

The logo for 'yha' is a green triangle pointing upwards, with the lowercase letters 'yha' in white inside it.

yha

The background of the entire page is a photograph of two people ziplining. They are positioned on a large tree trunk, holding onto a rope that extends upwards and out of the frame. The person on the left is wearing a blue long-sleeved shirt with a Superman logo and a grey helmet. The person on the right is wearing a grey t-shirt and a brown helmet. The scene is set outdoors with a clear blue sky and green foliage in the background.

Annual report

2023 / 2024



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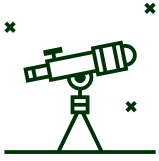
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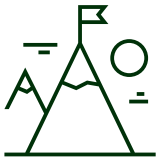
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Vision

Everyone has access to the benefits of adventure, for the first time and a lifetime.

By 2030, every child is able to stay away from home, travel, experience adventure and access the outdoors, nature, culture and heritage. YHA will work with others to end the inequity that means some children have never been to a beach, visited a museum or rolled down a hill.



Mission

To enrich the lives of all, especially young people, by providing brilliant hostel stays and experiences that improve physical health, mental wellbeing and life skills.

Charitable objects

To help all, especially young people of limited means, to a greater knowledge, love and care of the countryside, and appreciation of the cultural values of towns and cities, particularly by providing youth hostels or other accommodation for them in their travels, and thus to promote health, recreation and education.

We are YHA.

We believe in the power of travel and adventure. To connect people to each other, to nature and the outdoors, to culture and to heritage.

Since 1930, YHA has operated a unique network of hostels throughout England and Wales – a community of shared spaces, open to all and for the benefit of everybody.

We provide inclusive adventures, in extraordinary buildings, in amazing places – welcoming over a million people each year. Yet we offer much more than accommodation.

YHA is a sector-leading residential provider, a champion of inclusive volunteering and work experience, and an Investors in People Gold employer.

We are a large social enterprise leading the way in sustainable social tourism and nurturing partnerships that deliver impact across multiple sectors and at every level – in our communities, in our regions, and nationally.

Over 90 years on from our pioneering beginnings, our founding principles and determination to achieve social good remain at the heart of what we do.

We are YHA.

Because where you go changes who you become.

Public benefit statement

Our Trustees give careful consideration to the Charity Commission's general guidance on public benefit during our planning processes and delivery of our work.

Foreword

Welcome to YHA's annual report for 2023/24.

It has been yet another challenging year for our beneficiaries, our supporters and our charity, with the cost-of-living crisis and steep inflation compounding the lasting damage of COVID-19.

Mounting costs and financial shocks have devastated the hospitality sector, caused considerable challenges for schools and the wider youth sector, and left people much less able to afford travel and adventure.

In this context, to mitigate the impact on our charity, in May 2023, YHA's Board of Trustees agreed a recovery and transformation plan focussed on taking the necessary steps in growth, cost savings and network changes to secure YHA's long term financial security. Despite the significant rise in our cost base and the pinch to consumer purses, I am glad to report that we have successfully delivered Year 1 of our Recovery Plan which sets us on the path back to surplus by the end of 2025/26.

Throughout 2023/24 we have made savings in central and network costs and made significant headway in delivering the network strategy. We are in the process of concluding our programme of rationalisation of city sites and have transitioned a number of hostels out of the strategic network this year. Happily, our new franchise operating model has proved attractive to a number of entrepreneurs and we look forward to working in partnership to offer quality hostel experiences at these new franchised sites.

Though decisions around savings and network changes are tough, they are necessary and mean we end the year with greater stability. Yet we know the hard work must continue to maintain tight control over our cost base to keep us on track for recovery.

There is much to be proud of in this report. Despite the external challenges, guided by our 2020 strategy and thanks to the energy and commitment of our people – both staff and volunteers – we are very pleased to have delivered the majority of our impact targets this year.

In 2023/24, we have made strident steps forward in diversifying access and reached more young people with challenging lives. For example, through No Child Left Behind funding we've made sure more young people can access the rite of passage that is the first night away from home on a school residential; through our second annual Festival of Walking we've bolstered the confidence of beginners, helping newcomers to reap the benefits of time outdoors; with our Outdoor Citizens programme we're tackling inequalities in access by distributing funding to grassroots organisations; and with the YHA Breaks Programme we've funded respite stays for groups of young people coping with challenges that make travel hard to access.

We couldn't do this alone. This year can be characterised as one in which we've demonstrated the power of partnerships to deliver impact at scale. In the following pages we pay tribute to the organisations, community groups and strategic partners enabling us to make such a big difference to our beneficiaries.

Hostelling has long been a model for sustainable tourism. This year, our green credentials and energy saving measures continued to blossom with significant progress against our environmental plan. We are proud of the work we're doing to increase access to National Parks, National Landscapes and the cultural hubs of towns and cities – sustainably and for everybody.

Affordable access to adventure is crucially important to the health and wellbeing of the nation – particularly after the damage, disruption and dismay of recent years. YHA brings people together in spaces designed to encourage social interaction and nurture friendships new and old. Through these amazing places, we connect people to each other, to nature and to heritage. This is a vital service to individuals, communities and society at large. I am inspired every day by the unique ability of YHA to enhance and change lives – especially those of young people.

As we approach the mid-point of our 2020-2030 strategy, and as we continue our journey to recovery, we must make best use of our limited resources and maximise our impact. In the following pages, as well as looking back over the challenges and achievements of the last 12 months, we look forward too – and outline the work we're doing to set out a new roadmap for impact so we can better measure the difference we make.

Before you delve into the detail of the report, I'd like to take this opportunity to thank you for supporting YHA. With your continuing support, we aim to achieve even more in the year ahead.



Margaret Hart, Chair

Key Performance Indicators (KPIs)

KPI	Delivering YHA's charitable objects	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Target 2023/24	Actual 2023/24
Number of people staying at YHA overnight	To help all	1,024,964	N/A	455,515	817,220	885,000	857,922
Those who stay with us, benefit from our provision and support, our employees and volunteers, reflect the demographics of England and Wales. Percentage of job applications from people from ethnic minority backgrounds.		N/A	N/A	N/A	43%	35%	55%
Number of young people staying at YHA overnight	Especially young people	412,652	N/A	114,879	265,207	310,000	302,483
Young people as a % of the total number of people staying at YHA overnight		40%	N/A	25%	32%	35%	35%
Number of young people with challenging lives staying at YHA overnight	Of limited means	4,875	N/A	3,346	8,382	11,000	13,973

KPI	Delivering YHA's charitable objects	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Target 2023/24	Actual 2023/24
Young people with challenging lives as % of young people staying at YHA overnight	Of limited means	1.2%	N/A	2.9%	3.2%	3.5%	4.6%
Number of young people with challenging lives staying overnight, adjusted to include a proportion of young people who come as part of a school residential		N/A	N/A	N/A	N/A	18,600	21,205
Young people with challenging lives, adjusted to include a proportion of young people who come as part of a school residential, as % of young people staying at YHA overnight		N/A	N/A	N/A	N/A	6%	7%
Customer satisfaction score	Particularly by providing youth hostels or other accommodation for them in their travels	89%	N/A	93%	87%	88%	87%

KPI	Delivering YHA's charitable objects	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Target 2023/24	Actual 2023/24
Financial performance - annual trading cash surplus/ (deficit) (excluding depreciation, impairment costs, capital grants and profit on asset disposals)		£1.5m	(£11m)	(£6.3m)	(£6.1m)	(£5.6m)	(£5.5m)
Financial performance - annual net income/ (expenditure) - as per financial statements		(£1.3m)	(£14.3m)	(£9.3m)	(£2.6m)	(£3.6m)	(£3m)

We use the trading cash deficit position as the key financial measure to monitor our financial performance.

In addition to the above KPIs, from a governance and compliance perspective, the Board and its committees received regular reports covering the following key areas:

- Environmental sustainability
- Loan covenant compliance
- Reportable incidents
- Employee engagement

Impact KPIs are not available for 2020/21 as the hostel network was closed during the majority of the year due to COVID-19 restrictions.

Commentary

Overnights

Overall, we met the majority of our targets, with 5% more people and 14% more young people staying than the year before. We were particularly pleased to see a 66% increase in the number of young people with challenging lives staying with us. This reflects our work to improve the targeting of support through programmes such as No Child Left Behind which funds residentials for pupils at risk of missing out (see page 40) and the Breaks Programme which supports trips for groups of young people and groups of families (see page 24).

The targets we narrowly missed were the total number of people staying with us and the total number of young people staying with us.

Whilst the total number of overnights came in above target, the total number of people staying with us is slightly (3%) below target. This is a reflection of longer stays driven by a higher proportion of group bookings.

The total number of young people staying at YHA overnight is below target due, in the main, to the loss of almost 5,000 National Citizen Service (NCS) participant numbers over Q2 and Q3. However, 35% of guests were young people which is up from 32% the year before.

Measuring our impact on young people with challenging lives

This year, we have improved our accuracy in reporting the number of young people with challenging lives staying with us.

As you can see from the KPIs, we have given two figures to demonstrate our impact. The first is young people who have had a directly funded stay – through YHA's Breaks Programme, a proportion of NCS participants, young people from Alternative Provision, and young people from special schools. The second gives a truer picture as we have added young people with challenging lives who stay with YHA through education residentials.

This second, more reflective total, means that the percentage of young people with challenging lives staying with YHA as a proportion of the total number of young people staying with us reached 7.1% last year. This puts us well on the road to reaching our longer-term target of 10%.

Customer satisfaction

Despite financial challenges limiting the amount we can spend on the fabric and furnishings of our buildings, we are pleased to report that we have maintained customer satisfaction levels, producing another strong performance this year. This performance is reflective of the commitment and dedication of our friendly, helpful teams who are often recognised by guests in positive feedback.

Three-year Recovery Plan

Our three-year plan for recovery aims to return YHA to surplus by the end of 2025/26.

The plan has three key elements:

- 30% growth in trading contribution of the strategic network – a core network of YHA-owned hostels
- 20% savings in central costs – facilitated by a smaller network, efficiencies and a revised central staff structure
- hostel network strategy and the delivery of transition – moving some hostels out of direct YHA management and, where possible, into franchise

Delivery of the Recovery Plan began in 2023/24 and the objectives of Year 1 were achieved.



2023/24 Operating Plan projects

Ensuring financial sustainability



Foundations and underpinning priorities



Key

- Primary focus
- Priority project
- ⋮ Supporting project

The 2023/24 Operating Plan came out of the major piece of work to map YHA’s three-year journey to recovery (shown opposite), with the three key elements of growth, savings and network transition. The Board agreed the Recovery Plan in May 2023 and it is guiding our pathway back to financial sustainability.

The diagram above shows the 11 priority projects of the 2023/24 Operating Plan. These bring together our income, impact and educational groups growth plans; our focus on maximising opportunities within our strategic network of hostels; delivery of change of ownership and operation of hostels transitioning out of the YHA-owned network; our plans for IT and digital transformation; the optimisation of our central services; and underpinning projects which support our recovery and enable our long-term strategy.

Ensuring financial sustainability

“Doing good requires doing well.” The words of YHA’s first Chair in 1930 are as true today as 94 years ago. Our primary focus is on ensuring financial sustainability. Without this, we cannot deliver our impact. After the challenges of recent years, our task is to maintain stability in the short term and achieve sustainability for the longer term.

In February the Board set a budget for 2023/24 of a deficit of £5.6m (before accounting for depreciation, impairment costs and other adjustments). This reflected expectations of continued post-COVID trading recovery to nearer 90% of pre-COVID levels, but also the reality of a full year of significantly higher costs which cannot be covered by price increases. A combination of higher prices in energy, laundry and food, plus higher interest rates increased costs by c.£2.5m over 2022/23’s already high levels. The Government’s 9.7% increase in the National Living Wage, while very welcome to team members, added another c.£1.75m to our annual cost base.

In May the Board approved longer term plans to support YHA’s recovery in this very challenging financial context, agreeing a five-year financial plan which will provide the basis for discussions on extending YHA’s loan financing arrangements with our bank, HSBC. The Board also approved a recovery and transformation plan which focussed on taking the necessary steps to secure YHA’s long term financial security, while ensuring we continue to drive forward our impact as a national charity and increase the number of people, especially young people, who benefit from a stay with us. KPMG completed a high-level review of our plans and provided assurance that our approach was robust and appropriately balanced ambition with caution.

As the year progressed, though our trading revenues were up on budget, significant and long-lasting inflationary pressures across our cost base and interest rates rising above Bank of England projections saw us fall behind budget mid-year. By the end of the summer season, we were facing a significant shortfall. This forced us to make tough but necessary decisions, reducing costs wherever possible in both the network and our central services.

Thankfully the combination of a strong trading performance and an energetic drive to economise meant we finished the year slightly better than budget and we achieved Year 1 of our Recovery Plan.

Delivering growth of income and impact

Growth of income and impact are fundamental to financial sustainability and to our vision and mission. In 2023/24 we sought to achieve optimal trading and pricing of our products to maximise growth opportunities and diversifying those who pay to stay, are funded to stay, and those who access YHA in other ways.

Over the year, we completed a comprehensive review of opening patterns; reviewed our Book Direct strategy; further integrated our sales, marketing and digital strategies; strengthened our partnerships; developed our fundraising streams; and revisited our Theory of Change as part of a project to review and prioritise activities against a refreshed impact framework.

Book Direct for the best price guaranteed – now with improved Ts and Cs

In September 2023 we delivered a significant step change in support of our Book Direct strategy for family and individual bookings by revising the terms and conditions we offer to customers booking through online travel agents (OTAs). This, along with a revision of refund terms and conditions on yha.org.uk, has helped us optimise our online trading.

OTAs help us bolster our exposure to the hospitality market and attract new customers. However, this comes with the payment of commission. To bring as many bookings as possible directly through yha.org.uk, we manage the use of OTAs carefully – ensuring that the best price, product availability and member discounts are available only via our own website.

Previously, some OTAs have been able to offer more favourable cancellation terms than yha.org.uk, specifically in the offer of book now, pay later. With a booking administered by a third party, it is difficult for us to communicate with customers and – on encountering no shows – challenging to recoup the cost of the stay if customer card details are inaccurate.

This year, in our efforts to reduce YHA's reliance on OTAs and boost direct bookings, we made a strategic decision to roll out non-refundable terms and conditions to OTAs. In December 2023, we introduced simpler refund terms and conditions to yha.org.uk bookings for families and individuals – moving to an 80% refund if bookers cancel before noon on the day prior to arrival, with no refund available after this cut off.

Taken together, these two changes mean we can offer more favourable terms to customers booking direct while simplifying the process for YHA. As a result, we have seen an uplift in the proportion of customers booking direct with YHA.

Overall, a +19% increase in traffic to yha.org.uk and a 13% uplift in online revenue has been achieved in 2023/24. Our search engine optimisation efforts are driving user engagement and conversions, with 41% of our online revenue attributed to Organic Search.

Diversifying our user base to broaden our impact

In pursuit of our strategic priority to ensure that YHA is for everyone, we have delivered projects and programmes to increase the scale and breadth of our reach. Diversification of our user base is important to the growth of both income and impact. We've achieved this through targeted support alongside the provision of outdoor activities designed to encourage new people across our hostel thresholds. Acting together with like-minded charities and other organisations has enabled us to attract a more diverse range of people to join those already engaged in our universal offer of brilliant hostel experiences in amazing places.





YHA Festival of Walking 2023

In autumn we held the second annual YHA Festival of Walking. Established the previous year, the six-week festival aims to encourage more people from more walks of life to go walking. And, through the programme of events and offers, we hope to increase YHA's profile as a resource for walkers so that even more people understand the opportunities our places and spaces offer them – whether as a place to pick up a route map and local advice, or a destination to refuel at the end of a hike.

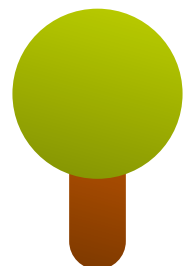
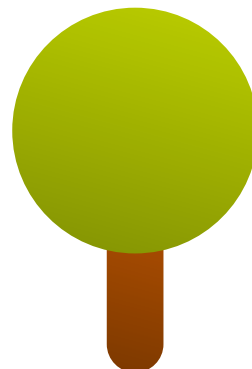
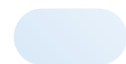
The 2023 festival performed really well – with almost all objectives met and targets achieved or exceeded. This year's programme engaged more people, involved more hostels, and delivered a wider variety of walking opportunities.

The YHA Festival of Walking is an impact programme that helps us build new partnerships and serve new beneficiaries. We are fortunate to have attracted some great partners in Sport England, The Pilgrim Trust and Cotswold Outdoor who have helped seed fund the festival. They provide ongoing funding to support its annual delivery costs and activation bursaries that help grassroots organisations engage a broader range of people in walking.

Social walks

with
34 guided walks
with
607 participants

with
20 organisations led walks
with
12 doing so for the first time



Feedback from participants was overwhelmingly positive. Here are the results of the YHA/BMC-led social walks post-walk survey:

100%

of participants said the walks were well organised and they'd take part again

90%

said it boosted their confidence and desire to walk more often

80%

said the walks improved their health

16%

had never visited or stayed at a YHA hostel before

94%

said they were now more likely to stay at a YHA hostel

97%

said they were now more likely to stop off at a YHA café

88

equivalent net promoter score, with most people saying that they would recommend the YHA festival to others

Main motivations for joining in:

1. the confidence of walking with a professional guide
2. meeting new people
3. feeling safe walking with other people
4. wanting to explore a new area

Feedback

from BMC-led walk participants feedback

“

I wanted to write to say how much I enjoyed the social walk today from YHA The Sill [at Hadrian's Wall]. The event was very well organised, the group were really friendly, and it has given me the confidence to attend more of these events and even plan my own walk. I will also consider staying at a YHA site in future too.

”

“

Me and my sisters came from Coventry today. You don't see many people like us walking. We shouldn't have been so nervous; everyone was brilliant, so welcoming. We loved the coffee and cake at the end and thanks for the new walker's booklet. Can you keep it going?

”

from the accessibility walk from YHA Malham

“

An excellent welcome from the YHA staff again and the cake was magnificent! Thank you to YHA for providing a 'RevoLOotion UK Vehicle for Change' for people to use on our walk.

”

from the Brecon Beacons National Park walk from YHA Brecon Beacons

“

What a fantastic time we had. The weather was perfect, the route was amazing, and both Alan and Ben were brilliant guides. In particular, Alan's knowledge of the geology, which he was so keen to pass on, was fascinating. Even the cakes at the end were superb. Please pass on our thanks to everyone involved. We will definitely be looking out for any more YHA walks in the future.

”

from the Navigation Skills walk from YHA South Downs

“

I saw the day advertised on a YHA email and thought it would just be a walk with a bit of map reading. How wonderfully surprised I was. Cathy was brilliant. Clear and informative and included everyone. I had previously carried out my bronze, silver and gold navigation skills courses at YHA Edale but had forgotten, through lack of use, much of it and found the day an excellent refresher. You covered everything that I'd probably done incredibly clearly making sure that the whole group understood. You included all sorts of useful information, but I thought at the right level. I am now completely inspired to take my map out and reinforce all that I learnt.

”

from the National Trust

“

It was great to be working with YHA – it feels like such a mutually beneficial partnership which can grow from the festival to include more day-to-day working.

”

Abby Chillingworth, National Trust volunteering and communities manager for the Peak District

YHA is now a national delivery partner in a National Trust-led walk leadership initiative called 'Walk Together: The Community Walk Leaders Pathway' which aims to develop walk leaders from under-represented ethnic minority groups. Many of the leading partners and external steering group members are Outdoor Citizens groups who enjoyed bursary funded day walks and residential stays during the festival. (See page 51 for more on the Outdoor Citizens community for practitioners.)

Self-guided walks with our maps

By the start of the 2023 festival, 185 route maps had been produced. They feature circular walking routes from over 60 hostels and empower people to undertake self-led adventures. Routes included a number of accessible options and ranged in difficulty from easy, through moderate, to severe or challenging. They're free to use and can be downloaded from YHA's website, accessed via the OS Maps App, or people can pick up a paper copy in participating hostels.

Acclaimed by industry experts for their clarity, precision and innovation, the maps have been enthusiastically received by walkers, partners and staff.

21,379

map downloads between festival launch and close – a fourfold increase on 2022 downloads



Engaging a broader range of people in walking

Our target was to activate a minimum of 30 diverse community groups to run safe space walks using a YHA hostel as their base, and to receive positive feedback for these residential and day events.

We exceeded our target and garnered great feedback from groups who valued the events’ accessibility and the opportunity to enjoy the outdoors, sense of social cohesion, friendships made and the health benefits of walks.



“ I am writing on behalf of our group, Deaf Rhinos, to express our sincere gratitude for the fantastic weekend we recently spent at your hostel. Our stay was filled with memorable experiences, beautiful walks, and valuable team bonding moments. We would like to commend your staff for their exceptional hospitality and assistance throughout our stay. They were consistently friendly, helpful, and understanding of our unique needs as a deaf group. This made us feel incredibly welcome and ensured our stay was enjoyable from start to finish.

”

Samantha Reid, Year 6 teacher, Representative from Deaf Rhinos, a sports and social club for the deaf and hearing-impaired community – and a member of the Outdoor Citizens community of practice (see page 51 for further information)

“ It has helped me to manage my mental health. It has helped me to manage my physical health. It has helped me to build new friendships. It has helped me to feel more connected to my local community. I have been able to try new activities. It has helped me to do more activity than I would have done without the project. I have enjoyed participating in activity as part of this project. The project has given me more confidence to be active.

”

A participant at Wanderers of Colour’s Dorset Community Retreat at YHA Lulworth Cove

“ It was great to host a retreat for queer women in Dartmoor. As part of the YHA Festival of Walking we took over a whole hostel and had 30 attendees. Mental health and loneliness can be real challenges in the LGBTQIA community. Yet there are so few permanent spaces designed for LGBTQIA women and those who are non-binary. And most of these revolve around drinking. Having a weekend of walking, yoga and gong baths brought people together and supported wellbeing. Thanks to YHA for supporting this from their great Outdoor Citizens programme.

”

Representative from out&about, an LGBTQIA group for women and non-binary people

“

I just wanted to say a massive thank you. We had an incredible time at YHA Edale. The funding supported 14 women to get outdoors. Most of the women had never stayed in a YHA before and for some this was their first time in the hills. It was a very successful event, so thank you.

”

Representative from Love Her Wild Manchester, a women's adventure community

The future of the project

Given its success and with external funding now secured from Sport England, we look forward to a third Festival of Walking in autumn 2024. It will again feature a programme of guided social walks, bursary-funded community group walks and mapped self-led walking routes from hostels for independent adventures. The core themes of the festival are promoting health and wellbeing, learning new walking skills, and making connections with nature and the outdoors. The event is the flagship for our wider YHA Walks aspirations which seek to embed walking as an activity synonymous with YHA year-round.



