



HOSTELLING INTERNATIONAL NORTHERN IRELAND ANNUAL REPORT 2022

(Company limited by Guarantee)

ANNUAL REPORT 2022

YOUTH HOSTEL ASSOCIATION OF NORTHERN IRELAND

22-32 Donegall Road, Belfast BT12

5JNCharity No: 103612

The current Officers and Council members are listed below.

President: Mr. P. McAteer (was president during 2022)

Vice Presidents: Miss K. Howard and Mr D. MacAfee

Chair of Council: J. Green

Vice Chair of Council: VK Douglas

Honorary Secretary: MHowse

Honorary Treasurer: D O'Lynn (was Treasurer during 2022)

Chief Executive Officer: S Harding

Members of Council:

A Boal, B, Gray, S. Potter, A. Cahill,

Bankers: Danske Bank Ltd

Solicitors: Cleaver Fulton

RankinAuditors: Johnston

Graham Ltd

ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Youth Hostel Association of Northern Ireland Ltd. will be held at: **The Belfast International Youth Hostel, 22-32 Donegall Road, Belfast BT12 5JN** on **Tuesday 26th September 2023 at 6.00pm**



AGENDA FOR AGM ON 26th September 2023

1. Minutes of the 2023 General Meeting
2. Introduction of Annual Report
3. Accounts and Auditor's Report for the 12 months ended 31 December 2022
4. Members' Question Time
5. Election of Officers and Council:

- (a) Officers

President:	Vacant
Vice President:	Miss. K. Howard
Vice President:	Mr. D. MacAfee

- (b) Ordinary Members of Council

The following current members offer themselves for election:

Vice-Chair Victor Douglas
Honorary Secretary: Matthew Howse
Honorary Treasurer: Vacant
Bernie Grey
Jacqueline Hill
Andy Cahill
Anne Boal

6. Election of Auditors

It is proposed to re-appoint Johnston Graham Limited

NOTE: ADMISSION BY VALID MEMBERSHIP CARD



CHAIR'S STATEMENT / ACTIVITIES OVER PAST YEAR, FUTURE PLANS

2022, for many reasons was one of stability and transition for YHANI. The year started with us being in partial lockdown meaning all hostels were under enforced closure. This made planning very difficult. Fortunately, our loyal team were fully prepared to reopen and offer our guests the same continued level of experience that we have always been renowned for.

Our continued engagement and relationships within Hostelling International have been beneficial through regular dialogue with other associations, sharing best practice, guidelines and learnings as we navigate the challenges of COVID-19, Brexit, the war in Ukraine and the cost-of-living crisis. All major challenges to how we operate in the short and long term.

Our financial performance in 2022 has resulted in a deficit, mainly due to increases in utilities and salary costs, however our cash reserves remain strong. We anticipate reducing this deficit significantly in 2023 with a forecast return to surplus in 2024.

Lastly, can I give my sincere thanks to the YHANI Council for their hard work and attendance during 2022. This commitment required a significant call on their time for which we are all most grateful. I would also like to thank all YHANI staff for their loyalty to the organisation through a challenging year and particularly to our CEO Sam Harding, who was instrumental in steering the organisation through the year.

We remain very positive about the future of all our hostels as people start to travel widely again.

Lastly, I would just like to note the passing of our President Paddy McAteer in May 2023. Paddy was involved with HINI for many years, and we will greatly miss his support and enthusiasm for the hostel movement.

Jacqueline Hill
Chair



CHIEF EXECUTIVE OFFICER'S STATEMENT / PERFORMANCE

Performance 2022

The accounts for 2022 showed a deficit of £92,153, from close to being a full year of trading.

2022 was a positive year operationally as we were able to resume our full operation for the first time since the end of COVID Pandemic. That said, the year began with January in partial lockdown due to the Omicron variant of Covid and until approximately May of 2022 there still a very low rate of International Arrivals into N.Ireland airports. This meant that we continued will a lower rate of International Groups and Overseas tourists who bring us larger groups, longer overnight stays and higher rates.

