

COMPANY REGISTRATION NUMBER: NI001147
CHARITY REGISTRATION NUMBER: NIC103612

Youth Hostel Association of Northern Ireland Limited
Company Limited by Guarantee
Financial Statements
31 December 2023

Youth Hostel Association of Northern Ireland Limited

Company Limited by Guarantee

Financial Statements

Year ended 31 December 2023

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Youth Hostel Association of Northern Ireland Limited

Company Limited by Guarantee

Directors' Annual Report (Incorporating the Director's Report)

Year ended 31 December 2023

The directors, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 December 2023.

Reference and administrative details

Registered charity name Youth Hostel Association of Northern Ireland Limited

Charity registration number NIC103612

Company registration number NI001147

Principal office and registered office 22 Donegall Road
Belfast
BT12 5JN

The directors

V K Douglas
M J Howse
Ms B Gray
Mrs J Hill
D O'Lynn
A Boal
A Cahill
S Potter

Auditor Johnston Graham Limited
Chartered accountants & statutory auditor
216/218 Holywood Road
Belfast
BT4 1PD

Bankers Danske Bank
University Road
Belfast
BT7 1ND

Solicitors Cleaver Fulton Rankin
50 Bedford Street
Belfast
BT2 7FW

Youth Hostel Association of Northern Ireland Limited

Company Limited by Guarantee

Directors' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2023

Structure, governance and management

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 and 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 Hosteling 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.

Youth Hostel Association of Northern Ireland Limited

Company Limited by Guarantee

Directors' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2023

Objectives and activities

The objects are as stated in the Memorandum of 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 interests 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.

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.

Youth Hostel Association of Northern Ireland Limited

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Directors' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2023

Achievements and performance

Activities over the past year and plans for the future

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

Performance

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.

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Directors' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 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

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.

Directors' responsibilities statement

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.

Youth Hostel Association of Northern Ireland Limited

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Directors' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2023

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
- 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 and signed on behalf of the board of trustees by:

Mrs J Hill
Director

Youth Hostel Association of Northern Ireland Limited

Company Limited by Guarantee

Independent Auditor's Report to the Members of Youth Hostel Association of Northern Ireland Limited

Year ended 31 December 2023

Opinion

We have audited the financial statements of Youth Hostel Association of Northern Ireland Limited (the 'charity') for the year ended 31 December 2023 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 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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.

Youth Hostel Association of Northern Ireland Limited

Company Limited by Guarantee

Independent Auditor's Report to the Members of Youth Hostel Association of Northern Ireland Limited *(continued)*

Year ended 31 December 2023

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.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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.

Youth Hostel Association of Northern Ireland Limited

Company Limited by Guarantee

Independent Auditor's Report to the Members of Youth Hostel Association of Northern Ireland Limited *(continued)*

Year ended 31 December 2023

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 or unexpected relationships. As with all organisation 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 scepticism 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.

Youth Hostel Association of Northern Ireland Limited

Company Limited by Guarantee

Independent Auditor's Report to the Members of Youth Hostel Association of Northern Ireland Limited *(continued)*

Year ended 31 December 2023

- 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 accountants & statutory auditor

216/218 Holywood Road
Belfast
BT4 1PD

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Youth Hostel Association of Northern Ireland Limited

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 31 December 2023

		Unrestricted funds	2023 Restricted funds	Total funds	2022 Total funds
	Note	£	£	£	£
Income and endowments					
Donations and legacies	5	–	–	–	39,489
Other trading activities	6	771,054	–	771,054	606,444
Total income		<u>771,054</u>	<u>–</u>	<u>771,054</u>	<u>645,933</u>
Expenditure					
Expenditure on charitable activities	7,8	820,171	–	820,171	738,088
Total expenditure		<u>820,171</u>	<u>–</u>	<u>820,171</u>	<u>738,088</u>
Net expenditure and net movement in funds					
		<u>(49,117)</u>	<u>–</u>	<u>(49,117)</u>	<u>(92,155)</u>
Reconciliation of funds					
Total funds brought forward		1,734,846	370,964	2,105,810	2,197,965
Total funds carried forward		<u>1,685,729</u>	<u>370,964</u>	<u>2,056,693</u>	<u>2,105,810</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