YHA Breaks Programme

The YHA Breaks Programme helps young people and families in the greatest need to go on residential trips – usually for two nights. Often the children and young people most likely to benefit from time away are the least likely to access travel and adventure. Through the Breaks Programme, YHA supports those whose life experiences may make things more difficult for them.

In 2023/24, YHA's Breaks Programme supported

1,533 young people

and

360

family members

Targeted support to those who need it most

Charities, community groups and home education network groups based in England and Wales can apply for support to fund a break to a YHA hostel.

We invite applications for groups of young people (26 years and under) or families.

So far, we have supported groups of:

- young carers
- young people with disabilities and/or health conditions
- young people with additional needs
- refugee and migrant groups
- young people and families at risk of being homeless
- young people and families from deprived areas
- young people in the care system or care leavers
- ethnically diverse communities
- LGBTQ+ people

The Breaks Programme gives children and young people opportunities to make friends, create bonds with others who have similar life experiences, develop life skills, improve mental wellbeing and increase their levels of physical activity.

In many cases, connections made between parents, guardians and carers, through YHA Breaks Programme stays, become longer term associations as they form friendships and support networks. For example, parents of young people with additional needs have gone on to organise their own coffee mornings and day trips to share experiences and advice with one another.



Helping Kids Achieve Community Interest Company Nottingham

This Nottingham not-for-profit focuses on empowering disadvantaged young people at risk of engaging in anti-social behaviour by offering activities and mentoring.

A group of 23 young people stayed at YHA Edale Activity Centre in February 2024 for two nights and completed a full timetable of adventurous activities, including abseiling, Jacob's Ladder and bushcraft as well as many team building activities.





Evolve Nottingham CIC

Based in the outer estates in the north of the city of Nottingham, in an area of high deprivation, Evolve delivers activities and services to support the local community and to try and mitigate against the impact of deprivation. A core part of their work is to raise aspirations and provide opportunities for young people.

In August 2023, Evolve brought 30 young people and five leaders for a two-night stay at YHA National Forest. As part of the trip, young people built rafts and went canoeing – enjoying a full day of activities at Carsington Water.

“

I liked the canoeing. My break here was amazing!

”

“

I liked it all, apart from the walk!

”

“

I enjoyed going on the hike and the boats.

”

“

I've tried things that I would never have done before! All the staff are amazing

”

“

I liked going on the boats. I also liked caving because it made me feel happy in the dark.

”





InterAct Essex

The charity works with young people living with additional needs, physical disabilities and/or long-term health conditions. InterAct Essex is focussed on helping its beneficiaries make informed decisions about their lives, enabling them to fully participate in their community and empowering them to reach their full potential.

In April 2023, a group of families – 23 young people and 16 adults – joined us for an activity break at YHA Holmbury St Mary Surrey Hills. Activities included shelter building, storytelling in the woods around the hostel, a guided walk to Holmbury Hill, a nature scavenger hunt, nature arts and crafts, and bushcraft.

“

[One of the children's] mum passed away in January, and it's really helped [her] to reconnect with her sister and also to meet and make new friends and try new things. It has been the perfect break to take her mind off things and to try new activities. It has been really good for all of us.

”

“

[I] enjoyed walking up Holmbury Hill. Doing the team challenges, especially shelter building. Good wholesome food at YHA. Lovely hosts. Great evening wildlife talk and campfire. Good to talk to other parents in a safe environment.

”

“

I loved watching all of the adults and children working together in small teams and watching all the children making small friendship groups. We have really enjoyed our time here.

”



Venus Women's Centre

Venus Women's Centre is a charity based in Liverpool in an area of high deprivation that works with an ethnically diverse community, including migrant and refugee families. The charity offers services including counselling, advice on finance and health, and support. Their mission is to empower, promote and support women, young women and their children in developing their potential, recognising their choices, achieving their goals and challenging injustice.

They are a longstanding partner who part fund their trips with us.

In July 2023, Venus brought a group of 70 young people and parents to YHA Edale Activity Centre. They took on the high ropes course, abseiled and enjoyed a number of lower-level confidence-building team activities.

“

[I enjoyed] spending time with my son, seeing him happy. Experiencing new things and meeting amazing people. Thank you so much.

”

“

My children enjoy activities they would never usually have the opportunity to do. Connecting with others and having a great time.

”

“

My favourite part was the hiking it made me feel better and I enjoyed it and the abseiling was amazing because I was scared and then encouraged to do it help me overcome my fear.

”

“

My fav was crate and climbing cos it was really fun and builds me confidence.

”

“

More sheep!

”





Llamau

Llamau is a registered charity working to eradicate homelessness for young people and vulnerable women.

Founded 30 years ago, the charity has helped over 67,000 people by supporting individuals to recognise their own strengths and by helping them to rebuild their futures. A pilot trip in September 2022 provided the supporting evidence for YHA and Llamau to secure funding from the Police Commissioner of Wales which will provide five trips over two years.

In October 2023, 10 young people joined us for a two-night stay at YHA Brecon Beacons Danywenallt enjoying adventurous activities include kayaking and archery.

“

Greatly enjoyed all aspects, particularly archery.

”

“

My favourite thing was everything!

”

“

It was a fabulous stay; everything was on point!

”

Llamau are also exploring other YHA opportunities for their beneficiaries, including volunteering and work placements.

The gift of a break

The YHA Breaks Programme is wholly funded by fundraised income.

Show your support with a donation and we will turn your gift into a confidence-boosting, hope-inspiring adventure.

yha.org.uk/yha-breaks-programmes

Looking ahead

Refining our social purpose and impact

Our strategy *Adventure. For the first time and a lifetime.* was published in 2020. The strategy remains our North Star, setting our direction of travel and ultimate aim of increasing access for all.

In 2025 we will reach the mid-point of the strategy. We face a more challenging financial context than in 2019/20 when the strategy was developed – a year in which we recorded record income and impact. In 2024/25 we'll refine our strategic priorities and will mobilise our resources behind the activities that deliver the greatest impact.

To lay the foundations for this process, we revised our Theory of Change in 2023/24.

Theory of Change

Sounds grand. But what does it mean?

- A Theory of Change explains how a given intervention or set of interventions is expected to lead to a particular change.
- It's a specific and measurable description of social change that forms the basis for planning, ongoing decision-making and evaluation.
- It's an interpretation of what we believe based on evidence and experience.

Put simply, it's a roadmap for impact.

Cross-organisational workshops involving Trustees and colleagues from all areas of the charity began in May 2023 and concluded work on the Theory of Change in March 2024. In these workshops, we:

1. discussed the societal need that drives our purpose
2. explored the unique qualities of hostelling, the key components of YHA's impact, and the special nature of what we do as a charity
3. identified our targets for impact, thinking about how we might structure our interventions and activities according to the level of need of our target beneficiaries

From this we have been able to review and reduce the number of strategic priorities. With renewed clarity on how we intentionally deliver impact through our hostel activities, we are now in the process of setting meaningful measures to track our impact. In 2025, we look forward to sharing our revitalised strategy and demonstrating how we'll embed our new Theory of Change into business planning in the short, medium and long term.

Building on the success of Generation Green

Access Unlimited is a coalition of not-for-profit school residential and outdoor sector providers. It is led by YHA and includes The Outward Bound Trust, Scouts, Girlguiding, Field Studies Council, the English National Parks, and National Landscapes.

Since 2019, the YHA-led Access Unlimited coalition has actively campaigned for funding to provide opportunities for young people to connect to nature and the outdoors to support their wellbeing, careers and learning.

Between spring 2021 and autumn 2022, a landmark project called Generation Green was funded by the Government's Green Recovery Challenge Fund and delivered by The National Lottery Heritage Fund in partnership with Natural England and the Environment Agency.

The 16-month project connected 115,000 young people to nature, created and saved jobs, and helped build an aspirant workforce for a green recovery.

In November 2023, Defra announced that they would dedicate more funding to connect more children with nature, building on the success of the Generation Green project.

YHA is once again able to offer residential places to young people in protected landscapes in England through this funding. YHA will provide over 4,000 fully funded one and two-night Connecting to Nature residentials at youth hostels in England to young people aged 7 to 15 from areas of social disadvantage in England, with the first guests joining us in September 2024. We're delighted to host the project and can't wait to get started!





Educational groups growth

The picture for schools has been challenging once again. The pandemic is having an ongoing detrimental impact on the attainment gap as pupils struggle with the effects of lost education. The cost of living means schools are having to make budgets stretch further with reduced spending in certain areas. Absenteeism rates and pupil mental health continue to be of concern.

The benefits of school residentials are myriad – in reducing the attainment gap; improving motivation, communication and confidence; and strengthening relationships between pupils and their peers. (For evidence, visit learningaway.org.uk/impact)

YHA is a sector leader and the UK's largest provider of Learning Outside the Classroom (LOtC) accredited sites. We have ambitions for educational groups growth, with the aim of delivering the benefits of residentials to even more young people – quality experiences that teach essential skills and connect pupils with nature and heritage.

To grow, we must look after existing customers and support those who have previously booked with us to continue to do so – particularly considering the challenges schools are facing. Recognising that squeezed budgets at school and at home were putting residentials at risk for some pupils, in 2023/24, we continued to offer funding to struggling schools through No Child Left Behind bursaries.

Looking ahead, to set YHA on the path to growth, we have undertaken significant research and discovery in 2023/24. We reviewed our performance in the previous academic year, analysed our competitors, and achieved a step change in our understanding of our user base through customer insight work.

In 2022/23

we hosted

202,107

overnights in schools bookings

In 2023/24

we hosted

217,806

overnights in schools bookings

an increase of

7.8%



Fantastic feedback

“

The stay was brilliant. The children had a great time with all the new experiences. There was a good variety of activities to choose from which brought new skills for the children to learn. The staff were extremely welcoming and were all too happy to help with anything.

It was great how the accommodation housed us all in one place which helped the children be settled knowing that we were all together. The use of the games room and the lounge area was a real hit where the children enjoyed some down time with their friends.

The activities were really well organised, and the staff were really clear with their instructions. They got to know the children very quickly and were very encouraging with those who were nervous with some of the activities.

This residential was a valuable and important visit for all of the children. It allowed them to form closer relationships with their peers and build on teamwork skills. They had to step out of their comfort zone and really be brave and trusting of others. This will have had an impact on the children as they move on to high school and equipped them with confidence to tackle new things.

It was imperative that all children had the opportunity to go – no matter their financial circumstances. The bursary funding allowed this to happen and ensure no child was left out of this valuable experience.

”

Samantha Reid, Year 6 teacher, The Cathedral School, Salford, following a residential at YHA Edale, March 2023

Improved groups retention

In 2023/24 we focussed on groups retention by improving our reporting and communications, strengthening our offer by implementing a hostel action plan, and using discounts and bursary funding to assist schools struggling to afford residential in the current financial context.

The year can be characterised as one in which we have re-established the norms and implemented best practices to ensure our customers feel supported after a difficult three years of change and uncertainty.

We are proactively providing easier routes to rebooking. Our communications continue to improve with the introduction of post-stay follow up with group leaders to remind customers of the benefits of booking early to get the best rate, preferred dates and favourite place. Our combined efforts have contributed to an uplift in retention that we will build on in 2024/25. We are pleased to report that, based on 350 interviews, our education groups guest satisfaction score for 2023/24 was 92.6.

No Child Left Behind

Launched at Christmas 2021, our No Child Left Behind appeal is raising vital funds to support bursary places for pupils who would otherwise miss out on their school residential.

No Child Left Behind has been generously supported by donors. We thank everyone who has contributed to the £310,000 raised so far.

In 2023/24 we were delighted that the appeal attracted the attention of TV star Larry Lamb who agreed to be the face of the campaign. This brought us much needed engagement on social media and press attention. Our fundraising efforts will continue throughout 2024/25.

Thanks to the money raised, bursary funding continues to be distributed to schools in areas of high social deprivation and to those with high numbers of children in receipt of pupil premium.



During the 2023/24 financial year NCLB supported

138 schools

and

4,961 children

To date, bursaries have supported 366 schools

The difference support has made

“

Our school is in a deprived area of Derby, with just under 50% of our students eligible for Free School Meals. For this reason, we are even more determined to provide students with a broader education experience and so have developed a ‘Learner Journey,’ in which students in Year 8 experience a residential.

In 2023, we chose to visit Edale as we were aware that, due to our school demographic, we were eligible for a bursary. This was hugely important in determining whether the trip could go ahead, as it meant that we could request a smaller (voluntary) contribution from parents.

In terms of the students, we had a real mix from across the year group, in terms of ethnicity, gender and Special Educational Needs and Disability (SEND). For many of our students, it was the first time they had stayed away from home and the first time they had been out of Derby. Some had never been to the countryside or experienced the wildlife on their doorstep! For this reason, it was incredibly important in terms of developing their ‘Cultural Capital’ and giving them experiences many of us take for granted; again, made possible by the bursary we received.

Whilst at Edale, due to the superb skills of the YHA staff, all students were supported to challenge themselves and push themselves beyond their comfort zone. They developed resilience, communication, team ethos and confidence to be the best they can be. The students had an amazing time at Edale and continually talk about their time there, desperate to know when we can go back!

”

Tracey White, assistant headteacher KS3, The Bemrose School, Derby, following a residential at YHA Edale, April 2023

“

I can't thank YHA enough for enabling us to take our Year 6 pupils on such a fantastic trip which was thoroughly enjoyed by both pupils and staff. The bursary awarded to us by YHA enabled all of our pupils to take part. Without this the trip would not have been possible. Our school is situated in an area of high deprivation with the majority of pupils living in high rise flats. For many this trip was the first time they had seen the sea and stayed away from home.

”

Caroline McKay, headteacher, Ivybridge Primary School, London, following a residential at YHA Lulworth Cove in September 2023



“

I just wanted to reach out to you and your team to say a huge thank you for the £600 you have so kindly donated towards our school trip. We are always so reluctant to organise trips of this type because we know the limitations some of our families have, now more so than ever, and we never want to be the cause of any kind of stress in our little ones' lives. However, the funding you have provided for us will really make a difference to some of our children and I just wanted to say a huge thank you for that.

”

Chris England, deputy headteacher, Knotty Ash Primary School, Merseyside. The school stayed at YHA Chester Trafford Hall in June 2023

“

Our children really enjoyed their trip to Ravenstor. They experienced being out in nature, some, for the first time. They got the chance to be independent, resourceful and resilient. The activities were engaging and productive. Without the bursary we would not have been able to afford to run this trip and the children would have missed this valuable opportunity. Thank you.

”

Cathy Foster, deputy headteacher, St Andrew Primary School, Warrington, following a residential at YHA Ravenstor, September 2023



Hostel network strategy – evolving the strategic network and delivering transition

In the knowledge that 90% of our income and impact comes from 60% of our hostels, yet costs are spread evenly across the network, prior to COVID-19 we embarked on a network strategy aimed at achieving long-term financial sustainability and growing our impact.

The pandemic expedited this thinking. With further financial pressures hitting the charity in recent years, growing volumes and increasing occupancy in this core group of strategic hostels will be fundamental to the charity's future. So too will be the model for changing the shape of the network, as we seek to optimise our operations and rationalise our resources.

In 2022/23, as part of the network strategy, we reviewed the sustainability of our network. In 2023/24 we evolved our franchise offering and identified hostels to transition out of direct YHA ownership. Since 1931, the hostel network has included hostels run by private owners or in partnership with other organisations. In 2023/24, we went to market with a new franchise model – seeking new partners to inject innovation and entrepreneurialism into our unique network by acquiring hostels, taking over their running and management, and working with YHA to provide quality accommodation under the youth hostelling umbrella.

We put 20 hostels on the market in June 2023, with optimism that a number of these sites will remain as hostels and part of the YHA network as franchises. Interest in the properties and our franchise model has been high.

In April 2024, YHA Port Eynon became the first property to fall under the new franchise agreement and – though outside the scope of this reporting period – we are pleased to update that the new franchisees delivered their first stay that same month.

In June 2024, YHA Boswinger, YHA Clun Mill and YHA Dalby Forest became partner properties under franchise.

Most recently, YHA Rowen and YHA Holmbury St Mary became franchises.

We look forward to making further progress with network transition and welcoming more new partners to deliver quality accommodation under the hostelling umbrella.



The impact of local ownership

YHA Hawes hostel owner, David Miller, a headteacher of a special educational needs school, is passionate about work experience placements for young people with learning difficulties. Becoming a hostel owner means he can create new opportunities for young people with learning difficulties.

He told *The Yorkshire Post*:

“

I know from my work as a head teacher that workplace opportunities for young people with learning difficulties are nowhere near as widely available as they should be. At YHA Hawes we hope to be one of the few businesses linking up with SEND schools and colleges nationally to provide short and long-term placements for 18-25-year-olds in areas such as housekeeping, catering and grounds maintenance. This kind of opportunity can be transformational for the lives of these young people, and I see this as my chance to create something really positive.

”

In June 2023, we were delighted to receive news that the first young person to participate in a supported internship at YHA Hawes had received the offer of paid employment locally. In a letter of thanks, Right2Work (the agency supporting the initiative) celebrated the success of this placement:

“

Adam has had the opportunity to try various different tasks, which has really helped him to self-reflect and learn what kind of job role he would be best suited to. He has also received guidance and constructive feedback from you and the team that has enabled him to develop his knowledge, experience and employability skills. His confidence has grown day by day and he has gained a huge amount from his time working with you.

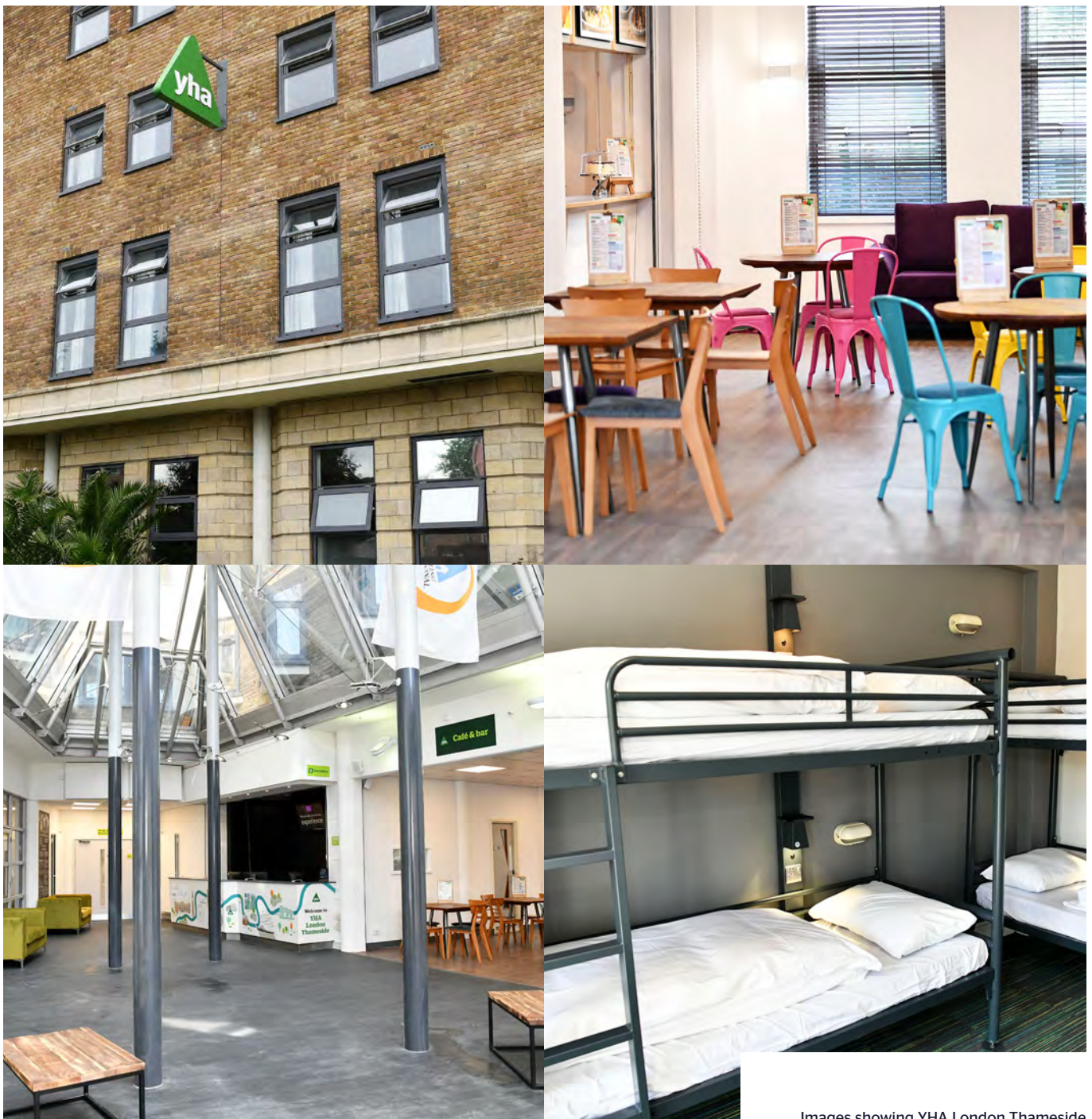
”

While we are hopeful that a significant proportion of hostels will become franchises, we know that a number will sadly leave the network. For those properties it is not possible to convert to franchise, as a consequence of the severe financial challenges that face us, they leave the network instead – with the money raised helping to secure the future of those that remain.

In February 2024, YHA Kington left the network to become an independent hostel.

In April 2024, YHA Patterdale also become an independent hostel, for use by an academy trust. YHA Wells-next-the-Sea left the network with a change of use to self-catering accommodation.

Since April, YHA Poppit Sands, YHA Dufton and YHA Llanddeusant have left the network.



Images showing YHA London Thameside

Rationalisation of our city network

In 2023/24, we made major steps forward with the rationalisation of our city network, completing the sales of YHA London St Pancras, YHA Liverpool Central and YHA Newcastle Central – which continue to run as hostels under a new owner, Kabannas.

YHA Brighton was put on the market in 2023/24 and sold in August 2024.

A refurbishment at YHA London Thameside

YHA London Thameside is a key hostel for school groups in London. Over 2022/23, we completed a partial refurbishment, improving the fabric of the building and adding 55 new bed spaces on the top floor by converting unused staff accommodation into 12 new bedrooms. The hostel reopened to guests in August 2023. We took this opportunity to begin work towards Autism Friendly Award accreditation for the site – using YHA London Thameside as a pilot property to develop our access statement template, a visual story for moving through the hostel, sensory map and new signage.

Since reopening, YHA London Thameside's trading performance exceeded budgets and forecasts, finishing 6.1% up on expected occupancy in the 2023/24 financial year. In the six months between September 2023 and February 2024, a total of 25,493 people stayed. This is a 15% increase on the equivalent period in 2019 – the last time the hostel was open.