Despite, returning to a full operation, we did so without the previous financial support packages offsetting to difference in regular trade and with a significant increase in operating costs. Our 2 largest costs as a business being Labour and Utilities both growing exponentially with a number of back-dated minimum wage increases and the rise in energy costs.

Our overall accommodation income of £626,167 was an increase of £98k on 2021, however over £301k of that included Grants and Insurance. The actual commercial income in 2022 of £606k was an increase of £381k over 2021. Overall income in 2022 of £626,167 was back to our pre-Covid performance levels and continuing into 2023.

Moving into 2023 we have a positive outlook with a strong demand across all Hostels and an increase in overseas group bookings, although clear focus on managing our operating costs is essential.

Sam Harding - CEO



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OBJECTS AND ACTIVITIES

The objects are as stated in the Memorandum and Articles of Association. These are to advance the education of the public, particularly but not exclusively young people, in the protection and conservation of the countryside.

In the interest of social welfare to provide or assist in the provision of facilities for recreation, particularly youth hostels or other accommodation for the public with the intentions of improving their conditions of life.

ORGANISATIONAL AND DECISION – MAKING STRUCTURE

Decisions on policy and strategy are made by the Executive Council consisting of seven Ordinary Members of the Company, plus the Honorary Secretary and Honorary Treasurer. The CEO and others attend as required.

The Headquarters Staff of CEO (responsible to the EC) and the Office Manager undertake the day-to-day management of the company.

RELATIONSHIPS WITH OTHER ASSOCIATIONS & CHARITIES

The Association regularly sends representatives to NICVA, Equality Commission and Community Foundation events. It has good working relationships with other charities in Northern Ireland and beyond. Close co-operation is also maintained with Tourism NI and Visit Belfast.

The Association has contractual agreements with Hostelworld and Booking.com to sell beds. We have close fraternal relationships with the other 'home' Youth Hostel associations on these islands. We meet with An O'ige, SYHA and YHA (England & Wales) annually at the British and Irish Conference to discuss matters of common concern and share information.

The Association is also a member of Hostelling International (HI), a not-for-profit membership organisation which is the only global network of Youth Hostel Associations. The HI network offers 4,000 unique hostels in 90 countries worldwide. Each year, the association sends representatives to HI's European and CEO conferences.



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PUBLIC BENEFIT STATEMENT

The charity's first objective is to advance the education of the public, particularly but not exclusively young people, in the protection and conservation of the countryside. The direct benefits which flow from this purpose include passing on education to the next generation in particular in order to ensure the continued safe stewardship of our environment in Northern Ireland. We have continued to drive this effort in 2022 in responsibly encouraging the general public to explore safely..

The charity's second object is in the interests of social welfare to provide or assist in the provision of facilities for recreation, particularly youth hostels or other suitable accommodation for the public, with the intention of improving their conditions of life. The direct benefits which flow from this purpose include the provision of opportunities for people of all backgrounds from all over the world to experience, discover and learn more about Northern Ireland, themselves and each other through the 'Hostelling Experience'. These benefits are demonstrated through the online reviews we receive in relation to atmosphere, value for money and general comments. We also collect statistical information from guests which shows the makeup of the different nationalities we receive.

The purposes of our charity do not lead to any harm or possibility of harm. The charities beneficiaries are the general public. This is clearly stated in our Articles of Association. There is no non-incidental private benefit flowing from YHANI's purposes.

MAJOR RISKS

The council of management reviews the possibility of major risks on an ongoing basis and consider, at Council level, any action required to manage such risks. The council have identified a major risk in the respect of loss of income at the Belfast Hostel in the event of serious damage or prevention of access to the building. Insurance cover is in place to cover such an event and is also in place on other properties occupied by the Association.



VOLUNTEER INITIATIVES

Due to number of factors, our volunteering efforts have been impacted with added restrictions following Brexit and other challenges with regards to backlogged international travel.

FUNDRAISING

Historically, the Association has restricted its fundraising to overnight fees and the sourcing of grants and this continues to be the case.