Youth Hostel Association of Northern Ireland Limited

Company Limited by Guarantee

Statement of Financial Position

31 December 2023

	Note	2023 £	£	2022 £
Fixed assets				
Tangible fixed assets	13		2,048,497	2,071,042
Current assets				
Stocks	14	6,064		6,698
Debtors	15	28,351		39,855
Cash at bank and in hand		<u>189,164</u>		<u>239,600</u>
		223,579		286,153
Creditors: amounts falling due within one year	16	<u>151,488</u>		<u>147,201</u>
Net current assets			72,091	<u>138,952</u>
Total assets less current liabilities			2,120,588	2,209,994
Creditors: amounts falling due after more than one year	17		63,895	<u>104,184</u>
Net assets			<u>2,056,693</u>	<u>2,105,810</u>
Funds of the charity				
Restricted funds			370,964	370,964
Unrestricted funds			<u>1,685,729</u>	<u>1,734,846</u>
Total charity funds	19		<u>2,056,693</u>	<u>2,105,810</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on, and are signed on behalf of the board by:

Mrs J Hill
Director

Youth Hostel Association of Northern Ireland Limited

Company Limited by Guarantee

Statement of Cash Flows

Year ended 31 December 2023

	2023 £	2022 £
Cash flows from operating activities		
Net expenditure	(49,117)	(92,155)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	42,477	42,778
Interest payable and similar charges	26,427	17,785
Accrued expenses	4	–
<i>Changes in:</i>		
Stocks	634	42
Trade and other debtors	11,504	(23,295)
Trade and other creditors	4,282	(8,856)
Cash generated from operations	36,211	(63,701)
Interest paid	(26,427)	(17,785)
Net cash from/(used in) operating activities	<u>9,784</u>	<u>(81,486)</u>
Cash flows from investing activities		
Purchase of tangible assets	(19,932)	(1,359)
Net cash used in investing activities	<u>(19,932)</u>	<u>(1,359)</u>
Cash flows from financing activities		
Proceeds from borrowings	(40,288)	(37,158)
Net cash used in financing activities	<u>(40,288)</u>	<u>(37,158)</u>
Net decrease in cash and cash equivalents	(50,436)	(120,003)
Cash and cash equivalents at beginning of year	239,600	359,603
Cash and cash equivalents at end of year	<u>189,164</u>	<u>239,600</u>

Youth Hostel Association of Northern Ireland Limited

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 December 2023

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 Northern Ireland. 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, 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.

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.

Youth Hostel Association of Northern Ireland Limited

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Notes to the Financial Statements *(continued)*

Year ended 31 December 2023

3. Accounting policies *(continued)*

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.
- 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.

Youth Hostel Association of Northern Ireland Limited

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Notes to the Financial Statements *(continued)*

Year ended 31 December 2023

3. Accounting policies *(continued)*

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.

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.

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.

Youth Hostel Association of Northern Ireland Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2023

3. Accounting policies *(continued)*

Defined contribution plans *(continued)*

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.

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 2023 £
Donations			
Insurance Income	—	—	—
Deferred income	—	—	—
	<u>—</u>	<u>—</u>	<u>—</u>
	<u>—</u>	<u>—</u>	<u>—</u>
	<u>—</u>	<u>—</u>	<u>—</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Donations			
Insurance Income	19,722	—	19,722
Deferred income	—	19,767	19,767
	<u>19,722</u>	<u>19,767</u>	<u>39,489</u>
	<u>19,722</u>	<u>19,767</u>	<u>39,489</u>

6. Other trading activities

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Members subscriptions	165	165	342	342
Accommodation fees	753,269	753,269	590,552	590,552
Rent received - Office	6,250	6,250	6,250	6,250
Rent received - Kitchen	6,500	6,500	6,501	6,501
Shop profit	10	10	109	109
Sundry income	4,860	4,860	2,690	2,690
	<u>771,054</u>	<u>771,054</u>	<u>606,444</u>	<u>606,444</u>
	<u>771,054</u>	<u>771,054</u>	<u>606,444</u>	<u>606,444</u>