An update on YHA Bryn Gwynant

We continue to review options to take forward the major hostel refurbishment at YHA Bryn Gwynant in Eryri (Snowdonia). The project was approved by the Board prior to COVID-19 but had to be put on hold indefinitely when the pandemic hit, and the hostel remains mothballed. We are actively exploring options to take the project forward, including through partnership working at the site, and we look to unlock new sources of funding to support the refurbishment and reopening of the site.

A principled approach to shaping the network

The network strategy principles set out that YHA will seek to maintain the best possible network size, viably, supported by new models of ownership and operation.

To achieve our ambitions for improving access to adventure for all, we aim for a continued presence across England and Wales, through the operation of a range of hostel sizes and types offering high standards and maintained in a good state of repair – to be enjoyed by groups, families and individuals.

By 2026 we will have restructured to focus YHA's own resources on supporting around 30% growth in the core strategic network of YHA owned and run hostels running at higher occupancy and efficiency.

Characteristics of hostels in the strategic network

Hostels in the strategic network generally cater for all markets – families, individuals and groups – and have extended opening patterns, have a good choice of accommodation and usually offer food and beverage.

They are open to all but we see a particular opportunity to increase the number of schools and groups who use them – especially in the quieter winter season. School and group stays are core to our impact for young people.

In these hostels, we see potential for expanding and developing our food and beverage offer to appeal to both residents and café customers. We also see opportunities in a number of these hostels to make small capital investments that will improve user experience and deliver quick returns.

As the number of YHA-owned properties reduces, this will accommodate an increased amount of spend per bed in YHA's strategic network which will help us tackle wear and tear resulting from the need to keep maintenance costs modest through recovery.

Network changes lead to reduced central costs

In the areas where central resource needs are directly linked to the number of hostels, we have been able to make savings in central costs. We have moved to a new operational structure headed up by regional business managers tasked with driving growth in four core operational areas: Lakes; North, Peaks and Wales; South West and Central; and London and the South East. Within these, we have appointed designate operations managers, drawn from our experienced hostel managers, to provide dedicated support – for example to drive forward our Wales strategy and deliver operational efficiencies. For our hostels identified for transition out of YHA ownership over the next three years, we have appointed an experienced operations manager to provide consistent support.

Over the next three years, operations and central support teams will focus on increasing occupancy, growth opportunities, efficiency and consistency.

In other areas, we expect that developments in digital technology, especially around further automation and standardisation of processes involved in the booking journey, will facilitate further savings.

Central services optimisation

Our target is to deliver a 20% reduction in the cost of central services by 2026. At the close of 2023/24, we have reduced costs by c.12%.

To achieve this, each central services department has been reviewed to identify where potential cost savings and efficiencies lie and how and when they will be realised.

Our approach is to redesign central services departmental structures aligned to the evolving shape of the network that enable us to deliver on growth opportunities. Regrettably for the colleagues involved, a 2023/24 restructure has led to a small number of redundancies in National Office.

With teams reconfigured towards cost savings and achieving growth, we have implemented a recruitment freeze and new resource request process. We continue to closely scrutinise spending.

Developments in the areas of IT, business systems, digital and central sales are supporting the optimisation of our central services.

IT and digital transformation

The evolution of our IT and digital capabilities is fundamental to our ability to deliver the cost savings and efficiencies that will drive YHA forward. The last 12 months has seen us move the dial on digital transformation, with a number of key projects coming to fruition.

In 2023/24 we successfully launched our new Customer Relationship Management (CRM) system after five years of work. For the first time, we will be able to bring together data from across our systems to deliver a single customer view. This will transform our understanding of how customers and members engage with us and allow us to communicate with our supporters much more effectively with fine-tuned, targeted information.

At the end of the 2022/23 fiscal year, we brought web development in house. In 2023/24, we began realising the benefits. Previously, outsourcing our web development significantly increased our costs and decreased efficiency. Over the past few years, agency costs have risen by an average of 20% annually. Furthermore, about half of our web development budget was being allocated to non-developer roles, such as account managers. Agency takeovers resulted in significant disruption, including project delays and lost revenue when there were issues with the website.

By moving to an in-house model, we greatly reduced the hourly rate per developer, significantly lowering project costs, dramatically increasing value for money and giving us complete control of projects. Available development hours have doubled, enabling us to accelerate project timelines and increase our output. We are able to respond three times faster to issues with the website – all of which improves our customer experience.

Deliverables in 2023/24 included integration of our new CRM system with the website, enhanced website performance including improved page speed, clearer product content for YHA Exclusive Hire, and new features which allow users of yha.org.uk to fully manage their own online data.

Looking ahead and responding to user feedback we are working on delivering a clearer view of hostel availability on our website, so that more people can easily find what they want, when they want it.

Equity, diversity and inclusion

Embedding equity, diversity and inclusion (EDI) into everything we do remains a focus for YHA, in line with our strategic priority to ensure YHA is for all.

In 2023/24 we launched our revised Inclusion Policy and supporting guidance; revised our hostel access statement templates; delivered online and in-person training to staff; connected with EDI leads at partner organisations to support our objectives of adding to and learning from the evidence base; and worked with partners and community groups to develop the capacity of charities and networks led by those with a diverse range of lived experience.

Diversity in the workplace

For information on our commitment to EDI as an employer, including details of inclusive recruitment, training initiatives and benchmarking, please see the People section on page 62.



Outdoor Citizens

Hosted and administered by YHA, this community for practitioners is a place for people working to increase access to the outdoors to connect (virtually and in person), to share learning, try out innovative ideas and help each other to grow.

Outdoor Citizens is a practical response to achieving YHA's strategic priority of increasing access for all and was founded in the wake of the pandemic which spotlighted and exacerbated inequalities in access to natural space. The pandemic prompted huge growth in grassroots activity — 84% of Outdoor Citizens members only came into existence from 2020 onwards. These new organisations need connections and resources.

Since its foundation in April 2022, Outdoor Citizens membership has grown to include over 100 not-for-profit groups and organisations.

Outdoor Citizens in numbers

113 organisations striving to tackle inequalities in access

6,000 people served by Outdoor Citizens member groups have benefited from funded opportunities

£335,000 of financial support sourced from our funders has been channelled to grassroots organisations to help build their capacity and resilience, delivering more opportunities to improve access for underserved people

7 resource partners support Outdoor Citizens

- YHA (England & Wales)
- All the Elements
- Natural England
- Sport England
- Pilgrim Trust
- Cotswold Outdoor
- Plas Y Brenin

Membership includes groups supporting

- people from culturally diverse communities
- people from LGBTQI+ communities
- people with disabilities
- people with limited economic means
- people with long term health conditions
- people with mental health conditions
- women and girls

Outdoor Citizens seeks to foster a mutual respect and valuing of the myriad of different ways that people connect with outdoor spaces — recognising that to sustain engagement, and for people to want to protect nature and support its recovery, they need to be able to make meaningful relationships with it.

As the climate crisis continues to deepen, Outdoor Citizens members are at the heart of supporting more diverse audiences to engage in the outdoors and nature in a way that can foster increased meaning and relationships for participants. These are the first steps towards supporting people to potentially develop pro-environmental behaviours and is an important part of wider social and environmental justice.

Membership of Outdoor Citizens provides routes to immediate practical support like funding and training and fosters partnerships and collaborations that make everyone stronger and better able to achieve their shared aims.

Impact of Outdoor Citizens support in 2023/24

- 86% of funded groups were able to attract more people to their activities.
- 41% of funded groups were able to upskill more people to support and sustain their work.
- 90% of funded groups were able to create more opportunities for their communities to be active.

“

The support offered by YHA was outstanding. We were frequently kept in the loop, the application process was seamless, and we were able to deliver a successful event for our community. We look forward to applying for future funding.

”

Outdoor Citizens member

On participants

- 69% said the funded activity has helped them to manage their mental health.
- 71% said the funded activity has helped them to manage their physical health.
- 66% said they had done more activity than they would normally do as a result of the funded activity.
- 51% said they felt more connected to their community as a result of the funded activity.

“

[Outdoor Citizens activity has] broken down barriers for women and especially ethnic minorities. I met like-minded women with similar interests. It was a supportive and safe environment and built my confidence to deal with life obstacles. Had a lot of fun, relaxing, and beautiful location and well organised.

”

Participant in Outdoor Citizens activity

Yuvanis Foundation

“

This weekend’s experience was something extremely unique. We have done many other retreats and residential trips before, but this new initiative aimed specifically at less active or inactive South Asian men has opened up a whole new world to us suddenly it seems! The feedback from all the men was extremely positive.

We actually had a few men who were quite reluctant to join us as they have never done hikes before, and were anxious about staying with other men they didn’t know. We had barely reached home on Sunday night and at least two men have already contacted me pleading that we organise something similar again as soon as possible.

It was actually magical to see some of the men who actually have been suffering from social isolation, suddenly come out of their shells, appreciating nature and the outdoors, and going out of their own way to get their hands on everything we did. What made it such an amazing experience was that all the men just wanted to get involved with all the aspects of the trip, from coordinating the transports, to preparing food, and planning the walks and hikes. It was probably our first activity that was almost 100% participant led.

We had one participant who was absolutely ecstatic throughout the whole trip, and kept telling me how everything we were doing was the first time he was experiencing something like that. On our first hike on Saturday, he told me this was the first time in his life he was hiking and that he never knew it would be this fun. It was his first time staying away from his family; his first time joining a communal activity; his first time talking to so many new people; his first time visiting the Lake District; his first time seeing a cave in real life....and the list went on!

We’ve captured hundreds of photos and videos, but honestly, if only the feelings could be captured. I’ve never seen a group of men together so happy, at peace with each other, excited to do simple things like a walk and see nature, eager to help in the kitchen to prepare food, going out of their own way to make others feel comfortable.



A lot of them are actually now keen to join our local activities now, and have expressed that they will join our bike rides and hikes.

Thanks for all your support to make this happen!



Zakir Ahmad, CEO of Yuvanis Foundation, following a funded project that brought 15 men to YHA Grasmere in February 2024

The trip to the Lake District with YHA helped establish the new Yuvanis Men’s Wellbeing Hub through a series of outdoor activities incorporating nature connection. The event was designed to support men to have new experiences in nature, to create a sense of community within the group, and to inspire the collaborative design of year-round activities for the group.

Yuvanis Foundation fosters positive change by empowering Black, Asian, and Minority Ethnic (BAME) communities through inclusive engagement and encouragement.



Curious School of the Wild

“

Thank you so much for all of your support with our YHA residential. The learning has been incredible and a year ago I could not have imagined our crew would have had these opportunities. We have stayed at Okehampton for adventure activity, Dartmoor for walking, exploring and leaving the county, and then in Boscastle — our first coastal residential — for coastal walks and art as part of the YHA Festival of Walking. Each trip has been so different and offered us opportunities for new skills and experiences. None of our group had never been to Boscastle despite being only 35 minutes away!

”

Nik Elvy, founder of Curious School of the Wild, following a funded stay at YHA Boscastle for 15 young people as part of the YHA Festival of Walking (see page 17 for more on the festival).

Curious School of the Wild has a primary aim of supporting people on low incomes and living in poverty to be able to access the benefits of the outdoors and live good outdoors lives. In their words, “By removing barriers for communities with fewer resources, we naturally make ourselves more inclusive to many others.”



The impact of Outdoor Citizens on YHA

Equitable and sustainable growth in YHA's user base

While there is no requirement for Outdoor Citizens members to use a hostel as part of their plans, over 60% of funded projects have opted to do so — either by taking refreshment at a YHA café as part of a day walk, by using a meeting room as part of a funded project, or through an overnight stay. Hostels are playing an active role in supporting new audiences to access the outdoors, and to access new places in the outdoors, because of their locations and the infrastructure they offer. There is a direct correlation between hosting Outdoor Citizens and sustainably and equitably growing YHA's customer base in the short and long term.

In 2023/24, we hosted 2,452 Outdoor Citizens stays and experiences.

Refining our accommodation offering through insight

Outdoor Citizens members who receive grant funding are required to complete a post fund survey which includes a short section of the hostel stay experience if this is relevant. The surveys provide valuable insights that can help YHA in its own strategic aim of making sure the hostelling experience is welcoming to all.

The Outdoor Connection 2024

“

There is no space for outdoor leaders like The Outdoor Connection. It's so needed to come together as organisations trying to support more people getting outdoors. We can learn so much from one another, and foster long term connections, to further benefit our communities and wider society. Thanks so much for creating this space.

”

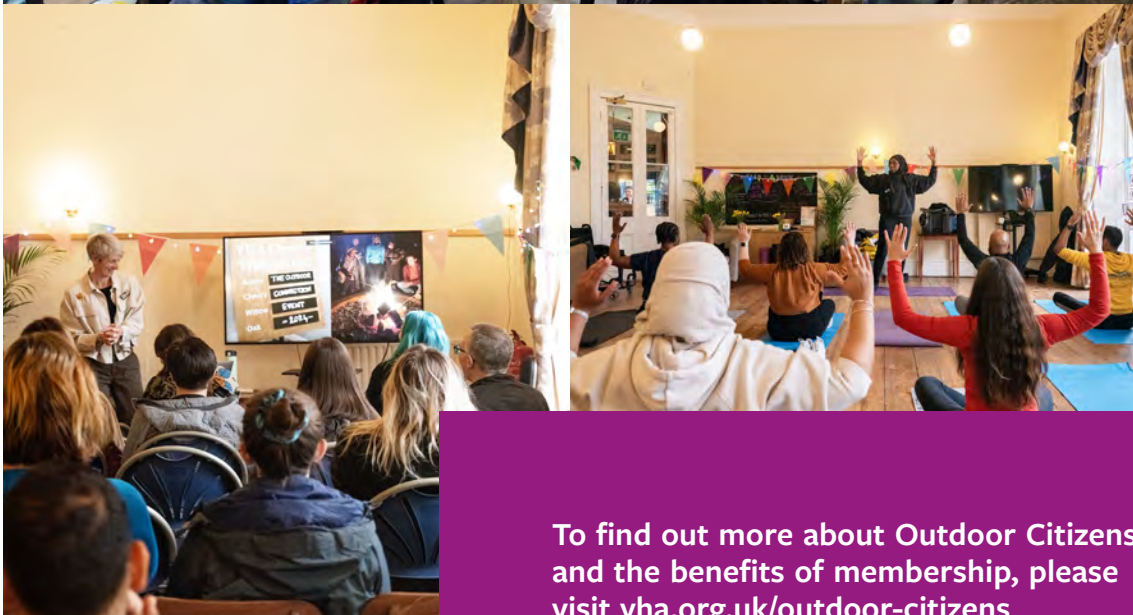
Community group guest, The Outdoor Connection 2024

On the first weekend in March 2024, YHA and All the Elements delivered The Outdoor Connection event at YHA Chester Trafford Hall. The event brings together community leaders from across the Outdoor Citizens and All the Elements networks, as well as partners, funders and brands who are all working to support access to nature and the outdoors. It was a joy to see so many people collaborating, having fun, attending workshops and outdoor activities, and having important conversations about equity and inclusivity in the outdoors.

Friday evening started with a meet and greet and introductions from the hosts and partners including YHA, All The Elements, Natural England, Sport England and members of the Outdoor Citizens community. People gathered around the

fire pit on the first night to toast marshmallows, where Haroon Mota of Muslim Hikers kept the fire burning well into the night. Bright and early on Saturday, ultramarathon runner Sabrina Pace-Humphreys of charity Black Trail Runners hosted a morning jog around the beautiful surroundings of YHA Chester Trafford Hall. There were workshops throughout the weekend run by community experts on inclusivity, managing stress and burnout, storytelling, financial planning and budgeting, growing from start up to sustainable, plus events including Nordic Walking led by Let’s Walk Bristol, and inclusive yoga for all abilities run by Adela from Folds Yoga.

It was a great networking event for finding solidarity and support in the outdoor sector, which allowed everyone the opportunity to be heard, to learn and to grow.



To find out more about Outdoor Citizens and the benefits of membership, please visit yha.org.uk/outdoor-citizens

Environmental sustainability

As stated in our charitable objects, YHA exists to help all to a greater knowledge, love and care of the countryside. Hostelling is a model of sustainable tourism and exemplifies the sharing economy – be that through the provision of dorms and common spaces, onsite efforts to reduce waste, hostel buildings with eco-credentials, in-hostel displays encouraging green behaviours, or impact programmes designed to nurture the environmentalists of the future. Connecting people to nature means those people are more likely to protect and advocate for it.

Sustainability is considered in all aspects of our operating model and we seek continual improvements to reduce our environmental impact. To date, this includes investing in sustainable infrastructure like solar panels, biomass energy, heat pumps, low-energy equipment, and electric vehicle charging stations. We are also committed to sustainable food and beverage options, such as eliminating single-use plastic bottles from school group packed lunches, installing open-access water refill stations, and offering vegan menu options. Additionally, we have invested in environmentally sustainable cleaning methods for our daily operations.

You can read our detailed statement outlining our long-term commitment to sustainability at <https://www.yha.org.uk/environment-policy>.

But here's a breakdown of what we've been doing recently.

Energy efficiency

In 2022/23 we assembled a cross-organisational energy project team tasked with identifying the highest priority areas to save energy and costs.

The project team continues to meet monthly and is made up of senior stakeholders from across the organisation. It is responsible for progressing YHA's commitment to sustainability plan and carbon reduction measures.

Local buy-in is central to YHA's environmental strategy. In 2023/24, 47 energy champions have driven energy efficiency from the ground up, conducting site energy audits and embedding best practice in their areas. These champions are hostel managers, team members and maintenance managers, all with a responsibility to bring energy saving ideas to the property team and encourage colleagues to submit sustainability initiatives for investment.

Our immediate focus for funding has been on projects that will generate a quick return. A number of low-level energy saving projects have been funded this year, including the installation of light sensors, LEDs and improved insulation, as well as the purchase of air fryers to save turning on whole kitchens unnecessarily.

We have driven energy efficiency through close monitoring of consumption. Thanks to much improved supplier transparency at site level, hostel managers can now access monthly readings for their property and quickly see if energy saving steps taken the month prior have had the desired effect.

In 2023/24 we have delivered an 8% improvement in our intensity ratio – a measure of efficiency with defines our emissions in relation to revenue. In other words, while we have seen greater occupancy and therefore demand for energy in 2023/24, the increase in our income has outstripped an increase in energy consumption – demonstrating that we are operating more efficiently.

Carbon saving through recycling

YHA diverts rubbish from landfill through provision of on-site recycling bins and off-site recycling. All our general waste is removed to a materials recovery facility where it is sorted and sent on for recycling or to be incinerated at a 'waste to energy' plant.

In 2023/24, YHA saved

1,571 tonnes

of carbon through recycling

That's equivalent to

driving from London to Edinburgh

17,654

times, or

boiling a kettle non-stop for

111

years

Carbon saving is the net benefit of recycling versus landfill. For example, when we recycle an aluminium can, the carbon saving is the equivalent carbon that would have been used to mine the aluminium ore, transport it and manufacture it into a can. By recycling, we're avoiding all of these processes.

Next steps

We continue to pursue reductions in energy consumption and to increase our collective efforts in recycling.

In delivering our 2024-27 Business Plan we will implement stronger environmental governance in procurement and organisational policies alongside training and education.

To engage both team members and consumers in behaviour change for the benefit of the environment, we'll produce materials and signage that will encourage people to take action.

We are rolling out a salary sacrifice scheme for employees to assist those wanting to move away from diesel vehicles. Longer term, we look forward to making progress with our electric vehicle policy and upgrading YHA sites to offer electrical vehicle charging when feasible.

People strategy

The overall aim of our people strategy is to ensure that every employee feels passionate about YHA and our shared values. We strive to make our people journey an adventure and develop a culture that has a positive impact on the lives of all who choose to stay, support, work or volunteer with YHA.

Over the course of 2023/24, we completed the annual pay award; launched a new PerkBox recognition and reward platform; rolled out management development workshops; delivered 'going for growth' sessions, aligning our teams behind the organisation's ambitions and objectives; and supported teams through the central services restructure.

Engagement

Each year we conduct an employee engagement survey to health check areas including work/life balance, development, confidence in leadership, teamwork, reward and recognition, and pride in working for YHA, to name just a few. YHA is benchmarked against 21 other organisations. We are pleased to report that our engagement score is on par with these other hospitality and charity sector organisations, with an overall score of 73 vs the benchmark of 75. Encouragingly, employee engagement of people from an ethnic minority background is even higher at 81. As an inclusive employer, we continue to close in on our target of ensuring that our people are representative of the wider population.

Diversity in recruitment and employment

YHA is now attracting candidates from a broader talent pool and we have made significant progress in engaging a broader range of people with a variety of lived experience.

55%

of applicants are from ethnic minority backgrounds
(versus a target of 35%)

5%

of applicants with a disability
(versus a reduced target of 10%)

21%

of employees are from ethnic minority backgrounds*

8%

of employees with a disability

*
Since 2022, we have reported in line with government groupings in ethnic diversity monitoring. This includes white minorities in the term 'ethnic minorities'. We are aware of the view that this skews data. For comparison with data from previous definitions, which exclude all white categories, the adjusted figure is 12.4% of employees from ethnic minority backgrounds.

We continue to look at inclusive recruitment in relation to disability. We are finding that candidates are more comfortable disclosing disability once successful, as part of discussions leading to reasonable adjustments, rather than at application stage due to past bad experiences with other employers where disclosure has prejudiced their application. We have therefore lowered the target for the percentage of applicants with disability.

How do we compare?

The environment and conservation professions are amongst the least diverse in the UK. Racial Action for the Climate Emergency (RACE) is working with organisations to drive transparency that will create the impetus to go further and faster on diversity and inclusion.

In 2023 we submitted data to The RACE Report, along with c.140 other charities, trusts and foundations that predominantly work on environmental, climate, nature or sustainability issues.

The report found that, across the 142 organisations, 6% of staff identify as people of colour and racially/ethnically marginalised groups. As you can see from our figures, we therefore compare favourably with other organisations from the sector.

Inclusivity training

Our equity, diversity and inclusion tactical plan remains on track, with training delivered in key areas of focus for raising awareness and confidence. A range of training sessions were delivered in-person and online in 2023/24, including:

- Equality Impact Assessment training
- inclusive leadership
- dyslexia awareness
- Deaf awareness
- disability awareness
- menopause awareness
- introduction to trans awareness
- unconscious bias for employees and managers
- challenging inappropriate or unwanted behaviours
- respect at YHA

Gender pay gap report

This year, we made further progress towards eliminating the gender pay gap.

5 April 2023 (949 employees)

Mean

Median

3.6%

4.4%

compared to

5 April 2022 (789 employees)

Mean

Median

5.1%

6.3%

What the numbers tell us about our gender pay gap

Our average hourly rate paid to females on the mandatory snapshot date of 5 April is 3.6% lower than the average hourly rate paid to males, with a median average pay gap of 4.4%. The data is compared to a snapshot on 5 April 2022 and demonstrates a positive change in both, based on an 18% higher number of employees.