COUNCIL OF MANAGEMENT / DIRECTORS' RESPONSIBILITIES

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

Company law requires the charity directors to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
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- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

The directors' annual report was approved on 26th September 2023 and signed on behalf of the board of trustees by:

J. Hill
Chair



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE YOUTH HOSTEL ASSOCIATION OF NORTHERN IRELAND LTD

Opinion

We have audited the financial statements of Youth Hostel Association of Northern Ireland Limited (the 'charity') for the year ended 31 December 2022 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' 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 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.



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Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

In connection with our audit of the financial statements, 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 or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
 - the financial statements are not in agreement with the accounting records and returns; or
 - certain disclosures of directors' remuneration specified by law are not made; or
 - we have not received all the information and explanations we require for our audit; or
 - the directors were not entitled to take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.
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Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors (who are also the directors 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 directors 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 directors are responsible for assessing the charity'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 directors either intend to liquidate the charity 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. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As part of the audit process we obtained an understanding of the legal and regulatory framework applicable to the entity, being FR102, Companies Act 2006 the UK taxation regime and compliance with regulations in relation to the Coronavirus Jobs Retention Scheme and the Coronavirus Business Interruption Scheme. In addition, we assessed the risks of material fraud through enquiries with management and those charged with corporate governance and analytical procedures were used to assess any unusual or unexpected relationships. As with all organisations of this size, there remains an inherent difficulty in the detection of irregularities.

A further description of our responsibilities for the audit of financial statements is located on the FRC's website at www.frc.org.uk/auditorsresponsibilities

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.



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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ms Elaine Mullholland (Senior Statutory Auditor)

For and on behalf of

Johnston Graham Limited

Chartered accountant & statutory auditor

216/218 Holywood Road

Belfast

BT4 1PD

11th August 2023



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STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE ACCOUNT) to 31 DECEMBER 2022

	Note	Restricted	Unrestricted	2022 Total £	2021 Total £
INCOME					
Voluntary Income					
Furlough Grants		-	-	-	58,193
Coronavirus Grants		-	-	-	143,797
Insurance Income		-	19,722	19,722	100,000
Deferred Income		-	-	-	-
Grants		-	-	-	-
Other		-	-	-	-
Activities For Generating Funds					
Accommodation Fees		-	590,552	590,552	216,712
Rent - Office		-	6,250	6,250	3,125
Rent - Kitchen		-	6,501	6,501	3,712
Shop Profit		-	109	109	(41)
Affiliation fees		-	-	-	308
Members Subscriptions		-	342	342	230
Donations		-	17	17	565
Other		-	2,673	2,673	713
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Total Income		-	626,167	626,167	527,314
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EXPENDITURE					
Activities For Generating Funds					
Wages & Salaries		-	256,188	256,188	188,785
Pension Costs		-	9,777	9,777	6,803
Rent, Rates & Insurance		-	45,699	45,699	36,192
Light & Heat		-	93,614	93,614	44,686
Repairs & Maintenance Buildings		-	57,799	57,799	23,460
Repairs & Maintenance Equipment		-	8,255	8,255	26,762
Cleaning		-	67,051	67,051	22,894
Telephone		-	6,259	6,259	4,340
Marketing		-	1,702	1,702	385
Training		-	-	-	-
Conferences / meetings		-	1,035	1,035	898
Governance Costs					
Wages & Salaries		-	92,558	92,558	74,627
Audit		-	3,335	3,335	3,300
Legal & Professional Fees		-	7,044	7,044	3,587
Bank Interest & Charges		-	13,982	13,982	5,513
Loan Interest		-	3,803	3,803	-
Depreciation		-	42,778	42,778	46,555
Printing & Stationery		-	622	622	486
Postage		-	264	264	(15)
Affiliation		-	1,748	1,748	2,252
Travelling Expenses		-	4,808	4,808	2,830
Other Resources Expended					
Transfer to/from Deferred Income		(19,767)	-	(19,767)	(29,650)
Project Expenses		19,767	-	19,767	29,650
<hr/>					
Total Operating Costs		-	718,320	718,320	494,340
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OPERATING (DEFICIT) / SURPLUS		-	(92,153)	(92,153)	32,974