Youth Hostel Association of Northern Ireland Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2023

7. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Fundraising trading	649,683	–	649,683
Support costs	170,488	–	170,488
	<u>820,171</u>	<u>–</u>	<u>820,171</u>

	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>

8. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2023 £	Total fund 2022 £
Fundraising trading	649,683	–	649,683	547,379
Governance costs	–	170,488	170,488	190,709
	<u>649,683</u>	<u>170,488</u>	<u>820,171</u>	<u>738,088</u>

9. Net expenditure

Net expenditure is stated after charging/(crediting):

	2023 £	2022 £
Depreciation of tangible fixed assets	<u>42,477</u>	<u>42,778</u>

10. Auditors remuneration

	2023 £	2022 £
Fees payable for the audit of the financial statements	<u>3,950</u>	<u>3,335</u>

11. Staff costs

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

	2023 £	2022 £
Wages and salaries	391,680	348,746
Employer contributions to pension plans	9,698	9,777
	<u>401,378</u>	<u>358,523</u>

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Notes to the Financial Statements *(continued)*

Year ended 31 December 2023

11. Staff costs *(continued)*

The average head count of employees during the year was 19 (2022: 19). The average number of full-time equivalent employees during the year is analysed as follows:

	2023	2022
	No.	No.
Number of staff	19	19

No employee received employee benefits of more than £60,000 during the year (2022: 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.

13. Tangible fixed assets

	Land and buildings £	Fixtures and fittings £	Equipment £	Total £
Cost				
At 1 January 2023	3,268,969	66,749	508,828	3,844,546
Additions	15,200	2,179	2,553	19,932
At 31 December 2023	3,284,169	68,928	511,381	3,864,478
Depreciation				
At 1 January 2023	1,199,286	65,390	508,828	1,773,504
Charge for the year	42,205	272	–	42,477
At 31 December 2023	1,241,491	65,662	508,828	1,815,981
Carrying amount				
At 31 December 2023	2,042,678	3,266	2,553	2,048,497
At 31 December 2022	2,069,683	1,359	–	2,071,042

14. Stocks

	2023	2022
	£	£
Raw materials and consumables	6,064	6,698

15. Debtors

	2023	2022
	£	£
Other debtors	28,351	39,855

Youth Hostel Association of Northern Ireland Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2023

16. Creditors: amounts falling due within one year

	2023	2022
	£	£
Bank loans and overdrafts	43,633	43,632
Trade creditors	33,409	25,501
Other creditors	74,446	78,068
	<u>151,488</u>	<u>147,201</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 due after more than one year

	2023	2022
	£	£
Bank loans and overdrafts	<u>63,895</u>	<u>104,184</u>

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 £9,698 (2022: £9,777).

19. Analysis of charitable funds

Unrestricted funds

	At 1 January 2023	Income £	Expenditure £	At 31 December 2023 £
Unrestricted Fund	<u>1,734,846</u>	<u>771,054</u>	<u>(820,171)</u>	<u>1,685,729</u>

	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>

Youth Hostel Association of Northern Ireland Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2023

19. Analysis of charitable funds *(continued)*

Restricted funds

	At 1 January 2023	Income £	Expenditure £	At 31 December 2023 £
Restricted Fund	370,964	–	–	<u>370,964</u>

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

20. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Tangible fixed assets	1,677,533	370,964	2,048,497
Current assets	223,579	–	223,579
Creditors less than 1 year	(151,488)	–	(151,488)
Creditors greater than 1 year	(63,895)	–	(63,895)
Net assets	<u>1,685,729</u>	<u>370,964</u>	<u>2,056,693</u>

	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>

21. Analysis of changes in net debt

	At 1 Jan 2023 £	Cash flows £	At 31 Dec 2023 £
Cash at bank and in hand	239,600	(50,436)	189,164
Debt due within one year	(43,632)	(1)	(43,633)
Debt due after one year	(104,184)	40,289	(63,895)
	<u>91,784</u>	<u>(10,148)</u>	<u>81,636</u>

Youth Hostel Association of Northern Ireland Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2023

22. 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.