We are pleased that there have been improvements in both the mean showing an improvement of 1.5% and the median showing an improvement of 1.9% – the lowest level since data started being reported. However, as an organisation we continue to strive to eliminate the gap entirely.

Our recruitment policy is focused on recruiting a diverse workforce and based on assessment of suitability of their competence, and on personal choices candidates and our people make around work patterns and work-life balance, not on gender.

We continue to grow and develop our talent from within, wherever possible based on individual's drive and needs. All roles are subject to pay benchmarking using independent tools and pay is adjusted in line with our pay principles: affordability, simplicity, equality, flexibility, and transparency.

There are still difficulties within the hospitality recruitment marketplace and therefore the retention of our workforce and the attraction of talent from every background and lived experience is paramount.

Membership and supporter engagement

Brilliant hostel stays

In 2023/24, as part of our post-stay survey, we began proactively asking our customers how their YHA stay positively impacted them. Here are a selection of the heartwarming endorsements received.



“

By being exactly what was needed when it was needed. By bringing together diverse and delightful people to share travel tales and personal stories with. By reminding me that rich relationships are everywhere. By giving me those fabulous views. Oh. And by providing me with a good night’s sleep!

”

“

Feel refreshed, joyful and better placed to face the world.

”



“

A group of friends spread around the country got together and had a great weekend walking and cycling.

”

“

It provided me with a base for mountain walking. It also put me together with friendly like-minded people from different age groups.

”



“

There’s space to relax and wonderful peaceful surroundings, with the option of socialising with other guests or just sit and read a book.

”

“

We enjoyed a much-needed family holiday, the kids had the space and security to explore and play and we had time to relax and spend time together in an amazing location for great value.

”



“

Being in a comfortable, secure and sociable accommodation surrounded by a natural peaceful environment.

”

“

Needed a girls weekend away, never done a YHA before and was a little apprehensive but excellent, great staff and great value for money.

”



“

Made me happy to see so many people enjoying the outdoors. Something I care deeply about.

”

“

The chance to be out in nature in the mountains very close to the hostel. The beautiful location of the hostel is great to improve sense of wellbeing. Activity in terms of different levels of walking in contrasting terrain is on the doorstep. The friendliness of staff and other hostel guests is great too. Lots of tips for good walks etc. are exchanged. There is also a positive impact on wellbeing from the companionship of other hostel guests, as we share kitchen, dining room and lounge space. There is no comparison with staying in any other type of accommodation.

”



“

By being out in the fresh air and having my coffee by the lake in the morning, lovely scenery.

”

Membership

132,146

members

A £5 membership pricing uplift came into effect from 15 September 2023. The cost of membership had remained the same for 10 years, yet our fulfilment costs had risen by 20%. With inflation further impacting our cost base, we made the decision to raise the price to help protect the charity from the impact of these price rises.

Membership has remained strong throughout the year with renewal rates at 93%. And we heartily welcome the 21,461 new members who joined us in 2023/24.

Our next steps are a full-scale review of our membership offer to ensure it meets the needs of our members.

Fundraising

Thanks to the generosity of our supporters, in 2023/24 we raised £270,000 from individual donors and regular givers.

Highlights of the fundraising year include our No Child Left Behind appeal to raise money to fund school residentials for children at risk of missing out. The Christmas appeal alone raised £65,000.

Also in 2023/24, we were delighted to be recognised for our legacy and in memoriam fundraising. Our free wills partnership work with the National Free Wills Network was shortlisted for the Smee and Ford Legacy Giving Awards.

It's been a busy year of events too. It was great to welcome donors, long-time supporters, and life members to our eight supporter events held at hostels throughout England and Wales in 2023/24. These events give us the opportunity to bring supporters together with senior leaders at YHA to talk about the importance and impact of our work, the way ahead and the activities through which we raise vital funds to support this unique charity.

Finally, we want to say a massive thank you to the 14 runners who completed the London Marathon for YHA and raised £17,826.82.

There are so many individuals, partners, trusts, foundations, and supportive bodies to thank this year. On page 80 we recognise their contribution.

Volunteering

This year, we achieved amazing participation through our key volunteering programmes.

£1m

equivalent value

The value of the work done by YHA volunteers exceeded £1m this year, with volunteers contributing a whopping 80,000 hours to support YHA.

c.1200

active volunteers

Last year, we had more active volunteers than employed staff, with a 35% increase in the number of volunteers participating compared to the previous year. Young people make up 50% of active volunteers. Our volunteer base is becoming more diverse, with 21% identified as from Black, Asian and Minority Ethnic backgrounds and 11% identified as having Special Educational Needs and Disabilities.

701

working party volunteers

From painting and decorating to gardening and grounds work, working party volunteers put in great effort to spruce up hostels all over England and Wales. Through intelligent, targeted recruitment we achieved a 70% increase in participation versus 2022/23.

45,000+

hours given via hostel placements

In our first full year back offering hostel placements, 313 volunteers worked alongside teams in 48 hostels to deliver great customer service to our users and beneficiaries.

Feedback from working parties

“

I'm a YHA member and I love the escape that the hostels offer, with friendly faces, breathtaking spots, and a much-needed breather from the daily grind.

I'm also a member of the Sober Butterfly Collective – an incredible volunteer-powered community committed to helping people to make fun, alcohol-free connections.

The Sober Butterfly Collective are all about creating real, lasting friendships and what could be better than getting our hands dirty for a good cause?

So, I teamed up with Penny at YHA Whitby, and recruited a 'flutter' of butterflies to take on the gardens there, diving into a day of laughter, teamwork, and (windy!) sunshine.

Big special thanks to our two YHA garden guru volunteers, and all the YHA staff who looked after us during our visit. It was about so much more than just gardening – it was a day of community and connection.

”

Morgana from Sober Butterfly Collective, following a working party at YHA Whitby, February 2024



“

I've been a lifelong YHA member, but this is my first go at YHA volunteering. My husband encouraged me to get involved, he's taken part in plenty of working parties through the years. It's great to get out of the house, visit this lovely hostel in the Peaks and have the chance to meet new people outside my usual circle of friends. But most of all, taking part in this working party seems like a good way to give back. I've enjoyed all that YHA has to offer over the years and so what better way to say thank you than by helping get the hostel tidied up... There's a great volunteering culture here and a shared ethos amongst the working group. It's clear that YHA continues to mean a lot, to so many.

”

Pam, volunteer participating on a working party at YHA Hartington Hall, February 2024



Feedback from hostel placements

“

Thank you for arranging my volunteer placement at YHA Ilam Hall. I really enjoyed my time there. I think the two main highlights were the very helpful and friendly staff and interesting conversations with the guests. I was also able to use some of my free time exploring Dovedale. Everyone made me feel welcome. They were very patient with me as I was learning new skills. I would be very happy to volunteer again.

”

Helen, following a working party at YHA Ilam Hall in August 2023

Duke of Edinburgh's Award

YHA is the largest provider of cost-neutral Duke of Edinburgh (DofE) Gold Award residentials. Young people work as part of a team to complete practical tasks such as painting and decorating, gardening and grounds work.

“

My DofE Gold Residential at YHA Holmbury St Mary was a smooth, fun and memorable experience. Over the five days there, I had lots of fun hanging out with my group, spending time working in the youth hostel and enjoying time cooking and eating with everyone... It was nice to experience a hostel in a relatively secluded location and be able to take walks to the nearby forest. The best part was, apart from the food costs, the entire residential was paid for – even my journey there and back. For the DofE Gold Residentials available, I think this may be the best option!

”

Elliot, DofE Gold Residential participant at YHA Holmbury St Mary Surrey Hills, April 2023

“

This is a proper DofE experience – working together, making a visible difference, getting muddy and having a proper laugh with the rest of the group. This is cheap, cheerful and so much more.

”

Abi, DofE Gold Residential participant at YHA Chester Trafford Hall, October 2023

In summer 2023, we trialled a new National Park DofE Gold Residential in partnership with Peak District National Park. Offered at a fee of £200 to cover bed and full board, the programme was designed to meet demand for low-cost volunteering-based residentials during peak season. Volunteers got involved in conservation work with park rangers in the local area and enjoyed social activities in the evening.

“

This residential was the best part of my whole DofE experience. I met some amazing people, including YHA volunteers, National Park rangers and my fellow DofE participants. I learnt a lot more than I expected about the conservation work we were doing and about the Peak District. This residential has increased my confidence so much and has inspired me to get involved in more conservation work in the future and to get out of my comfort zone. Thank you for providing me with this opportunity: it was a once in a lifetime experience that I will never forget!

”

Ravdeep, participant of a DofE Gold Residential delivered in partnership with Peak District National Park, July/August 2023



Finally, we also offer opportunities for young people to complete the volunteering section of the DofE award in a place that suits them – either through local volunteering in hospitality at a hostel nearby or through virtual volunteering where they can hone digital skills in photography, videography, social media and more.

“

I'm completing the volunteering section of my silver DofE award as a social media volunteer, making TikTok videos (explorebritain2023) to promote YHA hostels to other young people. It has been incredibly interesting and thought provoking to learn about all these amazing places in England and Wales. I'm thoroughly enjoying it!

”

Harvey, virtual volunteer July to August 2023

The Big Help Out

We were delighted to showcase some of our volunteering opportunities as part of The Big Help Out in May 2023. Organised by the 'Shaping the Future' coalition of National Volunteering charities, of which YHA is a member, the Big Help Out aims to recruit and inspire a new generation of volunteers. The highlight was a day of action on the Bank Holiday of the Coronation Weekend, where YHA ran micro volunteering activities such as litter picking in a range of locations, and found ourselves at the centre of significant media interest, including from various foreign TV channels who were clearly at a loose end in London after the formal Coronation proceedings had ended.



Bringing together the different threads of support

In delivering the 2024-27 Business Plan we are bringing together our membership, fundraising and volunteering work into one integrated supporter engagement plan. Now that we have more sophisticated capabilities in Customer Relationship Management (CRM), we are able to drive forward our strategy for broadening and deepening engagement. We look forward to harnessing the good will of our supporters and will seek to strengthen people's sense of belonging to YHA and affinity with our charitable cause.

Hostelling International

YHA's collaboration and engagement with Hostelling International continued to strengthen this year, including as a member of the Hostelling International strategy working group, which brings together the larger national not-for-profit associations across the world.

In 2023, we attended the annual European Hostelling Conference and participated in practical and interesting sessions sharing good practice on sustainability, developing school programmes and technology.

We have developed a productive dialogue with colleagues in other likeminded associations, including those from the USA, Australia and Scotland, who have similar challenges of post-COVID recovery and ensuring focus on those activities which maximise both income and impact.

In the year ahead we are particularly looking forward to working with Hostelling International as they hone their social purpose to demonstrate the value of travel for young people in trouble times and communicate the amazing impact programmes happening worldwide.

The hostelling movement is committed to nurturing relationships, learning and understanding between people from different backgrounds within our own countries and across the world, to recognising and celebrating areas of common ground and to respecting difference. These values have never been needed more, and we continue to hold them at the heart of our movement to enable us to play our ongoing part in strengthening intercultural understanding and civil society.

Financial performance review

	2024 £ million	2023 £ million	2022 £ million	2021 £ million
Revenue from operating youth hostels	47.1	40.8	21.3	10.6
Commercial trading income	6.1	5.1	3.7	2.0
Donations, grants and legacies	1.3	2.5	9.2	12.5
Membership income	1.1	1.0	1.0	0.9
Other income including gains on hostel disposals	5.6	7.5	0.4	0.3
Total income	61.2	56.9	35.6	26.3
Operating costs from operating youth hostels				
Direct operating costs	(35.1)	(32.0)	(21.7)	(21.0)
Maintenance costs	(3.7)	(4.4)	(3.8)	(2.6)
Central costs	(11.2)	(9.9)	(8.6)	(8.2)
Interest costs	(4.4)	(3.1)	(1.7)	(1.5)
Depreciation and impairment costs	(4.3)	(5.5)	(5.5)	(5.2)
Total operating costs from operating youth hostels	(58.7)	(54.9)	(41.3)	(38.5)
Commercial trading costs				
Direct operating costs	(4.2)	(3.5)	(2.6)	(1.6)
Central costs	(0.6)	(0.6)	(0.5)	(0.2)
Total commercial trading costs	(4.8)	(4.1)	(3.1)	(1.8)
Fundraising costs	(0.4)	(0.4)	(0.4)	(0.3)
Governance costs	(0.3)	(0.1)	(0.1)	(0.1)
Total expenditure	(64.2)	(59.5)	(44.9)	(40.7)
Gains from investments	–	–	–	0.1
Net expenditure*	(3.0)	(2.6)	(9.3)	(14.3)
Restricted Funds	5.0	5.2	5.4	5.4
Unrestricted Funds	7.3	11.2	14.4	20.8
Total charity funds	12.3	16.4	19.8	26.2

*Net expenditure is shown before other actuarial gains and losses in respect of our pension schemes.

We close out 2023/24 having successfully hit our budget and delivered Year 1 of our Recovery Plan, thanks to a strong trading performance and our drive to make savings where possible.

During 2023/24, we have continued to be impacted by several significant factors outside of our control: high inflationary pressures across all our cost lines including energy, particularly evident for the first half of the year, higher than expected interest rates attributed to our loans, and the effects of the cost-of-living crisis on our customers in general. However, it is pleasing to report that by the end of the year we had started to see some easing on our cost base as the inflation rate declined and revised pricing structures on our energy contracts came into force.

Despite this backdrop of external factors, revenues from operating our hostels at £47.1m were 15% up on those reported in 2022/23.

YHA Camping & Cabins products – cabins, tents, tipis, Landpods, Airstreams and pitch-up camping – proved very popular again and this contributed £2.2m to the income pot, an increase of £0.3m on the previous year.

We continued to offer some of our hostels on a YHA Exclusive Hire basis and this secured £3.0m of income which is £0.6m ahead of the previous year.

In year we reported £5.6m of other income and gains on hostel disposals and this is largely associated with the gain on disposal of four hostels; YHA London St Pancras, YHA Liverpool Central, YHA Newcastle Central and YHA Kington sold as part of our city rationalisation and network transition programme and this has really helped to improve our overall income levels in year. The carrying value of these assets was £11.4m.

Our activities under our commercial trading arm saw increasing revenues as we saw our cafés and other commercial business up 20% year on year.

Donation, grants and legacies continue to play a key part in our in-year performance and our fundraising team worked hard to take advantage of the funding opportunities available. Grants in the year were £0.5m, with monies being received from South Downs National Park Authority, Sport England, the UK Youth Fund and the Pilgrims Trust.

We received £0.35m of legacies during the year and this was supplemented by £0.45m of other donations and gifts. Legacy gifts were significantly down against budget but this is an area of fundraising that's hard to predict.

We work hard to maintain a wide membership base and this helped boost our income levels by £1.1m in the year.

Overall, our total income for the year was £61.2m, £4.3m or 8% above the previous year.

Like other hospitality and charity organisations, 2023/24 has continued to be very challenging from an operating cost perspective. Whilst we have made every effort to reduce our operating costs wherever we could, this has proved difficult given the cost increases we have.

We carefully managed the maintenance programme at our hostels to try to mitigate some of these pressures but we needed to spend £3.7m, £0.7m below the previous year.

The continued hike in interest rates during the year resulted in over £1.3m of additional interest costs in the year, despite paying down £10.6m of the HSBC loan when we sold hostels.

Total expenditure from operating our hostels the year of £58.7m was £3.8m up on the previous year.

The costs incurred by our trading arm increased by £0.7m but this is attributed to the combination of higher sales activity and inflationary pressures.

Fundraising and governance costs remained in line with the previous year.

Our central costs cover a plethora of central and management activities ranging from overseeing our hostel teams and buildings to ensuring we have the infrastructure and systems in place to help to ensure the hostel network runs smoothly. These include our central sales and business development teams, the traditional back office teams, including Finance, IT, and People and other costs that deliver our volunteering programme and special projects. Our overall central costs inclusive of both the charity and trading arm came in at £11.8m, and this included some £0.5m of one-off and other costs

including redundancy costs associated with the transition programme. Central costs are under constant review and minimised wherever possible.

Total expenditure amounted to £64.2m, which was a £4.7m increase on the previous year. The net expenditure position for the year came in at £3.0m, which is £0.4m higher than the previous year but has been flattered by the £5.6m of gains on hostel disposals.

Our financial performance is constantly monitored against our budget throughout the year and this end of year position is £0.6m better than budget.

Our restricted funds, including our endowment investments, other funds of a restricted nature, for example our Breaks Programme, No Child Left Behind campaigns and small hostel investment fund have seen a small, £0.2m, reduction in the year. Further information on these restricted funds can be found in note 25 on page 141.

The balance of our unrestricted funds has been affected by the challenging financial environment in which we have had to operate and overall we have seen £3.9m reduction in the year.

Going concern

Despite the challenging market conditions encountered during the year, our cashflows have remained strong throughout the period, significantly helped by the sale of the three city hostels in July 2023.

In May 2023 the Trustees approved our three-year Business Plan. This involves a concentrated focus on a smaller number of strategic hostels which will also help us to reduce our central overheads.

As part of this plan, we identified a number of hostels that will move away from being directly operated by YHA and these will either transfer to an alternative model operated by a franchise operator, or other independent party or be sold. As part of this plan some of these hostels were put up on the market in June 2023 and further changes will be made over the duration of the plan.

The first of these hostels, YHA Kington, was sold in February 2024, and since the end of the financial year a further 12 hostels have been sold. The sales proceeds have been used to repay some of our outstanding loans with HSBC with the remaining balances bolstering our cash reserves.

HSBC have continued to support YHA over the last year and, following a short term extension to the loan facility to 31 July 2024, we have now put in place a longer term arrangement that takes us to 31 December 2025.

The Trustees have reviewed our reserves policy and agreed that given the current market conditions and to ensure there are sufficient cash balances to meet our ongoing liabilities and unforeseen financial difficulties that the charity would endeavour to maintain cash reserves of between £6.75m and £7.5m during the year.

The Trustees have also assessed our ability to continue as a going concern. The Trustees have considered several factors when forming their conclusion including a review of updated forecasts to August 2025, a consideration of key risks, including the appropriateness of the hostel disposal programme, the ability to secure the required reductions in our central services cost base and the impact of changing economic factors such as inflation and interest rates that could impact the charity and the latest management information available. This included a number of downside financial sensitivities, incorporating reduced trading, incremental costs, and delays to the hostel transition programme.

A more extreme worse case scenario, sometimes referred to as a reverse stress test, was also produced, and this removed some of the higher value hostel sales proceeds from the cash forecasts and assumed no reductions in interest rates over the forecast period. The Trustees have concluded that the charity will be able to meet its liabilities for a period of at least 12 months as they fall due and have plans and resources to manage its business risks successfully and consider it is appropriate for the financial statements to be prepared using a going concern basis.

Thank you

YHA (England & Wales) would like to thank Natural England, Sport England, Pilgrim Trust and Cotswold Outdoor for funding the work of Outdoor Citizens to date; All The Elements as our valued design and delivery partner; and all the Outdoor Citizens members for their work in removing barriers to the outdoors in their local communities and for their role and expertise in making Outdoor Citizens a vibrant and impactful force for change.



Department for
Digital, Culture,
Media & Sport

The
UK YOUTH
Fund

Adventures
Away from Home

Department of Culture, Media & Sport –
Adventures Away from Home Fund administered by UK Youth



Natural England



Sport England Together Fund



Comisiynydd yr Heddlu a Throseddu
De Cymru – Police and
Crime Commissioner South Wales



Cronfa Cymunedau Eryri Communities Fund –
Snowdonia Communities Fund

CRONFA CYMUNEDAU ERYRI
COMMUNITIES FUND



Funded by
UK Government



Horsham
District
Council

Rural England Prosperity Fund administered by Horsham District Council

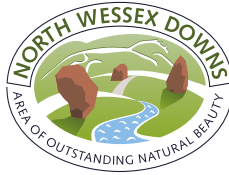


Llywodraeth Cymru
Welsh Government

Welsh Government Brilliant Basics Programme administered by Powys County Council



CHILTERN
CONSERVATION BOARD



Chilterns Conservation Board and North Wessex Downs AONB – Mend the Gap

SOUTH DOWNS NATIONAL PARK

South Downs National Park

- **Peter Harrison Foundation**
- **The 29th May 1961 Charitable Trust**
- **Charles Brotherton Trust**
- **The C.B & H.H. Taylor 1984 Trust**
- **The Pilgrim Trust**
- **Derbyshire County Council**
- **Friends of the South Downs**
- **Privy Purse**
- **Fisherbeck Trust**
- **Joseph Strong Frazer Trust**
- **The Percy Hedley 1990 Charitable Trust**
- **Pilkington Charities Fund**
- **Gennets Charitable Trust**
- **The James Tysoe Trust**
- **Merrell Fund**
- **Muriel and Gershon Coren Charitable Trust**
- **Ramble Worldwide Outdoor Trust**
- **M&G Foundation**

Gifts in Wills and In Memory donations

- Priscilla Ayling
- Arthur Barlee
- Peter Bozier
- Thomas Broadbent
- Arthur Brooks
- Ann Brown
- Betty Conner
- Elsley Cooper
- Harry Cooper
- John Denby
- Roger Downer
- Marilyn Drummond
- Margery Elliot
- Mary Furlong
- Janet Glanville
- Janette Hill
- Dr Christel Kessler
- Margaret Norwell
- Mr R Price
- Colin Redmonds
- Kenneth Rossiter
- Barbara Rowett
- Brian Seaton
- Margaret Slack
- Ian Turner
- Margaret Weston

Thank you to everyone who has made a personal donation or given a regular gift. YHA is forever grateful to each and everyone for their amazing support for our charity.

Remembering Michael Dower

In April 2023 we were honoured to host the celebration of the life of Michael Dower at YHA Castleton Losehill Hall. This was a particularly appropriate venue given Michael’s twin roles as YHA Ambassador and former CEO of the Peak District National Park, who used to own the building as an education centre. Over 120 delegates who knew Michael from different parts of his long and distinguished life and career attended, including people who knew him from his time in National Parks, as CEO of the Countryside Commission, as a mobiliser of European-wide rural initiatives, and as a local community activist in Dorset and across Europe.



Awards



TripAdvisor Travellers' Choice Award 2023

Many hostels have been awarded for their excellence



The Travel Marketing Awards 2023

B2B campaign winner



School Travel Awards 2024

Best Residential Experience finalist



Investors in People Gold

We invest in people, Gold 2013-2024



Smee and Ford Legacy Giving Awards 2024

Shortlisted for our free wills partnership work with the National Free Wills Network

Risk review

YHA seeks to embed risk management into day-to-day working practices. Leading this is the identification and treatment of the key organisational risks, which comes to the Board for formal review once a year and is tabled at each meeting of the Audit and Risk Committee. More detailed risk registers are also prepared for more specific risks facing individual departments or in respect of significant projects.