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BALANCE SHEET AS AT 31 DECEMBER 2022

	Note	2022	2021
FIXED ASSETS			
Tangible Assets	2	2,071,041	2,112,461
CURRENT ASSETS			
Stock		6,698	6,740
Debtors and Prepayments		39,855	16,560
Cash at bank and in hand	3	239,600	359,603
		<hr/>	<hr/>
		286,153	382,903
CREDITORS : amounts falling due within one year	4	(147,200)	(156,058)
		<hr/>	<hr/>
NET CURRENT ASSETS		138,954	226,845
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,209,995	2,339,306
CREDITORS : amounts falling due after more than one year	5	(104,184)	(141,341)
		<hr/>	<hr/>
TOTAL NET ASSETS		2,105,811	2,197,965
		<hr/> <hr/>	<hr/> <hr/>
FUNDS			
Restricted Income Funds	7	370,965	370,965
Unrestricted Income Funds		1,734,847	1,827,000
		<hr/>	<hr/>
		2,105,811	2,197,965
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The notes on pages 3 and 4 form part of these accounts

J. Hill
Chair



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STATEMENT OF FINANCIAL POSITION 31 DECEMBER 2022

**STATEMENT OF CASH FLOWS 31 DECEMBER 2022****2 FIXED ASSETS**

	Land & Buildings	Hostel Equipment	Office Equipment	Total
COST				
As at 1 January 2022	3,268,969	508,828	65,390	3,843,187
Additions	-	-	1,359	1,359
Disposals				
As at 31 December 2022	3,268,969	508,828	66,749	3,844,545
DEPRECIATION				
As at 1 January 2022	1,156,508	508,828	65,390	1,730,726
Charge in period	42,778	-	-	42,778
Disposals				
As at 31 December 2022	1,199,286	508,828	65,390	1,773,504
NET BOOK VALUE				
As at 31 December 2022	2,069,683	-	1,359	2,071,041
As at 31 December 2021	2,112,461	-	-	2,112,461



NOTES TO FINANCIAL STATEMENTS YEAR ENDED 31 DEC 2022

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in Northern Ireland and a registered charity in England and Wales. The address of the registered office is 22 Donegall Road, Belfast, BT12 5JN.

2. Statement of compliance

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

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue. While the company showed a deficit for the 2022 year and has subsequently faced difficult conditions during the pandemic, the trustees are confident that the longer term projections are positive and that on this basis together with the existing strong reserve base are confident that it is appropriate to continue to use the going concern basis of preparation for the financial statements.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.



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Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the directors for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
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- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Land & Buildings	-	2% reducing balance
Office Equipment	-	20% straight line
Hostel Equipment	-	20% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.



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Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Government Grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the charity will comply with the conditions attaching to them and the grants will be received.

Where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.



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4. Limited by guarantee

The company is limited by guarantee and has no authorised or issued share capital. The company has charitable status accepted by HM Revenue & Customs under reference XN46853A.

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Grants			
Government grant income	143,797	87,843	231,640
	<u>243,797</u>	<u>87,843</u>	<u>331,640</u>

6. Other Trading Activities

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Members subscriptions	342	342	230	230
Accommodation fees	590,552	590,552	216,712	216,712
Rent received - Office	6,250	6,250	3,125	3,125
Rent received - Kitchen	6,501	6,501	3,712	3,712
Shop profit	109	109	(41)	(41)
Sundry income	2,690	2,690	1,278	1,278
Affiliation fees	–	–	308	308
	<u>606,444</u>	<u>606,444</u>	<u>225,324</u>	<u>225,324</u>

7. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Fundraising trading	547,379	–	547,379
Support costs	170,942	19,767	190,709
	<u>718,321</u>	<u>19,767</u>	<u>738,088</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Fundraising trading	297,012	87,843	384,855
Support costs	139,135	–	139,135
	<u>436,147</u>	<u>87,843</u>	<u>523,990</u>



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8. Expenditure on charitable activities by fund type

