140	725,156
Administrative expenses		(602,795)	(736,658)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(156,655)	(11,502)
Tax on loss on ordinary activities		-	-
LOSS FOR THE FINANCIAL YEAR	7	(156,655)	(11,502)

The notes on pages 9 to 11 form part of these financial statements.

HOSPITALITY GUILD**(A Company Limited by Guarantee without any share capital)****REGISTERED NUMBER: 6689614****BALANCE SHEET****AS AT 31 MARCH 2014**

	Note	2014 £	2013 £
CURRENT ASSETS			
Debtors	4	155,404	203,075
Cash at bank		12,703	28,183
		<u>168,107</u>	<u>231,258</u>
CREDITORS: amounts falling due within one year	5	<u>(147,998)</u>	<u>(54,494)</u>
NET CURRENT ASSETS		<u>20,109</u>	<u>176,764</u>
NET ASSETS		<u>20,109</u>	<u>176,764</u>
CAPITAL AND RESERVES			
Profit and loss account	7	<u>20,109</u>	<u>176,764</u>
		<u>20,109</u>	<u>176,764</u>

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 10 September 2014.



Simon Tarr
Director

The notes on pages 9 to 11 form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures & office equipment	-	20% - 25%
Website Development	-	33%

2. LOSS

The loss is stated after charging:

	2014 £	2013 £
Auditors' remuneration	1,800	1,750
Pension costs	13,251	14,939
	<u>15,051</u>	<u>16,689</u>

3. DIRECTORS' REMUNERATION

	2014 £	2013 £
Aggregate remuneration	59,130	90,154
	<u>59,130</u>	<u>90,154</u>

During the year retirement benefits were accruing to 1 director (2013 - 1) in respect of a defined benefit pension scheme.

4. DEBTORS

	2014 £	2013 £
Trade debtors	105,404	-
Amounts owed by group undertakings	50,000	203,075
	<u>155,404</u>	<u>203,075</u>

HOSPITALITY GUILD**(A Company Limited by Guarantee without any share capital)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014****5. CREDITORS:****Amounts falling due within one year**

	2014 £	2013 £
Trade creditors	3,526	1,020
Amounts owed to group undertakings	80,331	-
Other taxation and social security	32,340	3,474
Accruals and deferred income	31,801	50,000
	<u>147,998</u>	<u>54,494</u>

6. COMPANY STATUS

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

7. RESERVES

	Profit and loss account £
At 1 April 2013	176,764
Loss for the year	(156,655)
	<u>20,109</u>
At 31 March 2014	<u>20,109</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

8. PENSION COMMITMENTS

The company is a participating member of the ITB Pension Fund (the Scheme), a defined benefit pension scheme in operation for the Industrial Training Boards and their successors. The assets of the Scheme are held separately from those of the company in an independently administered fund. The actuarial liability is determined for the Scheme as a whole and not for individual participating employers. For practical purposes the contributions paid to the Scheme comprise the company's pension costs relating to the employees who are members of the Scheme and these are charged to the Statement of Financial Activities in the period to which the contributions relate.

The pension cost charge for the year was £14,939 (2012: £8,245).

As at 31 March 2013, Hospitality Guild had 1 member participating in the 2007 Section of the Open Fund. During the year the total Standard Contribution Rate for the 2007 Section was 13.6% of Pensionable Salary, of which the company requires that the member pays 5%. In accordance with Section 224 (1) of the Pensions Act 2004 a formal actuarial review of the Open Fund as at 31 March 2010 was carried out and disclosed a residual deficit of £76.3 million (2007 a surplus of £2.4 million). People 1st / Hospitality Guild have been informed that given the size of their employer surplus pot no additional deficit contributions are currently likely to be required.

The ITB Pension Fund has written to all Participating Employers, stating that if they were to cease participating in the Funds, they would face a potential liability. In the case of Hospitality Guild, this liability was estimated at £303,000 at 31 March 2013 if it ceased to participate in the Scheme. Hospitality Guild currently has no plans to leave the Scheme, so this contingent liability has not been provided for in the accounts.

9. RELATED PARTY TRANSACTIONS

The company is a wholly owned subsidiary of People 1st which produces group accounts and is therefore exempt from disclosing transactions with its parent.