The key organisational risks are reported to the February Board meeting. This year, the report identified a total of 15 key risks. Post mitigation, there are two very high risks, , eight medium risks and five low risks.

Very high risk

1.

Financial challenges lead to an inability to fund long-term capital needs.

2.

YHA is unable to return to a cash surplus position and/or breach bank covenants due to reduced trading levels and increasing cost pressures.

Medium risks

3.

Resource shortages impact on hostel operations, central services delivery and ability to deliver the Operating Plan.

4.

Failure to prevent, respond to, or recover from a major cyber security attack.

5.

Lack of employee awareness of data protection or poor data governance leads to a major breach of data protection regulations.

6.

Failure to deliver network transformation as unable to realise sales, terminate leases and transition hostels to franchise in a timely manner and impacts on financial sustainability.

7.
Inability to deliver IT and Digital change programme quickly enough to support required 30% growth and 20% savings.
8.
Inadequate or ineffective safeguarding policy or practice resulting in, or contributing to, serious harm to a young person.
9.
Lack of investment in hostel standards impacts on revenue, repeat business or customer satisfaction levels.
10.
Lack of investment in IT and Digital solutions leads to service degradation, reduced revenue and failure to meet customer expectations.

Low risks

11.
Lack of investment in the hostel network leads to significant system failure (mechanical or electrical), impacting on ability to trade a major hostel.
12.
Failure to meet our charitable object and deliver our impact targets, and/or demonstrate our commitment to these leads to our assets not being used for the benefit of all.
13.
Environment, Sustainability and Governance: YHA unable to attract funding or new business due to inability to demonstrate a positive Equity, Diversity and Inclusion and Sustainability position.
14.
Environment: Climate change impacting trading and operations due to storm or flood damage in hostels.
15.
Failure to meet Health and Safety regulations.

Streamlined energy and carbon reporting ('SECR')

We are committed to developing policies and initiatives to support the reduction of greenhouse gas emissions. Energy efficiency and environmental sustainability are considered in all our activities and sustainability is a key part of our 10-year strategy. We continue to have a specific project in the 2024-26 Business Plan to develop our work in this area.

We have set out our commitment and progress towards environmental substitutability on page 60.

We have also published our carbon reduction plan which confirms our commitment to achieving Net Zero emissions by 2050 at the latest and sets out some of the measures that we hope to implement in the future.

We have set up a cross organisational energy management group, which meets on a monthly basis, with the key focus on reducing our energy consumption levels across the network. We will work closely with our energy consultants to implement behavioural focus techniques and process to reduce our consumption levels. We also have an energy consumption KPI into our key KPIs reported to Board.

yha.org.uk/environment-policy

Methodology

This report (including the Scope 1, 2 and 3 consumption and CO₂e emissions data) have been developed and calculated using the GHG Protocol – A Corporate Accounting and Reporting Standard (World Business Council for Sustainable Development and World Resources Institute, 2004); Greenhouse Gas Protocol - Scope 2 Guidance (World Resources Institute, 2015); ISO 14064-1 and ISO 14064-2 (ISO, 2018; ISO, 2019a); Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting Guidance (HM Government, 2019).

Government Emissions Factor Database 2023 version 1.1 has been used, utilising the published kWh gross calorific value (CV) and kgCO₂e emissions factors relevant for reporting period 01/03/2023-29/02/2024.

The figures below detail the regulated SECR energy and emission sources from the current reporting period as compared to the previous year.

We have seen an increase in the total KWh consumed but this reflects the increased activity within our hostel network and but overall as our level of turnover has increased we have reported an 8% reduction in the intensity ratio.

We will be looking at ways to extend the measures we use to monitor performance by developing further KPIs.

	2024 energy kWh	2024 emissions tCO2	2023 emissions kWh	2023 emissions tCO2
Scope 1				
Gaseous and other fuels	17,617,470	3,662	17,352,770	3,615
Transportation	231,923	55	195,044	47
Total scope 1	17,849,393	3,717	17,547,814	3,662
Scope 2				
Grid-supplied electricity	7,236,241	1,498	6,472,286	1,252
Scope 3				
Transportation	467,259	113	383,170	95
Total energy and SECR emissions	25,552,893	5,328	24,403,270	5,009
Intensity ratio: tCO2e per £m of income from charitable and trading activities	98		107	

Scope 1 consumption and emissions include direct combustion of natural gas, and fuels utilised for transportation operations, for example, company vehicle fleets.

Scope 2 consumption and emissions refer to indirect emissions related to the consumption of purchased electricity in day-to-day business operations.

Scope 3 consumption and emissions cover emissions resulting from sources not directly owned by us. This relates to grey fleet (business travel undertaken in employee-owned vehicles) only.

Energy efficiency improvements

We are committed to year-on-year improvements in our operational energy efficiency. A register of energy efficiency measures has been compiled, with a view to implementing these measures in the coming years.

Some of the measures we have in place include:

Energy network manager

We have a business optimisation manager and part of his duties is to act as the lead for energy for our network. He focuses on increasing efficiency throughout the network.

Energy champions

We have energy champions at all of our locations to assist our management teams in bringing down energy consumption across our sites. This includes energy audits which will aid in reducing consumption.

Consumption reduction targets

We have energy consumption reduction targets for all our hostel locations.

Updated reporting dashboard

We have updated our reporting dashboard to have up-to-date consumption figures for all sites.

External consulting

We use our energy consultants to assist us with our energy efficiency programme and reporting.

Governance and administration

Board of Trustees

Organisation

The Board of Trustees has overall responsibility for the work of YHA, setting strategy, direction and targets. All Trustees are responsible for the decisions of the Board. The YHA Articles of Association, the governing document, govern the Board's conduct.

During 2023/24 the Board met six times. The Board has appointed a number of committees consisting of certain Trustees. As at the date of this report, the following are the principal committees: the Audit and Risk Committee ("ARC"); the Finance Committee ("FC"); the People, Remuneration, Impact and Engagement Committee ("PrieCo"); and, the Nominations Committee ("NomCo"). A task and finish Network Transition Committee has also been established to oversee the implementation of the agreed hostel Network and Capital Strategy approved by the Board.

The Board delegates day-to-day management to the Chief Executive and Executive team.

The Board of Trustees has up to 15 members and may co-opt a further two. None of the Executive, including the Chief Executive, is a member of the Board. The tenure on the Board is a maximum of two, four-year terms. This may be extended if taking up a National Officer position. All the Trustees are unpaid volunteers recruited from the wider YHA membership.

The vote for the election of the Trustees was held online in advance of the 2023 AGM with the result announced at the meeting.

Robert Varley was re-elected to the Board for a further term and Paula Newton and Clare Parsons were appointed as Trustees for an initial term of four years at the AGM on 4 November 2023. Hayley Barnard, Emma Bradley and Gareth Cunningham stood down as members of the Board at the end of the 2023 AGM.

Philip Henderson was co-opted as a member of the Board from the conclusion of the 2023 AGM for a term of one-year.

Principles of governance

With regard to governance, YHA supports the principles of good governance set out in the Charity Governance Code for larger charities and the continuous improvement model that it promotes. During 2023/24, YHA continued to progress actions to enhance compliance with the provisions of the Code. In addition, Russell-Cooke Solicitors undertook an external governance review in 2021 which focused on two key sections of the Code for larger charities: Integrity; and, Equality, Diversity and Inclusion. The results of the review were positive, and action is ongoing in those areas identified for improvement.

During the year the Chair and the Vice Chair held annual Trustee reviews to discuss the Board's own performance and that of individual Trustees. The Vice-Chair held a performance review of the Chair.

Training

All new Trustees attend an appropriate virtual induction course. The training is based on the guidelines set down by the National Council for Voluntary Organisations (NCVO) and covers:

- Governance – the role and responsibility of Trustees, governance structure and reform, Articles of Association, and key YHA governance documents.
- Briefings on key issues currently being discussed by the Board. Meetings with each member of the Executive team and their support staff to gain an insight into the operational areas of the organisation.
- Trustees are supplied with a comprehensive manual containing key policies and documents and papers from recent and relevant Board meetings.
- Trustees complete safeguarding training annually and upon induction.

In addition, Board workshops are held after Board meetings focusing on key themes to support Trustees in their role. The key workshop in 2023/24 focused on recovery and transformation.

Elections to the Board

Candidates to fill vacancies on the Board in 2023 were proposed by the Nominations Committee (NomCo).

The Board advised the NomCo of the skills, knowledge and experience desirable among new Trustees in order to achieve a balance of skills and experience in the Board of Trustees.

The NomCo was tasked with advertising for and interviewing potential Trustees with the requirement to draft a shortlist of suitable individuals to be included in a vote bearing in mind the skill gaps identified by the Board.

There were three Board Trustee vacancies in 2023. Forty nine people applied to become Trustees in 2023 from whom the NomCo nominated five candidates, including two existing Trustees.

Members of the Board of Trustees at 29 February 2024

Margaret Hart, Chair

Margaret was appointed as a Trustee of YHA in 2016 and became Vice Chair in 2017 and Chair in 2019. A geographer by background, she has had a long career covering social work, the children's voluntary sector and higher education, in roles ranging from front line service delivery and teaching to national director level roles in both the charity and university sectors.

An underpinning theme has been her passion for enhancing the lives of young people, particularly those from disadvantaged backgrounds, and she brought this with her into YHA, together with her love of the outdoors.

As corporate director for one of Britain's largest children's charities, Margaret pioneered innovative ways of involving young people in management and governance, and is delighted to see the establishment of YHA's Youth Advisory Team as a significant step along our journey to becoming an increasingly diverse and inclusive organisation.

Margaret has been an enthusiastic hosteller since her teenage years, staying with YHAs as a base for climbing all the Wainwrights and Munros, and walking long distance paths such as the Pennine Way and the Great Walks of New Zealand. She is currently enjoying introducing the third generation of her family to YHA.

Marcus Holburn, Vice Chair

Marcus is a passionate believer in YHA's charitable purpose and values. He has enjoyed hostelling for many years, for adventure and exploration in different parts of the UK, first as a teenager and now with family. Marcus has been on the YHA Board since 2016 and currently serves as Vice Chair.

Marcus is also a qualified chartered accountant with more than 20 years' experience in both large and small businesses. He is currently chief financial officer of a specialist consumer lending business, and previously spent 14 years at M&G Prudential in a number of senior finance, risk and commercial roles.

Graham Turnock, Treasurer

Graham has been a member of the Board since 2015 and the Treasurer from the end of 2019. He has been a member of YHA since childhood, continues to enjoy hostelling in the UK and Europe, and is active in spreading the hostelling bug to others most directly through the leadership of youth hostelling weekends for members of his cycling club.

Graham is an experienced senior leader in the public sector. He is currently a special advisor to the European Space Agency having previously served as chief executive of the Space Agency, a role for which he was awarded the Royal Aeronautical Society's Geoffrey Pardoe Award in 2021, and as a career civil servant for almost 30 years across a wide range of UK Government departments beginning his career at HM Treasury and including a period as finance director at the Department of Culture Media and Sport.

He is a keen cyclist, having occupied at various times the positions of membership, road racing secretary and road racing and time trials event organiser in his club. In 2021 he was silver medallist in the British Masters National Criterium Championship.

Darren Barker

Darren trained in business management and then qualified as a chartered management accountant, spending the early years of his career in finance roles specialising in decision support and investment appraisal. He has broad sector knowledge spanning retail, telecoms and travel. He is currently working in the telecoms industry leading a commercial team.

Prior to that, Darren spent 12 years in the hospitality and travel industry in general management roles and served for six years as CEO of Hostelling International, working closely with YHAs from all around the globe.

Darren loves travel and hostelled both at home in the UK and internationally. He is passionate about development opportunities for young people having previously served as a Scout leader and worked in partnership with the likes of the International Duke of Edinburgh Award and World Association of Girl Guides.

Darren is partially sighted and also serves as a Trustee for the Vision Foundation.

Clare Fordham

Clare has worked in both television and radio news for over 25 years, enjoying time in both commercial and BBC newsrooms. She spent eight years travelling across Britain and further afield at ITV News, before moving across to the BBC. After many years at BBC Radio 5 Live, she now edits programmes and podcasts for Radio 4 and the World Service, running a large team at the BBC's Media City Salford base.

Clare is passionate about finding and celebrating unheard voices and hearing untold stories. She takes great pride in her involvement with efforts to reach diverse audiences and bring a far broader range of perspectives to the programmes.

YHA has been central to some of the great experiences of Clare's life, and she is passionate about widening access for others.

Cathryn Hayhurst

Cathryn was elected as a Trustee in 2017. Access to the outdoors is one of her passions and you will most likely find her hiking a fell or playing in a boat in the Lake District. Her young daughter and husband can be found enjoying the communal aspect of YHA hostels whilst Cathryn attends Board meetings.

Cathryn is a qualified accountant and insolvency practitioner with a BSc in Environmental Sciences, and is currently a member of the senior finance team at Yorkshire Water. At the Co-op she supported the 2,500 retail stores to deliver people and system transformation programmes making them fit for the future. Previously she worked for five years at the National Trust where she was commercial lead for the Renewable Energy Programme to generate 50% of energy from renewable sources including hydro schemes. She developed her finance skills at KPMG and funding strategy at Barclays.

Philip Henderson

Phil is a keen supporter of YHA, having experienced hostels first as a teenager in Scotland and more recently with family and friends on regular breaks in England. As a former Scout movement member in his youth and adult leader, he is passionate about the benefits to young people of spending time in wild areas and a strong believer that "where you go changes who you become".

Phil's career has primarily been spent in retail, working in buying and strategy for Asda and Wal-Mart for over two decades before taking up a Board position at Blackwell's Bookshops. Since 2022 he has been working in the third sector as director of a business services company which is wholly-owned by a charity supporting families raising disabled and seriously ill children.

Phil is married with three children and lives in Yorkshire. He is a keen hillwalker and mountaineer, as well as an avid reader and fan of sports.

Barbara Kasumu

Barbara Kasumu is the executive director of charities for Guy's and St Thomas' Foundation (one of the oldest health foundations in the world) providing dedicated leadership and strategic oversight across the three charity brands: Guy's & St Thomas' Charity, Evelina London Children's Charity and Guy's Cancer Charity. These charities support the dedicated NHS staff with wellbeing services, healthcare innovation and exceptional patient and family care.

Barbara is an award-winning senior leader with a track record of driving and sustaining positive change in the charity sector and beyond. Barbara was previously the director of membership, programmes and development for the Association of Commonwealth Universities (ACU), an international higher education association made up of 500+ universities across 50 countries. Barbara was also executive director for the National Union of Students, a voluntary member organisation representing the interests of more than 7 million students and 600 students' unions. In both roles Barbara was instrumental in delivering key organisation reforms, leading on income generation, innovation, and strategy.

Once named as Red's Magazine 'Woman to Watch', Barbara was appointed to the Diversity and Inclusion Board for the London 2012 Summer Olympics and Paralympic Games. She has previously sat on the charity Boards of the Foyer Federation and The Kids Network. Barbara is a Clore Social Fellow and has represented the UK on international platforms including at the G8 and G20 summits.

Sarah Lusty

Sarah is a civil servant who has had experience in both Welsh Government social care policy and environmental policy through her time on the Civil Service Fast Stream. She is the youngest Trustee in YHA's history and is passionate about empowering the voices of young people, particularly those frequently marginalised.

Her interest in both countryside and urban cultural spaces led Sarah to study geography at university. She cares deeply about the wellbeing benefits of adventure outside, having experienced first-hand how time in nature is good for mental health whilst studying during the pandemic. She has enjoyed the opportunities for adventure on a budget through stays at YHA hostels.

Sarah is passionate about positive change and is excited to contribute to YHA's vision. She advocates for inclusion, championing for this within her personal life, workplace and voluntary work.

Sarah has extensive voluntary experience with a diverse range of communities, including those who may be marginalised or separated from mainstream services: young people, people with disabilities, sex workers, and older people.

Paula Newton

Paula stayed at her first YHA hostel at the tender age of nine years old, enjoying a life-changing experience that has shaped her travels ever since. She has hostelled extensively in both the UK and abroad to support her hiking adventures. More recently she has led groups of hikers on weekend trips staying at YHA hostels, opening up countless others to the benefits of the YHA experience.

Paula's early career included stints at the BBC and BSkyB in operations management and leadership roles. She was part of the team that first brought interactive television to the world in 1999. She was awarded her Master of Business Administration in 2005. She lived abroad for the best part of 10 years, first in Ecuador as an operations director/editor-in-chief for a small start-up publishing company and later pioneering a digital nomad lifestyle running her own businesses. She travelled South America, Australia and South East Asia while serving her clients online.

An entrepreneur by nature, Paula has built her successful business advisory firms that provide specialised tax consulting services to established SMEs, and business plan development and writing for businesses of all shapes and sizes.

Paula has served on Boards and committees of several membership organisations, including South Downs Leisure Trust. She brings a range of non-executive and Trustee experience to YHA including strategic oversight, commercial and financial acumen, and risk management capabilities.

In her spare time, you'll generally find her outdoors either hiking or cycling.

Clare Parsons

An experienced environmental manager, Clare works as a lead specialist advisor for Natural Resources Wales. She has worked in protected landscapes and environmental NGOs in Wales for over 20 years. And has extensive rural development and sustainable tourism experience in Wales, including chairing the Powys LEADER local action group, and as senior management lead for Bannau Brycheiniog National Park Authority's sustainable development, inclusion, economic and social wellbeing work.

Working in partnership with YHA has been part of this, enabling a wider range of people to access nature, landscapes and heritage.

Clare contributed to Welsh Government workstreams developing the Well-being of Future Generations (Wales) Act and has wide experience of embedding wellbeing and the Sustainable Management of Natural Resources (SMNR) in policy and developing programmes.

Whilst now working largely from home, earlier in her career Clare commuted by boat to warden jobs on Blakeney Point National Nature Reserve, and an island on the Norfolk Broads.

Living in the Bannau Brycheiniog National Park, Clare enjoys walking, wild swimming and running (slowly) in the stunning landscape.

Simon Reeve

Simon is a father of three young adults in their 20s. As a family, they have always spent weekends and holidays in the great outdoors, exploring all corners of the UK and further afield.

Simon especially enjoys cycling, hill-walking, canoeing, sailing and surfing, frequently staying in youth hostels as part of these activities. He is a certified coach with British Canoeing and a committee member of his local canoe club. Simon has been an active supporter of a wide range of community organisations including leading team fund-raising events.

Simon has significant international experience in developing teams and organisations, both in technology-related industries and in charities. He currently works as an independent advisor to businesses of all sizes especially in the fields of energy transition, environment & sustainability.

Simon gets a real buzz working with the YHA team, supporting its mission to equip young people with new skills and experiences to develop their own place and transform their opportunities within our diverse and exciting world.

Caleb Stevens

Caleb Stevens is an experienced safeguarding lead, supporting children and adults at risk as the safeguarding manager for Devon and Somerset Fire and Rescue Service.

Caleb holds various governance positions, presiding as the strategic lead for safeguarding. Caleb is a non-executive director for the Office for Students responsible for safeguarding the student interest.

Appointed in 2017 as the youngest Magistrate for the Ministry of Justice, and youngest Presiding Justice in 2023, Caleb is committed to equality and diversity and has supported many organisations with their inclusivity and interaction with children and young people. This particularly includes developing 'youth voice' at strategic level, where Caleb is passionate about challenging perceptions that young people can have significant levels of responsibility, including Trusteeship. Caleb looks forward to contributing additional expertise on education and safeguarding to ensure all children and young people receive the best support and outcomes YHA has to offer.

Living right next to Dartmoor, in his spare time Caleb enjoys taking long moor walks which has further contributed to his passion for being immersed within nature, travelling the UK and staying with many YHA hostels in the process.

Robert Varley

Robert has been a keen hosteller since his youth. He has a passion for the outdoors and loves exploring Britain's wild country and coastline on foot. A family man, a dad and a grandad, he has been volunteering in children's and youth work for over 50 years. He has a passion for everything YHA stands for and is keen to see it make a real difference to even more young lives in the years ahead. "Because where you go changes who you become."

A meteorologist by profession, Robert worked for 35 years at the Met Office. He has served on numerous Boards and Councils at national and international level – as chief executive of the Met Office, Non Executive Director of Ordnance Survey, President of Eumetnet, Vice President of the Royal Met Society and Vice President of the World Meteorological Organisation.

In 2012 Robert was named as the Institute of Directors' Director of the Year (Public/Third Sectors), and in 2016 he was awarded an honorary degree of Doctor of Science from the University of East Anglia. He now works as a strategic consultant to leaders of weather services around the world.

Anna Welsh

Anna is a qualified children's social worker currently working for Bolton Council. They have a BSc in Mathematics from Manchester Metropolitan University and an MSc in Advanced Relationship Based Social Work Practice with Children and Families at Lancaster University.

Anna discovered that whilst they had an affinity with numbers, their real passion was to work with others and help young people who might be struggling or in need.

Anna was a student officer at The Union MMU. They were the first ever societies and development officer for the period 2018/19 and then went on to be the President in 2019/20. As part of their role, they were a voice for students and brought their views and opinions to high level meetings, such as Academic Board, Board of Governors and the Union's Trustee Board. In their childhood, Anna was a keen member of the Air Cadets and spent much of their weekends and school holidays away with them. This gave Anna a taste for the outdoors and the adventures possible there.

They completed the Duke of Edinburgh's Award and achieved their gold level badge for doing so. Using this as their driving force, Anna hopes that their time with YHA will engage more young people to have the opportunity to explore away from home and give them memories that will last a lifetime.

	Board meetings attended	Term of office
Darren Barker	6 of 6	Ends 2025
Hayley Barnard	4 of 4	Ends 2023
Emma Bradley	3 of 4	Ends 2023
Gareth Cunningham	3 of 4	Ends 2023
Clare Fordham	6 of 6	Ends 2024*
Margaret Hart	6 of 6	Ends 2026
Cathryn Hayhurst	4 of 6	Ends 2025
Philip Henderson	1 of 1	Ends 2024
Marcus Holburn	6 of 6	Ends 2025
Barbara Kasumu	6 of 6	Ends 2024
Sarah Lusty	5 of 6	Ends 2026
Paula Newton	1 of 1	Ends 2027
Clare Parsons	1 of 1	Ended 2027
Simon Reeve	5 of 6	Ends 2026
Caleb Stevens	3 of 6	Ends 2026
Graham Turnock	6 of 6	Ends 2028
Robert Varley	6 of 6	Ends 2027
Anna Welsh	5 of 6	Ends 2025

*Eligible for re-election for a four-year term

Disclosures of interest

No Trustee had, during or at the end of the year, any interest in contracts that are significant in relation to YHA's business other than as disclosed above or in note 10 of the financial statements. For the purposes of company law, the Trustees listed above are also the Directors of YHA.