	Activities undertaken directly	Support costs	Total funds 2022	Total fund 2021
	£	£	£	£
Fundraising trading	547,379	–	547,379	384,855
Governance costs	–	190,709	190,709	139,135
	<u>547,379</u>	<u>190,709</u>	<u>738,088</u>	<u>523,990</u>

9. Net Expenditure

Net (expenditure)/income is stated after charging/(crediting):

	2022	2021
	£	£
Depreciation of tangible fixed assets	<u>42,778</u>	<u>46,554</u>

10. Auditors Remuneration

	2022	2021
	£	£
Fees payable for the audit of the financial statements	<u>3,335</u>	<u>3,300</u>



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11. Staff Costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2022	2021
	£	£
Wages and salaries	348,746	293,062
Employer contributions to pension plans	9,777	6,803
	<u>358,523</u>	<u>299,865</u>

The average head count of employees during the year was 19 (2021: 18). The average number of full-time equivalent employees during the year is analysed as follows:

	2022	2021
	No.	No.
Number of staff	<u>19</u>	<u>18</u>

No employee received employee benefits of more than £60,000 during the year (2021: Nil).

The Council of Management received no remuneration in the year (2019 - Nil).

12. Trustee remuneration and expenses

No trustees' have received any remuneration during the year.



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13. Tangible fixed assets

	Land and buildings £	Fixtures and fittings £	Equipment £	Total £
Cost				
At 1 January 2022	3,268,969	65,390	508,828	3,843,187
Additions	—	1,359	—	1,359
At 31 December 2022	<u>3,268,969</u>	<u>66,749</u>	<u>508,828</u>	<u>3,844,546</u>
Depreciation				
At 1 January 2022	1,156,508	65,390	508,828	1,730,726
Charge for the year	42,778	—	—	42,778
At 31 December 2022	<u>1,199,286</u>	<u>65,390</u>	<u>508,828</u>	<u>1,773,504</u>
Carrying amount				
At 31 December 2022	<u>2,069,683</u>	<u>1,359</u>	<u>—</u>	<u>2,071,042</u>
At 31 December 2021	<u>2,112,461</u>	<u>—</u>	<u>—</u>	<u>2,112,461</u>

14. Stocks

	2022 £	2021 £
Raw materials and consumables	<u>6,698</u>	<u>6,740</u>

15. Debtors

	2022 £	2021 £
Other debtors	<u>39,855</u>	<u>16,560</u>

16. Creditors: amounts falling due within one year

	2022 £	2021 £
Bank loans and overdrafts	43,632	43,633
Trade creditors	25,501	16,456
Other creditors	78,068	95,969
	<u>147,201</u>	<u>156,058</u>

The bank overdraft and loan is secured by a floating charge on all the property and assets of the company including book debts and goodwill. There is a legal mortgage over the property at 22-32 and 34-36 Donegall Road, Belfast and a Priority Agreement is in place.

17. Creditors: amounts falling after more than one year

	2022 £	2021 £
Bank loans and overdrafts	<u>104,184</u>	<u>141,341</u>



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18. Pensions and other post-retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £9,777 (2021: £6,803).

19. Government Grants

The amounts recognised in the financial statements for government grants are as follows:

	2022 £	2021 £
Recognised in income from donations and legacies:		
Government grants income	<u>-</u>	<u>231,640</u>

20. Analysis of charitable fund

Unrestricted funds

	At 1 January 2022 £	Income £	Expenditure £	At 31 December 2022 £
Unrestricted Fund	<u>1,827,001</u>	<u>626,166</u>	<u>(718,321)</u>	<u>1,734,846</u>

	At 1 January 2021 £	Income £	Expenditure £	At 31 December 2021 £
Unrestricted Fund	<u>1,794,027</u>	<u>469,121</u>	<u>(436,147)</u>	<u>1,827,001</u>

Restricted funds

	At 1 January 2022 £	Income £	Expenditure £	At 31 December 2022 £
Restricted Fund	<u>370,964</u>	<u>19,767</u>	<u>(19,767)</u>	<u>370,964</u>

	At 1 January 2021 £	Income £	Expenditure £	At 31 December 2021 £
Restricted Fund	<u>370,964</u>	<u>87,843</u>	<u>(87,843)</u>	<u>370,964</u>

Grants have been paid to the Association during the year by Provident's Community Partners and other donations to assist the operation of the Value Project.