Executive team

Chief Executive

James Blake

Other senior executives

Jake Chalmers (resigned 29 February 2024)

Executive Director of Investment and Infrastructure

Julie Lane

Finance Director

Anita Kerwin-Nye (resigned 30 September 2023)

Executive Director of Strategy, Commercial and Engagement

Louise Platt (appointed 17 June 2024)

Executive Director of Resources and Transformation

Jane Price

Executive Director of Income, Impact, Operations and People

Employees

YHA is an Investors in People Gold organisation and is committed to employment policies which follow best practice based on equal opportunities for all employees irrespective of age, sex, sexual orientation, race, colour, disability, marital status, religion or belief.

Employees are kept informed of plans, receive regular updates on performance against the plans, and are encouraged to attend or feed into regular listening groups. Other means to engage with our staff team include regular all staff emails from the chief executive and monthly all staff webinars led by the chief executive and the executive team.

The impact of the coronavirus pandemic, and more recently the cost-of-living crisis, continue to put a huge strain on staff. In view of this, we have continued to place increased emphasis on programmes to support positive employee mental health and wellbeing throughout the year.

Our annual employee survey is an opportunity for confidential feedback on all areas of the organisation and action plans are put in place to address any issues raised from these surveys.

It was pleasing to see that despite the challenges facing the organisation the headline measure of employee engagement (as measured by the employee survey) had remained at 69% (2023 full review) which was identical to the employee engagement score in 2022. For the interim employee engagement survey in 2024, which took the form of a dip test, the engagement score rose to 73%. This compares favourably with industry benchmarks. A people strategy has been developed to take forward measures to address issues raised in the survey.

Committees

Audit and Risk Committee (“ARC”)

The ARC is a committee of the Board of Trustees. The committee met four times during the year and is currently composed of:

- Simon Reeve who acts as the Chair of this committee
- three Trustees: Cathryn Hayhurst (for financial reporting matters only), Paula Newton and Anna Welsh

The committee agrees the programme for internal and external audits; considers reports from the auditors; considers the annual financial statements before submission to the Board; reviews the performance of the internal and external auditors; advises the Board regarding the adequacy of its risk register, policy, and management of risk; reviews the full risk register on an annual basis and every quarter reviews the high level significant risks and any changes to the full risk register; and, devises and tests key measures against which the performance of the organisation can be judged.

Finance Committee (“FC”)

The FC is a committee of the Board of Trustees. The Committee met six times during the year and is currently composed of:

- the Treasurer Graham Turnock who acts as the Chair of this committee
- three Trustees: Darren Barker, Philip Henderson and Cathryn Hayhurst
- one co-opted member, Paul Flint, an experienced senior insolvency / recovery accountant

The committee supports the Board in ensuring the effective financial management of the Company; provides opinion on the financial sustainability of YHA's strategic plans; advises on funding strategies and risks; provides appropriate scrutiny of finance related strategic KPIs; ensures effective financial planning, budgeting and treasury management; reviews and is consulted regarding capital and other investments; and, works with the Audit and Risk Committee regarding financial risk management. Since the start of the pandemic, the Finance Committee has met more frequently to allow the regular review of YHA's cashflow and financial plans.

People, Remuneration, Impact and Engagement Committee (“PriCo”)

PriCo is a committee of the Board. The Board agreed that the remit of the Impact and Engagement Committee and the People and Remuneration Committee would be combined to form the People, Remuneration, Impact and Engagement Committee with effect from the conclusion of the 2023 AGM. The People and Remuneration Committee and the Impact and Engagement Committee both met three times during the year. Following the amalgamation of the Committees, PriCo met twice during the year. PriCo is currently composed of:

- Clare Fordham who acts as Chair of this committee
- three Trustees: Barbara Kasumu, Clare Parsons and Caleb Stevens

The committee agrees the remuneration policy, determines the remuneration of the executive directors, and the remuneration of the chief executive in consultation with the Chair; determines the terms and conditions of employment of the executive directors; and, determines the terms and conditions of employment of the chief executive in consultation with the Chair.

In setting the organisations remuneration policy, the committee makes such external consultations and comparisons as may be necessary to ensure that the pay and emoluments of YHA staff are fair in value to those having similar responsibilities and circumstances in organisations within the not-for-profit and commercial sectors (excluding financial).

The committee also consider strategic HR matters which impact on our financial position or our position as an employer, e.g. pensions, performance management. This year that has included oversight of the people strategy and oversight of YHA’s gender pay reporting which is available on our website. The committee is also responsible for people risk.

In addition, PriCo supports the Board in maximising the impact and effectiveness of YHA’s work as a charity, and its member and stakeholder engagement, through ensuring effective management of these areas. This includes oversight of impact related KPIs; the design, delivery and evaluation of youth, education and activity programmes; and, YHA’s engagement strategy with members, volunteers, donors and partners.

Nominations Committee (“NomCo”)

NomCo is a committee of the Board of Trustees. The committee met four times last year and is currently composed of:

Robert Varley, who acts as Chair of this committee

- one Trustee: Sarah Lusty
- two Association Members: Paul Harding and Rachel Huggins
- one member of the YHA Youth Advisory Team: Emily Palmer

The committee acts in an advisory capacity in assisting in identifying a diverse range of candidates with suitable skills and experience to become Trustees.

Financial control and risk management

Trustee responsibilities statement

The Trustees (who are also directors of YHA (England & Wales) for the purposes of company law) are responsible for preparing the Report of the Trustees incorporating the Strategic 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. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 YHA and the group and of the incoming resources and application of resources, including the income and expenditure of YHA and the group for that year.

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP (FRS 102)
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that YHA and the group will continue in business

The Trustees are responsible for keeping adequate 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 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 YHA and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that:

- so far as each Trustee is aware, there is no relevant audit information of which the YHA auditors are unaware; and
- the Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

Section 172(1) Statement

Section 172 of the Companies Act 2006 requires a Director of a company to act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole. In doing this, section 172 requires a Director to have regard, among other matters, to: the likely consequences of any decision in the long term; the interests of the company's employees; the need to foster the company's business relationships with suppliers, customers and others; the impact of the company's operations on the community and the environment; the desirability of the company maintaining a reputation for high standards of business conduct; and the need to act fairly with members of the company.

YHA is a leading national charity which depends on the trust and confidence of its members and beneficiaries to operate sustainably in the long term. YHA seeks to put its beneficiaries' best interests first, invests in its employees, supports the communities in which it operates and strives to generate sustainable surpluses to be reinvested into the charity.

The Trustees have acted in accordance with their duties codified in law, which include their duty to act in the way in which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, having regard to the matters set out in section 172(1) of the Companies Act 2006. The Board recognises that building strong relationships with our members and beneficiaries will help us to deliver our strategy in line with our long-term values and operate the business in a sustainable way.

Reserves policy

As a charity, YHA is obliged by the Charity Commission to set a policy on reserves which establishes a level appropriate for YHA.

YHA's reserves policy is set to manage unforeseen financial difficulties, and not to fund its future capital strategy. The level of reserves is set based on forecast income and expenditure and the likelihood of material risks crystallising which would not be covered by future income or insurance.

The reserves policy is set with regard to the:

- strategic capital strategy – set by the Board within the context of a five-year time frame
- annual budget – set to ensure our future expenditure levels are matched to the income we receive from operating youth hostels
- risk management process – assesses the impact and likelihood of all risks to YHA and the appropriate level of short-term reserves to be held

YHA has implemented an active reserve monitoring process managed by the Audit & Risk Committee (ARC) and governed by the Trustees. The ARC assesses the impact and likelihood of uninsured risks to create an expected value, which is reduced by the assessment of mitigating controls to set the appropriate level of short-term reserves to be held. This value is formally reviewed on an annual basis with the opportunity for any material changes to be picked up within YHA's quarterly risk review process.

The ARC will report if these reserves have been used and the consequent impact on the long-term strategy. In the event of a movement beyond the reserves limit the ARC would report immediately to the Board with recommendations for action.

The Trustees have recently reviewed the reserves policy and have agreed, that given the current market conditions and to ensure that there is sufficient cash balances to meet our ongoing liabilities and unforeseen or uninsured financial losses that the charity would endeavour to maintain minimum cash reserves of between £6.75m and £7.5m for the foreseeable future. The charity's cash reserves at 29 February 2024 amounted to £9.1m which was above the agreed reserves level.

The executive and Board continue to monitor the liquidity plan to ensure that there is sufficient headroom in the cash reserves to ensure commitments can be met when due and identifying assets which could be disposed of to provide enough scope to match the impact of any further unseen risk whether pandemic related or otherwise.

Fundraising policy

It is always our aim to provide the best possible donor experience and deliver the highest possible standards of donor care. We are registered with the Fundraising Regulator to demonstrate our commitment to achieving the highest standards in fundraising and we strive at all times to comply with the Fundraising Regulator's Code of Fundraising Practice.

We are committed to undertake our fundraising in a legal, open, honest and respectful manner by following the standards for fundraising set out in the Fundraising Regulator's Fundraising Promise. We therefore use the Fundraising Regulator logo on our fundraising materials to show that we are following these standards.

We are always committed to uphold the highest standards of practice in our fundraising and will:

- comply with all relevant law and regulation including the Charities Act 1992, the Charities (Protection and Social Investment) Act 2016, the Data Protection Act 1998, and the Fundraising Regulator's Code of Fundraising Practice and where relevant the Gambling Act 2005
- treat the information that supporters provide to YHA in line with our Privacy Policy and never share or sell their personal information to third parties for the purpose of marketing or fundraising
- ensure clear governance and management controls for the legal, safe and transparent raising of funds from a diverse range of sources
- operate policy and guidance for working with supporters who are in vulnerable circumstances
- have clear rules for when donations may be returned to donors
- report regularly to the Trustees of YHA regarding fundraising activity, including an annual summary of complaints and action taken to address these

Protecting vulnerable people

We recognise that some people we engage with through our fundraising activity may not have the capacity, at the point of the interaction, to fully understand the nature of the donation they are being asked to give, or the consequences of making that donation. People in vulnerable circumstances may need further support before deciding whether or not to make a donation.

Whenever we suspect that someone we engage with is lacking capacity or is in vulnerable circumstances, we will take steps to terminate the contact in a way which seeks to protect that person while protecting their dignity and any desire they have expressed to support YHA.

Despite our efforts to protect those in vulnerable circumstances, YHA may receive a donation where there may be a question over the donor's mental capacity to make that donation. In this circumstance, YHA may return the donation to the donor or – under certain circumstances – to a family member or designated person.

Fundraising complaints policy

We welcome all comments and feedback about the way we work. We invite anyone with a complaint or problem about our fundraising activity to report it via our customer care team, who will deal with it in a personal, fair and confidential way. We aim to resolve all complaints as efficiently as possible – committing to acknowledgement in two working days and providing feedback within 15 working days.

In 2023/24 YHA has received zero complaints about fundraising activity.

Investment policy

Investments acquired in accordance with the powers of the Trustees, primarily in respect of endowment funds, total £1.036 million at the end of this financial year.

Close Wealth Management and Rathbone Investment Management manage the assets on YHA's behalf, with an investment strategy aimed at maximising income at an acceptable level of risk including growth of asset values.

Borrowing and financial instruments policy

YHA uses financial instruments, comprising borrowings secured against property. The main purpose of these financial instruments is to finance the working capital cycle of YHA and to finance longer-term capital needs.

The policies for managing the risks open to YHA are summarised below:

- YHA's financing and treasury policy governs the way that YHA borrows money and how it manages its interest risk.
- Working capital requirements are managed through the cash reserves holding or where available a Revolving Credit Facility with a bank.
- Other borrowings are designed to be appropriate for the type of asset being financed. Thus, IT equipment and software are likely to be financed over no more than five years, equipment no more than 10 years and property will be financed over 20 years.

Risk management

The Board of Trustees is ultimately responsible for risk management in YHA, setting the control framework, the risk appetite and approving major decisions affecting YHA's risk management or profile. The Board annually approves YHA's risk management plan, including the risk register, reviews the effectiveness of YHA's internal control and risk management system, and allows in its agenda a detailed review of a specific risk to be tabled at every Board meeting.

The Audit & Risk Committee (ARC) has delegated authority from the Board to review and manage risk and the organisational risk register is the key tool used to record risks within YHA. The ARC:

- reviews the risk management policy and processes annually
- reviews and agrees on an annual basis the significant risks to which YHA is exposed
- ensures that sufficient action is being taken to mitigate the risks
- provides the Board of Trustees with an annual statement of assurance on risk management and internal controls and corporate governance
- agrees specific risks to be reviewed by the Board
- ensures that the control environment is sufficient to ensure the effective management of risk
- monitors compliance with charity commission and corporate governance requirements

At an operational level YHA has a risk management group under the Chair of a member of the senior leadership team, currently the associate director for business transformation. This group focuses on key organisation level risk. The group is drawn from all directorates to ensure that risk management is embedded in all directorates. Individuals on the group are responsible for identifying action plans for all lower-level risks and for bringing these to the risk management group as required.

Insurance policy

YHA has insured Trustees and officers of the company against liability for wrongful acts in relation to the charitable company, as permitted under Section 532 of the Companies Act.

Legal and administrative details

Bankers

HSBC Bank plc

Level 6
71 Queen Victoria Street
LONDON
EC4V 4AY

Santander Bank

Carlton Park
Narborough
LEICESTER
LE19 0AL

Solicitors

Browne-Jacobson

3rd Floor, No 1 Spinningfields
1 Hardman Square
Spinningfields
MANCHESTER
M3 3EB

Russell Cooke

2 Putney Hill
LONDON
SW15 6AB

Pinsent Masons LLP

55 Colmore Row
BIRMINGHAM
B3 2FG

Auditor

Grant Thornton UK LLP

Chartered Accountants
Statutory Auditor
30 Finsbury Square
LONDON
EC2A 1AG

Investment fund managers

Close Wealth Management

10 Crown Place
Clifton Street
LONDON
EC2A 4FT

Rathbones Investment Management

George House
50 George Square
GLASGOW
G2 1EH

Internal auditors

KPMG are the internal auditors for YHA and act as an assurance function to provide an independent and objective opinion to YHA on the design and operation of the internal control environment.

External auditors

Pursuant to Section 487(2) of the Companies Act 2006, the Auditors will be deemed reappointed and therefore Grant Thornton will continue in office.

In approving the Report of the Trustees, the Trustees are also approving the Strategic Report in their capacity as company directors.

ON BEHALF OF THE TRUSTEES



Margaret Hart
Chair
14 August 2024

Independent auditor's report to the members of YHA (England and Wales)

Opinion

We have audited the financial statements of YHA (England and Wales) (the 'parent charitable company') and its subsidiaries (the 'group') for the period ended 29 February 2024, which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated 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 group's and parent charitable company's affairs as at 29 February 2024 and of the group's and the parent charitable company's incoming resources and application of resources including, the group's and the parent charitable company's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Statement of Recommended Practice: Accounting and Reporting by Charities, 2019 Edition; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We have been appointed as auditor under the Companies Act 2006 and report in accordance with regulations made under that Act. 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 group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.

In our evaluation of the trustees' conclusions, we considered the inherent risks associated with the group's and parent charitable company's business model including effects arising from macro-economic uncertainties such as the cost of living crisis, we assessed and challenged the reasonableness of estimates made by the trustees and the related disclosures and analysed how those risks might affect the group's and parent charitable company's financial resources or ability to continue operations over the going concern period.

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 group's and parent charity'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 directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is 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.

Opinion 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 Strategic Report and the Directors' report, prepared for the purposes of company law, included in the Report of the Trustees for the financial year ended 29 February 2024 for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' Report included in the Report of the Trustees have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included in the Report of the Trustees.

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 by the parent charitable company, or
- returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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 100, 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 group and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the parent charitable company and the sector in which it operates. We determined that the following laws and regulations were most significant: the Charities SORP (FRS 102), The Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102), Charities Act 2011, Charities (Accounts and Reports) Regulations 2008 and the Companies Act 2006;
- We assessed the susceptibility of the parent charitable company financial statements to material misstatement, including how fraud might occur and the risk of material override of controls. Audit procedures performed by the engagement team included:
 - Identifying and assessing the certain controls management has in place to prevent and detect fraud;
 - Challenging assumptions and judgments made by management in its significant accounting policies;
 - Identifying and testing journal entries;
 - Identifying and testing related party transactions;
 - Inspecting the board minutes; and
 - Assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- The engagement team's experience with similar engagements, their understanding of the parent charitable company's industry and regulatory requirements (the Charities SORP (FRS 102), the Companies Act 2006 and the relevant tax compliance regulations) relating to the parent charitable company were considered by the engagement partner in assessing the competence and capabilities of the engagement team;
- We understood how the parent charitable company is complying with these legal and regulatory frameworks by making inquiries of management and those charged with governance. We

enquired of management and those charged with governance whether there were any instances of non-compliance with laws and regulations, or whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of board minutes, and through our legal and professional expenses review. We also obtained an understanding of the parent charitable company's control environment, including:

- Management's knowledge of relevant laws and regulations and how the parent charity is complying with those laws and regulations;
- The adequacy of procedures for authorisation of transactions and review of management accounts; and
- Procedures to ensure that possible breaches of laws and regulations are appropriately resolved.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.



James Bird
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
14 August 2024

Consolidated statement of financial activities

(incorporating the consolidated income and expenditure account)

	Note	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2024 £'000	Total 2023 (restated) £'000
Income						
Income from charitable activities	6	48,189	–	–	48,189	41,746
Income from trading activities (YHA Trading Limited)	14	6,063	–	–	6,063	5,068
Donations, gifts and legacies		453	343	–	796	1,512
Grants receivable	5	–	463	–	463	972
Investment and similar income	7	138	25	–	163	33
Total income before net gain on disposal of tangible fixed assets		54,843	831	–	55,674	49,331
Net gain on disposal of tangible fixed assets		5,512	–	–	5,512	7,555
Total income		60,355	831	–	61,186	56,886
Expenditure						
Costs of charitable activities	9	57,969	1,028	–	58,997	55,069
Costs of trading activities (YHA Trading Limited)	9	4,814	–	–	4,814	4,058
Fundraising	9	412	–	–	412	353
Total expenditure		63,195	1,028	–	64,223	59,480
Unrealised (losses)/gains on investments	24	–	–	(18)	(18)	26
Realised gains/(losses) in investments	24	–	–	34	34	(81)
Net (expenditure)/income before tax and refinancing costs		(2,840)	(197)	16	(3,021)	(2,649)
Transfer between funds	25	7	(7)	–	–	–
Net (expenditure)/income after transfers*		(2,833)	(204)	16	(3,021)	(2,649)
Other recognised gains and losses						
Actuarial loss on defined benefit pension scheme	23	(1,054)	–	–	(1,054)	(386)
Actuarial gain on multi-employer pension scheme	23	–	–	–	–	7
Net movement in funds		(3,887)	(204)	16	(4,075)	(3,028)
Fund balances brought forward at 1 March 2023		11,210	4,127	1,020	16,357	19,385
Fund balances carried forward at 29 February 2024	26	7,323	3,923	1,036	12,282	16,357

All income was from continuing operations.

*Information up to and including net income/expenditure represents the information required by the Companies Act 2006.

The accompanying accounting policies and notes form an integral part of these financial statements.

Balance sheets

	Note	Group		Company	
		2024 £'000	2023 (restated) £'000	2024 £'000	2023 (restated) £'000
Fixed assets					
Tangible assets	12	71,271	81,856	71,271	81,856
Intangible fixed assets	13	545	569	545	569
Investments	14	1,036	1,020	1,037	1,021
		72,852	83,445	72,853	83,446
Current assets					
Stocks	15	293	280	293	280
Debtors	16	3,124	2,639	3,124	2,639
Cash at bank and in hand	28	9,108	11,438	9,108	11,438
		12,525	14,357	12,525	14,357
Creditors: amounts falling due within one year	17	(66,788)	(75,881)	(67,854)	(76,708)
Net current liabilities		(54,263)	(61,524)	(55,329)	(62,351)
Total assets less current liabilities		18,589	21,921	17,524	21,095
Creditors: amounts falling due after more than one year	19	(929)	(728)	(929)	(728)
Provisions for liabilities	20	(1,554)	(1,533)	(1,554)	(1,533)
Net assets excluding pension liability		16,106	19,660	15,041	18,834
Multi-employer pension scheme liability	23	(120)	(244)	(120)	(244)
Defined benefit pension scheme liability	23	(3,704)	(3,059)	(3,704)	(3,059)
Net assets/liabilities including pension liabilities		12,282	16,357	11,217	15,531
Funds					
Endowments	24	1,036	1,020	1,037	1,021
Restricted funds	25	3,923	4,127	3,923	4,127
		4,959	5,147	4,960	5,148
Unrestricted funds					
Unrestricted funds excluding pension liability		(9,644)	(8,392)	(10,710)	(10,406)
Revaluation reserve		20,791	22,905	20,791	24,092
Pension reserve		(3,824)	(3,303)	(3,824)	(3,303)
Total unrestricted funds		7,323	11,210	6,257	10,383
Total charity funds	26	12,282	16,357	11,217	15,531

The financial statements were approved by the Board of Trustees on 14th August 2024.

Trustees



M Hart



G Turnock

Company registration number: 00282555.

The accompanying accounting policies and notes form an integral part of these financial statements.

Consolidated statement of cash flows

	Note	2024 £'000	2023 £'000
Cash flows from operating activities			
Net cash provided by operating activities	27	648	1,339
Cash flows from investing activities			
Investment income (including interest received)	7	163	33
Proceeds from sale of tangible fixed assets		16,903	15,516
Purchase of tangible fixed assets	12	(4,877)	(10,057)
Purchase of intangible fixed assets	13	(195)	(367)
Net cash provided by investing activities		11,994	5,125
Cash flows from financing activities			
Repayment of borrowings		(10,632)	(3,205)
Capital element of finance lease rentals	30	(130)	(123)
Interest paid	8	(4,210)	(3,032)
Net cash used by financing activities		(14,972)	(6,360)
Change in cash and cash equivalents in the reporting period		(2,330)	104
Cash and cash equivalents at the beginning of the reporting period		11,438	11,334
Cash and cash equivalents at the end of the reporting period	28	9,108	11,438

Notes to the financial statements

1. Company information

YHA is a company limited by Guarantee (company number 00282555). The registered office is Trevelyan House, Dimple Road, Matlock, Derbyshire DE4 3YH.

2. Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards including 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 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

YHA (England and Wales) meets the definition of a public benefit entity under FRS 102 and applied the sections in FRS 102 as applicable.

The financial statements are presented in Sterling £'000.

Going concern

Despite the challenging market conditions encountered during the year, our cashflows have remained strong throughout the period, significantly helped by the sale of the three city hostels in July 2023.

In May 2023 the Trustees approved our three-year Business Plan. This involves a concentrated focus on a smaller number of strategic hostels which will also help us to reduce our central overheads.

As part of this plan, we identified a number of hostels that will move away from being directly operated by YHA and these will either transfer to an alternative model operated by a franchise operator, or other independent party or be sold. As part of this plan some of these hostels were put up on the market in June 2023 and further changes will be made over the duration of the plan.

The first of these hostels, YHA Kington, was sold in February 2024, and since the end of the financial year a further 12 hostels have been sold. The sales proceeds have been used to repay some of our outstanding loans with HSBC with the remaining balances bolstering our cash reserves.

2. Basis of preparation (continued)

HSBC have continued to support YHA over the last year and, following a short term extension to the loan facility to 31 July 2024, we have now put in place a longer term arrangement that takes us to 31 December 2025.

The Trustees have reviewed our reserves policy and agreed that given the current market conditions and to ensure there are sufficient cash balances to meet our ongoing liabilities and unforeseen financial difficulties that the charity would endeavour to maintain cash reserves of between £6.75m and £7.5m during the year.

The Trustees have also assessed our ability to continue as a going concern. The Trustees have considered several factors when forming their conclusion including a review of updated forecasts to August 2025, a consideration of key risks, including the appropriateness of the hostel disposal programme, the ability to secure the required reductions in our central services cost base and the impact of changing economic factors such as inflation and interest rates that could impact the charity and the latest management information available. This included a number of downside financial sensitivities, incorporating reduced trading, incremental costs, and delays to the hostel transition programme. A more extreme worse case scenario, sometimes referred to as a reverse stress test, was also produced, and this removed some of the higher value hostel sales proceeds from the cash forecasts and assumed no reductions in interest rates over the forecast period.

The Trustees have concluded that the charity will be able to meet its liabilities for a period of at least 12 months as they fall due and have plans and resources to manage its business risks successfully and consider it is appropriate for the financial statements to be prepared using a going concern basis.

Basis of consolidation

The group financial statements consolidate those of YHA and of its subsidiary undertaking (see note 14). Subsidiaries are defined as entities where the parent charity has control and derives financial benefit and are consolidated on a line-by-line basis.

3. Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The items in the financial statements where these judgements, estimates and assumptions have been made include:

Retirement benefit schemes

The determination of the pension cost and defined benefit obligation of the Group's defined benefit pension schemes depends on the selection of certain assumptions which include the discount rate, inflation rate, salary growth and mortality. Differences arising from actual experience or future changes in assumptions will be reflected in subsequent periods. Note 23 provides information on the assumptions used in these financial statements.

3. Significant judgements and estimates (continued)

Retirement benefit schemes (continued)

The Group also participates in a multi-employer defined benefit scheme, which is accounted for as a defined contribution scheme, administered by The Pensions Trust, who are responsible for the above assumptions in relation to determining the total liability of the overall scheme.

As a participating employer, the YHA's share and contribution to the liabilities of the scheme is reviewed and agreed by the Trustees every 3 years. Under the provisions of FRS 102 this liability is included in these statements on a discounted net present value basis. Further details on the accounting policies relating to the multi-employer defined benefit scheme are provided in notes 4 and 23.

Provisions

These financial statements include provisions for liabilities as at 29 February 2024 that have arisen as a result of a past event, and that are judged probable to materialise at a future date. Where precise factual valuations of the liability are not available, judgement has been used to estimate the size and probability of the liability. Specifically, these provisions include estimates of dilapidation liabilities under property leasehold contracts and are stated on a net present value basis.

Assets under construction

These represent spend and work-in-progress on partially complete assets that are not in productive use in the business. This will principally be (but not exclusively) major refurbishment and development projects in YHA's estate portfolio and business systems/ IT infrastructure projects. Where projects stretch over more than one year the values are reviewed to ensure that the spend still represents a tangible or intangible asset.

Grants

The recognition of grants and capital contributions in these financial statements involves judgements as to whether performance or other relevant entitlement conditions have been met. The recognition of grants in restricted funds involves a judgement as to the Useful Economic Life of the asset to which it relates.

4. Principal accounting policies

Income

Income generated from the operation of youth hostels represents the fair value of the amount receivable by YHA for goods supplied and services provided, excluding value added tax and net of trade discounts. Consequently, the income due from a particular guest is recognised when that guest stays with YHA. Payment received from guests in advance of their stay is recorded as deferred income (see note 18).

Membership income is recognised over the life of the membership.

4. Principal accounting policies (continued)

Income (continued)

Where hostels have been leased to organisations to provide accommodation for charitable purpose these amounts have been recognised as income.

Income from YHA Trading Limited represents commercial goods supplied and services provided by that YHA company to its customers and income is recognised when the goods or services are delivered. Donations, gifts and legacies are recognised in the statement of financial activities when it is probable that the income will be received, and all entitlement conditions will be met.

The Charity carries out work for government bodies and income under these contracts is recognised once milestones attached to income have been met. Incoming resources on government contracts are included in the statement of financial activities when the Charity is entitled to the income and the amount can be quantified with reasonable accuracy.

In accordance with the Charities SORP (FRS 102), the value of services provided by volunteers is not recognised within these accounts. Information about the valued contribution made by volunteers to the organisation is provided elsewhere in the annual report.

Grants

Revenue grants are credited as incoming resources when they are receivable provided conditions for receipt have been complied with, unless they relate to a specified future period, in which case they are deferred.

Grants for the purchase of fixed assets are credited to restricted incoming resources when receivable.

Income from investments

Investment income is recognised when receivable.

Endowments

Endowment income is credited to the income and expenditure account on a receivable basis. Income from restricted endowments not expended in accordance with the restrictions of the endowment, is transferred from the income and expenditure account to restricted endowments. Any realised gains and losses are retained within the endowment in the balance sheet.

Restricted permanent endowment

This relates to funds where the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

Restricted expendable endowment

This relates to funds which were permanent endowments but given the small scale of the specific individual funds, agreement was received from the Charities Commission that these could be spent in line with the original objective of each fund.

4. Principal accounting policies (continued)

Fund accounting

Restricted funds are those for which specified purposes were laid down by the donor or grant-giving body. Expenditure for those purposes is charged to the appropriate fund.

Unrestricted funds are donations and other income received or generated for expenditure on the general objectives of YHA.

When grants and donations are received for a specific purpose involving capital investment, the cash will be recorded against a restricted fund. When the investment has been made, the relevant capital asset will be recorded against the relevant fund, and depreciation of the asset charged against the fund. Once any restrictions on the use of the asset have expired, the asset will be transferred from the restricted fund to YHA's unrestricted funds.

Tangible and intangible fixed assets

Fixed asset accounting policy

Tangible and intangible fixed assets are stated at cost, net of depreciation. No depreciation is charged during the period of development or construction.

Depreciation is calculated to write down the cost or estimated residual value of all tangible fixed assets over their expected useful lives. All depreciation is on a straight-line basis, and assets are amortised as follows:

Freehold properties	:	land not amortised
Freehold properties	:	buildings superstructure up to 50 years
Freehold properties	:	buildings sub-structure / other between 10 and 30 years
Leasehold properties	:	long term leases: market value over length of lease
Leasehold properties	:	building shorter of economic life or length of lease
Fixtures & Fittings	:	between 3 and 15 years
Intangible assets	:	up to 4 years

Assets under construction represent spend and work-in-progress on partially complete assets that are not in productive use in the business. This will principally be (but not exclusively) major refurbishment and development projects in YHA's estate portfolio and business systems/IT infrastructure projects.

Assets under construction are carried at cost and are not depreciated until they come into use and are capitalised in the asset register. Where the date of capitalisation is later than the date of productive use, a retrospective depreciation adjustment is made to correct Net Book Value (NBV).

Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss.

4. Principal accounting policies (continued)

Investment in subsidiaries

The consolidated financial statements incorporate the financial statements of the company and entities controlled by the group (its subsidiaries). Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

Investments

Assets held for investment purposes are measured at fair value. Changes in fair value are recognised in the income and expenditure accounts. Fair value is estimated using value at the balance sheet date.

Net gains and losses on revaluations and disposals during the year are included in the statement of financial activities.

Expenditure

Expenditure, which is charged on an accruals basis, is allocated between:

- Expenditure incurred directly in the fulfilment of YHA's objectives (direct charitable). This includes head office support costs which are directly attributed to the operation of youth hostels.
- Expenditure incurred directly in the effort to raise voluntary contributions (membership, fundraising and publicity).
- Expenditure incurred in the governance of YHA. This includes internal and external audit costs, chief executive costs and similar governance costs.

Staff costs

A range of benefits are provided to employees, including paid holiday arrangements and defined benefit and or defined contribution pension plans. Short term benefits including holiday pay and other similar costs are recognised as an expense in the period in which the service is received.

Redundancy and termination payments

All redundancy and termination payments, including ex-gratia payments and amounts in lieu of notice are charged or accrued as incurred.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions.

Provisions for liabilities

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in the SOFA in the period it arises.

The group recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employers are entitled to carry forward and use within the next 12 months. The provision is measured at the salary cost payable for the period of absence.

Financial instruments

Financial liabilities are classified according to the substance of their governing contractual arrangements.

Where the contractual obligations of financial instruments are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the statement of financial activities. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability. Financial liabilities are initially recognised at fair value then subsequently at amortised cost using the effective interest method.

Stocks

Stocks are stated at the lower of cost using the first in, first out method and net realisable value.

4. Principal accounting policies (continued)

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the group. All other leases are classified as operating leases.

Assets held under finance leases are recognised initially at the fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation using the effective interest method to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring income and expenditure. Assets held under finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

Rentals payable under operating leases are charged to the SOFA on a straight-line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the group recognises annual rent expense equal to amounts owed to the lessor.

The aggregate benefit of lease incentives is recognised as a reduction to the expense recognised over the lease term on a straight-line basis.

Retirement benefits

Defined contribution group personal pension schemes

Contributions payable to the schemes in respect of each accounting period are included in the statement of financial activities in that period.

Defined benefit pension scheme (closed)

The scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the attained age method on the basis of triennial valuations and are discounted at appropriate high-quality corporate bond rates. The net surplus or deficit is presented separately from other net assets on the balance sheet. A net surplus would only be recognised to the extent that it is recoverable by the group.

The current service cost and costs from settlements and curtailments are included in the statement of financial activities. Past service costs are spread over the period until the benefit increases. The difference between interest on the scheme liabilities and the expected return on scheme assets is included in interest payable or investment income as appropriate. Actuarial gains and losses are reported in the consolidated statement of financial activities.

Multi-employer defined benefit scheme

YHA participates in a multi-employer scheme, administered by The Pensions Trust, which provides benefits for 854 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for YHA to obtain sufficient information to enable it

4. Principal accounting policies (continued)

Multi-employer defined benefit scheme (continued)

to account for the scheme as a defined benefit scheme. Therefore, YHA accounts for the scheme as a defined contribution scheme. The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a “last person” standing arrangement. Therefore, the company is potentially liable for other participating employers’ obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

Where the scheme is in deficit and where YHA has agreed to a deficit funding arrangement, YHA recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Gift aid payment to parent charity

The trading company pays all its taxable profits for the year to its parent charity under the gift aid scheme. These gift aid payments are recognised as distributions to owners in equity within retained earnings.

At the reporting date the Board had indicated its intention to pay the taxable profits to the parent charity in respect of the reporting period. The payment is expected to be made within nine months of the end of the reporting date.

The change in accounting policy for gift aid payments results in the company recognising a taxation charge on its profits for the year. However, the application of the exception under paragraph 29.14A of FRS 102 provides relief in respect of the accounting for the tax charge. This results in an overall £nil charge for tax in the income statement. This exception is only applicable as it is probable that the gift aid payment will be made by the company to the parent charity within 9 months of the reporting date.

5. Grants and contracts

	2024 restricted funds (capital) £'000	2024 restricted funds (other) £'000	Total 2024 £'000	Total 2023 £'000
Other grants	102	361	463	972
Grants receivable in the year	102	361	463	972

5. Grants and contracts (continued)

All grants receivable in the year related to restricted funds (see note 25).

Other grants totalling £366,826 were received from a range of organisations including Sport England (£190,607), the UK Youth Fund (£114,484), and Pilgrims Trust (£47,645).

6. Charitable income

	2024 £'000	2023 (restated) £'000
Income from operating youth hostels	47,119	40,736
Membership income received directly by the group	1,070	1,010
Total income from operating youth hostels	48,189	41,746

7. Investment income

	2024 £'000	2023 £'000
Listed stocks and shares	25	23
Cash and deposits	138	10
	163	33

8. Interest and financing costs

	2024 £'000	2023 £'000
Net pension cost	142	76
On bank loans, overdrafts and other loans	4,111	2,897
Financing costs amortised	99	132
Finance charges in respect of finance leases	–	3
	4,352	3,108

Interest payable is included within other direct costs (see note 9).

9. Total expenditure

Due to the structure of YHA it is considered that any allocation of support costs from costs of operating youth hostels would be immaterial.

	Direct staff costs £'000	Other direct costs £'000	Deprec'n £'000	Total 2024 £'000	Total 2023 £'000
Costs of operating youth hostels	25,295	29,144	4,289	58,728	54,891
Costs of operating YHA Trading Ltd	1,834	2,980	–	4,814	4,058
Other fundraising costs	379	33	–	412	353
Other costs – governance costs	–	269	–	269	178
Total expenditure	27,508	32,426	4,289	64,223	59,480

	Total 2024 £'000	Total 2023 £'000
Depreciation comprises:		
Depreciation on owned tangible assets	4,056	4,353
Depreciation on owned intangible assets	218	290
Depreciation on tangible assets held under finance lease	15	15
Impairment on owned tangible assets	–	795
	4,289	5,453

Other direct costs comprise:

Repairs and maintenance of buildings – ongoing	3,680	4,357
Repairs and maintenance of buildings – dilapidation provision	64	(18)
Fuel, heat and light	4,122	3,686
Food and beverage costs	5,633	4,409
Activity and transport providers	769	1,219
Restructuring costs (including redundancy)	257	24
Travel	723	712
Communication costs	528	472
Cleaning and laundry	3,070	2,745
Interest payable	4,352	3,108
Marketing and publications	645	724
Insurance	691	576
Auditors' remuneration – audit for the year	110	67
Auditors' remuneration – audit for prior year recognised in the current year	31	–
Auditors' remuneration – non-audit services taxation (inc.IXBRL)	8	9
Operating lease rentals – land and buildings	2,280	2,169
Operating lease rentals – fixtures & fittings	1,123	653
Other direct costs	4,340	4,275
	32,426	29,187

10. Trustees and employees

All Directors are Trustees and all Trustees are Directors.

	Group	
	2024	2023
	£'000	£'000
Staff costs during the year were as follows:		
Wages and salaries	23,551	20,861
Social security costs	1,774	1,599
Other pension costs	840	794
Redundancy costs	266	32
	26,431	23,286
	26,431	23,286

The average number of employees of YHA during the year was 1,164 (2023: 1,088). The full-time equivalent number of employees was 669 (2023: 641).

The main factor causing the increase in wages and salaries costs during the year was the 9.7% increase in the National Living Wage.

The annual salary of the Chief Executive in 2023/24 was £133,397 per annum (2022/23: £132,067). The Chief Executive is not a Trustee of the charity. The Chief Executive used payroll giving to make charitable donations to YHA totalling £5,658 in the year.

The Board of Trustees neither received nor waived any emoluments during the year (2023: £nil).

Total redundancy and termination payments during the year were recognised as an expense and were fully funded at the balance sheet date. Included in the redundancy costs are compensation payments of £92,860 (2023: £nil) made to three employees.

Where redundancy, termination and compensation payments were made they were managed in line with policy and authorised appropriately.

The number of other staff whose total emoluments, including termination payments, for the year exceeded £60,000 was as follows:

	2024	2023
£60,000 - £69,999	10	5
£70,000 - £79,999	4	2
£80,000 - £89,999	4	1
£90,000 - £99,999	1	–
£100,000 - £109,999	–	2
£110,000 - £119,999	2	1
£120,000 - £129,999	–	–
£130,000 - £139,999	1	1
£140,000 - £149,999	–	–
£150,000 - £159,999	–	–
£160,000 - £169,999	–	–
£170,000 - £179,999	1	–

During the year YHA awarded a pay review to staff of 5% which was below inflation. This resulted in a number of people moving up the bandings.

10. Trustees and employees (continued)

Overall, the size of the Executive and the senior leadership team reduced in the year as part of wider changes, but this did require some one-off redundancy payments. As a result, there were two people (2023: nil) disclosed in the bandings above where individuals received a payment on the termination of employment.

YHA made payments totalling £46,730 (2023: £35,920) into defined contribution schemes for 17 (2023: 13) of these employees.

The key management personnel of the parent charity, the Trust, comprised the Trustees, the Chief Executive, three Executive Directors and the Finance Director. The total earnings, including benefits and employer pension contributions, of these key management personnel of the YHA were £633,688 (2023: £541,941).

Out of pocket expenses were reimbursed to Trustees as follows:

	2024 number	2023 number	2024 £'000	2023 £'000
Travel and attendance at meetings	13	17	2	3

During the year no goods were purchased from companies in which Trustees held an interest. No amounts were owing to such companies at the end of the financial year.

The remuneration of the key management personnel is determined by the Board's Remunerations Committee. In determining this, the Committee makes use of external consultations and comparisons to ensure that the pay and emoluments of YHA staff are fair in value to those having similar responsibilities and circumstances in organisations in the not-for-profit and commercial sectors. Salaries are set at the lower quartile of recognised industry wide benchmark surveys.

11. Charitable company results

The charitable company has taken advantage of Section 408 of the Companies Act 2006 and has not included its own income and expenditure account in these financial statements. The results of YHA are summarised below:

	2024 £'000	2023 (restated) £'000
Total income	55,123	51,818
Total expenditure:	(59,409)	(55,422)
Net (expenditure)	(4,286)	(3,604)
Net investments gains	16	(55)
Net (expenditure)	(4,270)	(3,659)

During the year the charitable company received a gift aid donation amounting to £1,010,000 (2023: £582,000) from its trading subsidiary.

12. Tangible fixed assets (group and company)

	Freehold L&B £'000	Long leasehold L&B £'000	Short leasehold L&B £'000	Fixtures, fitting & equipment £'000	Assets under construction £'000	Total £'000
Cost						
At 1 March 2023	75,434	32,469	21,776	19,681	3,987	153,347
Transfers	2,197	971	–	60	(3,228)	–
Additions	2,791	83	799	942	262	4,877
Disposals	(3,322)	(11,118)	–	(948)	–	(15,388)
At 29 February 2024	77,100	22,405	22,575	19,735	1,021	142,836
Depreciation						
At 1 March 2023	26,982	12,191	15,025	17,293	–	71,491
Provided in the year	1,955	130	1,347	639	–	4,071
Disposals	(293)	(3,077)	–	(627)	–	(3,997)
At 29 February 2024	28,644	9,244	16,372	17,305	–	71,565
Net book amount						
At 29 February 2024	48,456	13,161	6,203	2,430	1,021	71,271
At 28 February 2023	48,452	20,278	6,751	2,388	3,987	81,856

All tangible fixed assets were used for charitable purposes.

Tangible fixed assets with a carrying value of £59,726,000 (2023: £61,496,000) (corresponding to freehold land and buildings) are charged as security for the charity's bank loan.

The net book amounts stated above include fixtures, fittings and equipment held under finance leases and similar hire purchase contracts of £nil (2023: nil) and freehold property held under finance leases and similar hire purchase contracts of £925,000 (2022: £940,000).

Depreciation of assets held under finance leases and similar hire purchase contracts was £nil (2023: £nil) on fixtures, fittings and equipment and £15,000 (2023: £15,000) on freehold property.

Land values were increased on transition to FRS 102 in 2016 to reflect fair market value and are now held at depreciated deemed cost. A post year-end review of these values based on valuations received as part of the refinancing exercise in 2017 found no reason to impair these values. However, a valuation of some of our high value properties was undertaken in 2023, as required under the terms of the loan facilities agreement. This valuation did identify one property which necessitated a further impairment provision of £795,000.

13. Intangible fixed assets (group and company)

	Software £'000	Assets under construction	Total £'000
Cost			
At 1 March 2023	1,758	–	1,758
Additions	105	90	195
At 29 February 2024	1,863	90	1,953
Depreciation			
At 1 March 2023	1,189	–	1,189
Provided in the year	218	–	218
At 29 February 2024	1,408	–	1,408
Net book amount			
At 29 February 2024	455	90	545
At 28 February 2023	569	–	569

The depreciation for the above is reported under depreciation on owned intangible assets under note 9.

14. Fixed asset investments

Total fixed asset investments comprise:

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Interest in group undertakings	–	–	1	1
Other fixed asset investments	1,036	1,020	1,036	1,020
Market value	1,036	1,020	1,037	1,021

14. Fixed asset investments (continued)

Interests in group undertaking

At 29 February 2024 the charitable company held 100% of the allotted share capital of the following:

	Country of incorporation	Class of share capital held	Company number	Capital and reserves £	Result for the financial period £
YHA Trading Limited	England and Wales	Ordinary shares	05373368	100	1,010,379
					£'000
YHA Trading Limited					6,063
Turnover					(4,814)
Expenditure					
Result for the period before tax					1,249

Other fixed asset investments

	Group and company £'000
Market value as at 1 March 2023	1,020
Additions	276
Disposals	(262)
Realised loss	(20)
Unrealised gain	22
Market value at 29 February 2024	1,036

At 29 February 2024 the other fixed asset investments were held as follows:

	2024 £'000	2023 £'000
Listed stocks and shares	1,030	991
Cash	6	29
Market value at 29 February 2024	1,036	1,020

There were no specific investments that represented more than 5% of the portfolio by market value.