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21. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Tangible fixed assets	1,700,077	370,964	2,071,041
Current assets	286,153	–	286,153
Creditors less than 1 year	(147,200)	–	(147,200)
Creditors greater than 1 year	(104,184)	–	(104,184)
Net assets	<u>1,734,846</u>	<u>370,964</u>	<u>2,105,810</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Tangible fixed assets	1,741,497	370,964	2,112,461
Current assets	382,903	–	382,903
Creditors less than 1 year	(156,058)	–	(156,058)
Creditors greater than 1 year	(141,341)	–	(141,341)
Net assets	<u>1,827,001</u>	<u>370,964</u>	<u>2,197,965</u>

22. Analysis of changes in the net debt

	At 1 Jan 2022 £	Cash flows £	At 31 Dec 2022 £
Cash at bank and in hand	359,603	(120,003)	239,600
Debt due within one year	(43,633)	1	(43,632)
Debt due after one year	(141,341)	37,157	(104,184)
	<u>174,629</u>	<u>(82,845)</u>	<u>91,784</u>

23. Contingencies

A grant of £200,000 from Ulster Garden Villages Limited will only be repayable if the premises cease to be used as a Youth Hostel.



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	2020	2021	2022		2020	2021	2022
Afghanistan	0	1	8	Luxembourg	10	2	2
Argentina	16	0	156	Malaysia	34	4	70
Australia	88	80	570	Malta	0	0	2
Austria	19	34	181	Mexico	14	22	117
Bangladesh	8	0	32	Morocco	0	0	6
Basque	28	1	0	Netherlands	76	40	844
Belgium	18	24	189	New Zealand	64	1	141
Bahrain	8	0	0	Nigeria	1	0	89
Brazil	100	130	296	Norway	28	1	99
Bulgaria	3	2	24	Pakistan	0	2	17
Canada	161	68	996	Peru	0	2	100
Chile	8	0	61	Philippines	3	6	62
China	53	44	178	Poland	82	11	300
Columbia	3	10	43	Portugal	26	37	191
Croatia	4	11	74	Romania	21	1	60
Cyprus	0	0	10	Russia	22	4	4
Czech Rep	19	8	113	Scotland	521	310	776
Denmark	39	6	893	Serbia	0	0	0
Egypt	1	0	9	Singapore	34	0	69
Estonia	32	13	20	Slovakia	20	0	70
Eng & Wales	1282	2113	7376	Slovenia	0	9	81
Finland	42	2	25	South Africa	39	24	16
France	410	183	2710	Spain	230	326	2241
Germany	586	276	2171	Sri Lanka	0	0	16
Greece	6	6	56	Sweden	42	10	112
Hong Kong	2	0	17	Switzerland	26	40	532
Hungary	6	30	39	Syria	0	0	0
Iceland	3	5	3	Taiwan	29	2	31
India	56	96	688	Thailand	19	3	42
Indonesia	0	8	10	Turkey	12	1	23
Iran	16	1	5	Ukraine	25	18	45
Iraq	0	0	5	Uruguay	8	8	229
N Ireland	2080	759	6836	USA	734	283	2598
Rep Ireland	1081	3194	5616	Unspecified	15	23	778
Israel	2	0	41	TOTAL	8431	8421	40,362
Italy	80	106	830				
Japan	56	4	28				
Kuwait	0	0	22				
S Korea	6	0	21				
Lithuania	13	4	207				



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	2017	2018	2019	2020	2021	2022
Belfast	41,566	41,102	36,572	6,472	8,421	29,861
Whitepark Bay	6,800	6,650	6,217	1,259	3,270	6,326
Armagh	2742	969	920	-	-	-
Bushmills	5746	6,993	5,930	700	1,600	4,220
Total	57,953	56,754	49,594	8,431	13,291	40,362



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