15. Stocks

Group and company

	2024 £'000	2023 £'000
Goods for resale	293	280

16. Debtors

Group and company

	2024 £'000	2023 £'000
Trade debtors	441	317
Prepayments and accrued income	1,327	1,131
Other debtors	1,356	1,191
	3,124	2,639

17. Creditors: amounts falling due within one year

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Bank loans	48,569	59,102	48,569	59,102
Trade creditors	2,153	3,120	2,153	3,120
Amounts due to group undertakings	–	–	1,066	827
Social security and other taxes	2,100	1,459	2,100	1,459
Other creditors	209	822	717	822
Accruals	2,780	2,246	2,780	2,246
Deferred income (note 18)	10,977	9,002	10,469	9,002
Amounts due under finance leases	–	130	–	130
	66,788	75,881	67,854	76,708

18. Deferred income

Group and company

	2024	2023 (restated)
	£'000	£'000
At 1 March 2023	10,120	7,231
Released during year	(10,120)	(7,231)
Deferred during year	11,848	10,120
At 29 February 2024	<u>11,848</u>	<u>10,120</u>
The deferred income consists of:		
Advance bookings	11,630	10,040
Un-allocated cash receipts	218	80
	<u>11,848</u>	<u>10,120</u>
Creditors: amounts falling due within one year	10,977	9,453
Creditors: amounts falling due after more than one year	871	667
	<u>11,848</u>	<u>10,120</u>

19. Creditors: amounts falling due after more than one year

Group and company

	2024	2023
	£'000	£'000
Deferred income	871	667
Other amounts	58	61
	<u>929</u>	<u>728</u>

20. Provision for liabilities

	General provisions £'000	Dilapidation provision £'000	Total provisions £'000
Balance at 1 March 2023	92	1,441	1,533
Released during the year	(92)	–	(92)
Arising in the year	49	64	113
Balance at 29 February 2024	49	1,505	1,554

The general provision includes the holiday balances accrued as a result of services rendered in the current period and which employees are entitled to carry forward.

The dilapidations provision represents obligations for rented properties. £418,000 of the provision (2023: £404,000) relates to YHA London St Paul's.

21. Borrowings

Borrowings are repayable as follows:

Group and company 2024

	Within one year £'000	After one year and within two years £'000	After two years and within five years £'000	After five years £'000	Total £'000
Bank loans	48,569	–	–	–	48,569
Other loans	–	–	–	–	–
Finance leases	–	–	–	–	–
Total borrowing	48,569	–	–	–	48,569
Cash at bank and in hand					(9,108)
Net borrowings					39,461

21. Borrowings (continued)

Group and company 2023

	Within one year £'000	After one year and within two years £'000	After two years and within five years £'000	After five years £'000	Total £'000
Bank loans	59,102	–	–	–	59,102
Other loans	–	–	–	–	–
Finance leases	130	–	–	–	130
Total borrowing	59,232	–	–	–	59,232
Cash at bank and in hand					(11,438)
Net borrowings					47,794

The bank loans are secured by fixed charges over certain properties of YHA and a floating charge over all the assets of YHA. Interest (excluding margin) is charged at variable rates.

22. Financial instruments

Group

	2024 £'000	2023 £'000
Financial assets measured at amortised cost		
Trade debtors	441	317
Other debtors	1,356	1,191
Cash	9,108	11,438
	10,905	12,946
Financial liabilities measured at amortised cost		
Bank loans	48,569	59,102
Other loans	–	–
Trade creditors	2,153	3,120
Accruals	2,780	2,246
Amounts due under finance leases	–	130
	53,502	64,598

23. Retirement benefits

Group and Company

Historically YHA has operated a number of different Pensions Schemes:

A final salary defined benefit scheme administered by the Pensions Trust. This scheme is now closed but the residual liabilities of this scheme are disclosed within our accounts in line with FRS 102 Section 28 definitions.

YHA employees also had the opportunity to join the Pensions Trust Growth Plan. This is a multi-employer scheme which has progressed through four versions (or Series).

Although set up as defined contribution schemes, because of the guaranteed benefits they offered, Series 1 & 2 have subsequently been deemed to be defined benefit schemes. Series 3 which carried a guarantee that the value of investments would not fall, has also now be re-classified as a defined benefit scheme. Only Series 4 can be classified as a defined contribution scheme. Although Series 1 to 3 are defined benefit schemes as defined within FRS 102 Section 28, YHA is unable to identify its share of the underlying assets and liabilities of the schemes. Accordingly, the contributions have been accounted for as if they were defined contribution schemes.

YHA operates a defined contribution scheme administered by Scottish Widows as well as the auto enrolment pension scheme for all new employees (and for those existing employees who were not members of either the Growth Plan or the defined contribution scheme). All auto enrolment contributions are paid into the Peoples Pension administered by B&CE.

Defined benefit pension scheme

YHA operated a defined benefit pension scheme for the benefit of staff. The assets of the scheme are administered by Trustees in funds independent from those of YHA and its subsidiary undertaking.

Pension costs are assessed, on a triennial basis and in accordance with the advice of a qualified actuary using the projected unit method. The assumptions, which have had the most significant effect on the results of this year's valuation are those relating to the assumed discount rate used to value the scheme's liabilities, the rate of return on investments and the rates of increase in salaries and pensions.

In order to minimise future liabilities, the scheme was closed to new entrants at 31 December 2002, and to future accrual from 31 December 2011.

A full actuarial valuation was carried out at September 2020, which showed that the value of those assets was sufficient to cover 74% of the benefits that had accrued to members, after allowing for expected future increases in earnings.

23. Retirement benefits (continued)

Pension cost

The charge for the year was as follows:

	2024 £'000	2023 £'000
Defined benefit scheme – expenses	88	88
Defined contribution pension schemes	548	491
Multi-employer defined benefit scheme	292	303
	<hr/>	<hr/>
Net (expenditure)	928	882

Included within the multi-employer defined benefit scheme contributions above are amounts of £576,087 (2023: £540,078) relating to additional contributions as part of the recovery plan agreed with the Pension Trust.

The above charge is exclusive of top up contributions for the final salary pension scheme of £286,466 (2023: £297,352).

In accordance with FRS 102 the net pension liability of the defined benefit scheme is included on the balance sheet of YHA. The most recent actuarial valuation of the scheme has been updated by an independent qualified actuary, taking account of the requirements of FRS 102 to assess the liabilities of the scheme at 29 February 2024. Scheme assets are stated at their market value.

The principal assumptions used by the actuary were:

	2024	2023	2022	2021
Inflation CPI	2.8%	2.9%	3.3%	2.9%
Rate of increase in salaries	4.0%	5.0%	3.6%	3.2%
Rate of increase of pensions	2.7%	2.8%	3.1%	2.9%
Rate of increase for deferred pensions	3.2%	3.2%	3.6%	3.2%
Discount rate	5.2%	5.1%	2.6%	2.1%

The post-retirement mortality assumptions used to value the liability at 29 February 2024 is based on the SAPS table S3PXA (all pensioners - Pensions Amounts) with a scaling factor of 0% (pre-retirement) and 116% (post-retirement) projected using CMI-2022 improvements with a 1.5% pa long term improvement rate for males and a 1.25% long term improvement rate for females.

The life expectancy of a male member reaching age 65 in 2043 is projected to be 22 years (2023: 23 years) compared to 21 years (2023: 21 years) for someone reaching 65 in 2024. The life expectancy of a female member reaching age 65 in 2043 is projected to be 25 years (2023: 25 years) compared to 23 years (2023: 24 years) for someone reaching 65 in 2024.

23. Retirement benefits (continued)

The split of assets in the scheme and the expected long-term rates of return were:

	2024 value £'000	2023 value £'000	2022 value £'000	2021 value £'000
Equities	1,232	456	2,656	2,188
Bonds	1,673	1,730	4,945	7,027
Property	1,426	1,683	1,977	1,071
LDI	6,852	6,615	8,312	6,359
Other	4,788	5,835	7,170	6,963
Total market value of assets	15,971	16,319	25,060	23,608
Present value of scheme liabilities	(19,675)	(19,378)	(28,166)	(29,010)
Net pension liability	(3,704)	(3,059)	(3,106)	(5,402)

The movement in the deficit in the year, included in the financial statements, was as follows:

	2024 £'000	2023 £'000
Contributions	88	88
Additional contributions	576	540
Net contributions less expenses of the scheme	664	628
Expected return on pension scheme assets	(113)	(119)
Interest on pension scheme liability	827	660
Actuarial loss (see below)	(969)	(736)
Deficit in scheme at beginning of year	409	433
Deficit in scheme at end of year	(1,054)	(386)
Deficit in scheme at beginning of year	(645)	47
Deficit in scheme at end of year	(3,059)	(3,106)
Actual return less expected return on pension scheme assets	(1,001)	(9,310)
Experience gains and losses arising on the scheme liabilities	(982)	(1,504)
Changes in the assumptions underlying the present value of the scheme liabilities	929	10,428
Actuarial loss	(1,054)	(386)

The net of the expected returns on pension scheme assets and interest on pension scheme liabilities of £142,000 (2023: £76,000) is shown in interest payable. Changes in the present value of the defined benefit obligation are as follows:

	2024 £'000	2023 £'000
Opening defined benefit obligation at 1 March	19,378	28,166
Interest cost	969	736
Actuarial gains	53	(8,924)
Benefits paid	(725)	(600)
Closing defined benefit obligation at 29 February	19,675	19,378

23. Retirement benefits (continued)

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

	2024 £'000	2023 £'000
Opening fair value of scheme assets at 1 March	16,319	25,060
Expected return	827	660
Expenses	(113)	(119)
Actuarial losses	(1,001)	(9,310)
Employer contributions	664	628
Benefits paid	(725)	(600)
Closing fair value of scheme assets at 29 February	15,971	16,319

	2024 £'000	2023 £'000	2022 £'000	2021 £'000
Fair value of scheme assets at 29 February	15,971	16,319	25,060	23,608
Present value of defined benefit obligation at 29 February	(19,675)	(19,378)	(28,166)	(29,010)
Deficit in the scheme	(3,704)	(3,059)	(3,106)	(5,402)
Experience adjustments on scheme assets	(1,001)	(9,310)	1,641	159
Experience adjustments on scheme liabilities	(982)	(1,504)	(150)	(345)

Multi-employer defined benefit scheme

Under the definition set out in FRS 102, the Pensions Trust Growth Plan Series 1, 2 and 3 are multi-employer pension schemes. YHA is unable to identify its share of the underlying assets and liabilities of the schemes. Accordingly, the contributions have been accounted for as if they were defined contribution schemes. Schemes 1 and 2 closed to new members in 2001, members of scheme 3 have the opportunity to remain in the scheme or join the Scottish Widows defined contribution scheme. The last actuarial valuation concluded and published by the Pensions Trust was at 30 September 2020. The assets and liabilities and comparison to the previous triennial valuation in September 2017 were as follows:

	30 September 2020 £ million	30 September 2017 £ million
Assets	800.3	794.9
Present value of liabilities	(831.9)	(926.4)
Deficit	(31.6)	(131.5)

23. Retirement benefits (continued)

The assumptions that had the most significant effect on the valuation were as follows:

	30 September 2020	30 September 2017
Financial assumptions		
Market implied inflation	3.15%	3.4%
Long term gilt yield	0.67%	1.8%
Discount rates		
Pre-retirement rate	–	3.1%
Post retirement rate	–	2.3%
Inflation		
RPI	3.2%	3.4%
CPI	2.3%	2.5%

The discount rate assumption used in the valuation process has been revised and no longer has a separate rate for pre- and post-retirement. The discount rate is now based on the initial rate of gilt yield curve plus 1.23% p.a. at the valuation date tapering to gilt curve plus 0.5% p.a. over a period of 10 years.

The deficit of £31.6 million represents a funding level of 96.2%. At the 2011 valuation the Trustees put in place a recovery plan with the aim of eliminating this deficit via a combination of additional contributions from employers and investment returns over a period of 10 years from 1 April 2013. As a result of the 2014 valuation the recovery plan had been extended by 2 years and 5 months until 31 August 2025. However, under the 2017 valuation this repayment period reduced to 31 January 2025 timeframe but to reduce the annual deficit payments accordingly.

The Pensions Trust had previously notified YHA that the additional contributions required from YHA (England and Wales) from 1 April 2013 would be £385,220 rising by 3% per year. This was subsequently revised from 1 April 2016 to £403,318 and then from 1 April 2019 to £436,021. Under the 2020 valuation the annual deficit payment is £133,333.

Multi-employer Pension Scheme movements

	2024 £'000	2023 £'000
Balance at 1 March	244	406
Paid in the year	(133)	(161)
Interest expense	9	6
Decrease in liability	–	(7)
Balance at 29 February	<u>120</u>	<u>244</u>

23. Retirement benefits (continued)

In May 2022 we were notified by the Trustee of our Schemes that it has performed a review of the changes made to the benefits of both the defined benefit and multi-employer defined benefit schemes over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. This process is ongoing, and the matter is unlikely to be resolved before early to mid 2025 at the earliest. It is recognised that this could potentially impact the value of Scheme's liabilities, but until Court directions are received, it is not possible to calculate the impact of this issue with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.

24. Endowments

Permanent endowments (group only)

	At 1 March 2023 £'000	Realised gain £'000	Unrealised loss £'000	At 29 February 2024 £'000
Wilderhope Funds	134	(3)	7	138
Richard's Bequest	416	(9)	20	427
Peter Grant Fund	82	(2)	4	84
Peter Grant Endowment Fund	102	(2)	6	106
Merseyside YH Golden Jubilee Trust	145	–	(9)	136
	879	(16)	28	891
Expendable endowments	141	(2)	6	145
	1,020	(18)	34	1,036

The Wilderhope Manor Fund and the Wilderhope Fund were created to provide financial support for the continuing use of Wilderhope Manor as a youth hostel.

The Richard's Bequest generates income to pay for providing "various equipment for inside and outside sports & games, and material for handicrafts".

The Peter Grant funds were given to generate income for the maintenance of our hostels, (the endowment fund) and to give disadvantaged youngsters the opportunity to experience YHA.

The Merseyside Youth Hostel Golden Jubilee Trust endowment provides assistance, financial or otherwise to "enable needy or disabled young persons to enjoy the benefits of youth hostelling activities".

Also included in the company are investments in YHA Trading Limited of £100.

25. Restricted funds

Group and company

	At 1 March 2023 £'000	Incoming resources £'000	Expenditure £'000	Transfers to/from unrestricted fund £'000	At 29 February 2024 £'000
Breaks 4 Kids/No Child Left Behind	429	261	(397)	–	293
Small hostels fund	400	67	(80)	–	387
Capital grants and donations	3,076	102	(113)	–	3,065
Revenue grants and donations	17	367	(362)	(7)	15
Other	205	34	(76)	–	163
	4,127	831	(1,028)	(7)	3,923
				2024 £'000	2023 £'000
Restricted funds (capital)				3,065	3,076
Restricted funds (other)				858	1,051
				3,923	4,127

The Breaks fund has been a long-standing fundraising appeal designed to give financial support to groups of disadvantaged youngsters and provide the opportunity of a stay with YHA. In 2019/20 we extended this project to expand the scope of the scheme to cover a wider group of disadvantaged young people and families as part of our 90th anniversary celebrations and more latterly for our No Child Left Behind appeal.

The Small Hostels Fund is supplemented by donations and legacies from people wishing to support the maintenance and development of YHA's small rural hostels. Donations of £67,000 (2023: £1,000) were gratefully received in the year with £80,000 being spent from the fund this year to support the refurbishment of a number of hostels throughout the network.

During the year capital grants of £102,000 (2023: £10,000) were received.

26. Analysis of net assets between funds

Group

	Unrestricted funds £'000	Realised funds £'000	Endowment funds £'000	Total £'000
Tangible fixed assets	68,206	3,065	–	71,271
Intangible fixed assets	545	–	–	545
Investments	–	–	1,036	1,036
Current assets	11,667	858	–	12,525
Current liabilities	(66,788)	–	–	(66,788)
Long term liabilities	(2,483)	–	–	(2,483)
Pension liability – Defined benefit	(3,704)	–	–	(3,704)
– Multi-employer	(120)	–	–	(120)
	7,323	3,923	1,036	12,282

Company

	Unrestricted funds £'000	Realised funds £'000	Endowment funds £'000	Total £'000
Tangible fixed assets	68,206	3,065	–	71,271
Intangible fixed assets	545	–	–	545
Investments	–	–	1,037	1,037
Current assets	11,667	858	–	12,525
Current liabilities	(67,854)	–	–	(67,854)
Long term liabilities	(2,483)	–	–	(2,483)
Pension liability – Defined benefit	(3,704)	–	–	(3,704)
– Multi-employer	(120)	–	–	(120)
	6,257	3,923	1,037	11,217

27. Reconciliation of changes in resources to net cash inflow from operating activities

	2024 £'000	2023 £'000
Net expenditure for the reporting period (as per the statement of financial activities)	(3,021)	(2,627)
Adjustments for:		
Depreciation	4,289	4,658
Impairment losses	–	795
Pension contributions to reduce liabilities	–	(837)
Pension cost expenses non cash	113	119
Pension net interest non cash	142	76
Borrowings – non cash items (amortisation)	99	132
Losses/(gains) on investments	(16)	55
Gains on sale of tangible fixed assets	(5,512)	(7,555)
Interest charge	4,210	3,032
Investment income – cash element	(163)	(33)
Increase in stock	(13)	(106)
Decrease/(increase) in debtors	(485)	244
Increase in creditors	984	3,501
Decrease/(increase) in provisions	21	(115)
Net cash provided by operating activities	648	1,339

28. Analysis of cash and cash equivalents

	2024 £'000	2023 £'000
Cash in hand	9,108	11,438

29. Reconciliation of net cash outflow to movement in net debt

	Group	
	2024 £'000	2023 £'000
Increase in cash	(2,330)	104
Cash outflow from movement in debt and lease financing	10,663	3,328
Change in net debt resulting from cashflows	8,333	3,432
Non cash changes	–	(132)
Movement in net debt	8,333	3,300
Net debt at 1 March	(47,794)	(51,094)
Net debt at 29 February	(39,461)	(47,794)

30. Analysis of changes in net debt

	At 1 March 2023 £'000	Cash flows £'000	Non-cash changes £'000	At 29 February 2024 £'000
Cash in hand and at bank	11,438	(2,330)	–	9,108
Debt within one year	(59,102)	10,533	–	(48,569)
Debt after more than one year	–	–	–	–
Finance leases	(130)	130	–	–
	(47,794)	8,333	–	(39,461)
Cash in hand and at bank	11,438	(2,330)	–	9,108
Total borrowing & finance leases	(59,232)	10,663	–	(48,569)
	(47,794)	8,333	–	(39,461)

31. Capital commitments

	2024 £'000	2023 £'000
Contracted for but not provided for in these financial statements	251	2,159

Capital commitments are included for any remaining expenditure required to complete major projects. This is intended to reflect YHA's commercial intent and any material commitments to full completion of these projects and may be in excess of the contractually binding liability as at 29 February 2024.

32. Leasing commitments

Operating lease and rental payments fall due as follows:

Group and company

	2024		2023	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
In one year or less	2,367	816	2,245	720
Between one and five years	9,502	121	9,008	92
Between five and twenty-five years	58,363	–	54,431	–
Twenty-five years or more	100,881	–	3,262,086	–
	171,113	937	3,227,770	812

32. Leasing commitments (continued)

YHA holds a long lease on a property it intends to sell. In view of this it is no longer appropriate to recognise the lease commitment more than 25 years. This explains the apparent reduction in the leasing commitments as at 29 February 2024.

33. Transactions with Trustees and other related parties

There were no transactions with Trustees other than those disclosed in note 10.

Other related party transactions for the year were limited to the procurement of services for the YHA Festival of Walking project from a consultancy owned by the spouse of one of the executive directors amounting to £2,500 (2023: £32,500).

As YHA Trading Limited is a wholly owned subsidiary of YHA, YHA is exempt from the requirements of FRS 102 Section 33 to disclose transactions with this company.

34. Post balance sheet events

Since the year end, and as part of the plan to focus efforts on a smaller number of core strategic hostels, we have completed the sale of 12 hostels to third parties, six of which have remained in the YHA network as franchises.

The combined sales value of these transactions was £11.1m, with an associated net asset value including disposal costs of £5.6m. Upon completion of the sales, £4.2m of the HSBC loan was repaid.

A further 11 hostels remain on the market with a potential sales value of around £11.2m.

On 30 July 2024, a loan arrangement for £47.1m was put in place with HSBC. This loan arrangement extends to 31 December 2025.

35. Prior year restatement

The method for recognising membership income has been changed. Previously, membership income was recognised as received which was incorrect. Going forward, on the basis that members receive benefits over the course of 12 months, membership income is recognised over the course of the membership.

This has created prior year adjustments to Income from Charitable activities, Creditors: amounts falling due after more than one year, Deferred Income, and Unrestricted Funds. Accordingly, balances have been restated as per below.

35. Prior year restatement (continued)

	As reported £'000	Prior year adjustment £'000	Restated £'000
Consolidated statement of financial activities			
Income from Charitable activities (note 6)	41,768	(22)	41,746
Balance sheets			
Creditors: amounts falling due within one year (note 17)	(75,430)	(451)	(75,881)
Deferred income: deferred during year (note 18)	9,669	451	10,120
Unrestricted Funds excluding pension liability	(7,941)	(451)	(8,392)

Below is a copy of the previous year's Consolidated statement of financial activities for comparison.

36. Consolidated statement of financial activities for the year ended 28 February 2023

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2023 £'000	Total 2022 £'000
Income					
Income from charitable activities	41,768	–	–	41,768	22,318
Income from trading activities (YHA Trading Limited)	5,068	–	–	5,068	3,676
Donations, gifts and legacies	1,346	166	–	1,512	1,809
Grants receivable	–	972	–	972	5,714
Coronavirus Job Retention Scheme payments receivable	–	–	–	–	1,691
Investment and similar income	10	23	–	33	21
Total income before net gain on disposal of tangible fixed assets	48,192	1,161	–	49,353	35,229
Net gain on disposal of tangible fixed assets	7,555	–	–	7,555	332
Total income	55,747	1,161	–	56,908	35,561
Expenditure					
Costs of charitable activities	53,713	1,356	–	55,069	41,397
Costs of trading activities (YHA Trading Limited)	4,058	–	–	4,058	3,095
Fundraising	353	–	–	353	405
Total expenditure	58,124	1,356	–	59,480	44,897
Unrealised gains on investments	–	–	26	26	28
Realised (losses)/gains in investments	–	–	(81)	(81)	3
Net expenditure before tax and refinancing costs	(2,377)	(195)	(55)	(2,627)	(9,305)
Tax on commercial activities	–	–	–	–	–
Net income/(expenditure)*	(2,377)	(195)	(55)	(2,627)	(9,305)
Transfer between funds	–	–	–	–	–
Net income/(expenditure) after transfers	(2,377)	(195)	(55)	(2,627)	(9,305)
Other recognised gains and losses					
Actuarial gain/(loss) on defined benefit pension scheme	(386)	–	–	(386)	2,044
Actuarial gain on multi-employer pension scheme	7	–	–	7	1,008
Other losses	–	–	–	–	(104)
Net movement in funds	(2,756)	(195)	(55)	(3,006)	(6,357)
Fund balances brought forward at 1 March 2022	14,417	4,322	1,075	19,814	26,171
Fund balances carried forward at 28 February 2023	11,661	4,127	1,020	16,808	19,814

All income was from continuing operations.

*Information up to and including net income/expenditure represents the information required by the Companies Act 2006.

The accompanying accounting policies and notes form an integral part of these financial statements.

We are YHA.

We transform young lives forever through travel and real adventure.

Because where you go changes who you become

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