

# ANNUAL REPORT 2023

HOSTELLING INTERNATIONAL NORTHERN IRELAND



## YOUTH HOSTEL ASSOCIATION OF NORTHERN IRELAND

22-32 Donegall Road, Belfast BT12 5JN, Northern Ireland.

Charity No: 103612

The current Officers and Executive Council members are listed below:

**President:** Paddy McAteer (Deceased May 2023) – Current position vacant

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

**Chairperson of Executive Council:** J.Hill

**Vice Chairperson of Executive Council:** V.K. Douglas

**Honorary Secretary:** M.J. Howse

**Honorary Treasurer:** D O'Lynn

**Chief Executive Officer:** S. Harding / P.Glennon

**Members of Council:** A. Boal, B. Gray. S. Potter, A. Cahill.

Bankers: Danske Bank Ltd

Solicitors: Cleaver Fulton Rankin

Auditors: Johnston Graham - RBCA Limited

### ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Youth Hostel Association of Northern Ireland Ltd. (Hostelling International Northern Ireland) will be held at: **Hostelling International Belfast Hostel. 22-32 Donegall Road, Belfast BT12 5JN on Wednesday 18<sup>th</sup> September 2024 at 6.00pm**



## AGENDA FOR AGM ON 18th SEPTEMBER 2024

1. Minutes of the 2023 General Meeting
2. Introduction of Annual Report
3. Accounts and Auditor's Report for the 12 months ended 31<sup>st</sup> December 2023
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:

Chairperson: Vacant  
 Vice chairperson: Anne Cahill  
 Honorary Secretary: Andy Boal  
 Honorary Treasurer: Bernie Gray  
 Katharine Creagh  
 Tony McDonagh  
 Conchuir Mac Siacáis

6. Election of Auditors

It is proposed to re-appoint Johnston Graham - RBCA Limited



## CHAIRPERSON'S STATEMENT INCLUDING ACTIVITIES OVER PREVIOUS 12 MONTHS AND FUTURE PLANS.

2023 was another year of both stability and transition for HINI. We said goodbye to Sam Harding in October and welcomed our new CEO, Phil Glennon in November. Phil has hit the ground running, having to deal with the resignation of the North Coast Area Manager and the death of our longstanding Bushmills Hostel Manager, Denis Cameron, all within his first few weeks in the role. The Council thank him for his dedication to the organisation and offer him our full support in implementing our strategic plans as we move forward.

Our continuing engagement and relationships within Hostelling International have been beneficial, through regular dialogue with other associations, sharing best practice, guidelines and learnings. We hope to build and strengthen these bonds during 2024.

We are excited about the recruitment of Business Development Manager Conor Doran early in 2024 to help forge new partnerships with other organisations and grow our social media presence. Our CEO will also be concentrating on modernising our business infrastructure to make processes more streamlined and develop a business model fit for the future.

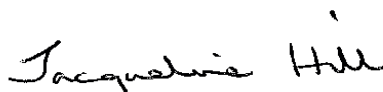
HINI continued to have some financial challenges in 2023, resulting in an operating deficit of £49,117 for the year. The Executive Council is encouraged however that this deficit is almost 50% less than 2022 and we remain optimistic about returning to surplus within the next two years.

I would like to give my sincere thanks to the HINI Council for their hard work and attendance during 2023. This commitment required a significant call on their time for which we are all most grateful. I would also like to thank all HINI staff for their loyalty to the organisation and particularly to our CEO Phil Glennon, who was instrumental in steering the organisation through a challenging period at the end of the year.

Lastly, I would just like to note the retirement from Council of Victor Douglas. Victor dedicated 50 years of service to the organisation, who demonstrated unwavering commitment and dedication, and his work ethos was testament to the development of the organisation, navigating challenging circumstances and ensuring opportunities for organisational growth and capacity over the years, often supported by his wife Dora at his side.

I would also like to acknowledge the passing of President Paddy McAteer in May 2023, who like Victor, was a cornerstone for the development of Hostelling opportunities across the region and further afield.

We will greatly miss their support and enthusiasm for the hostel movement.



Jacqueline Hill  
Chairperson



## CHIEF EXECUTIVE OFFICER'S STATEMENT / PERFORMANCE

2023 witnessed a year of change for Hostelling International Northern Ireland at strategic level. Sam Harding parted ways as CEO, as did Andre Van Dijk as North Coast Regional Manager. November 2023 would see the introduction of Phil Glennon as CEO for Hostelling International NI. That Christmas period would also see the sudden passing of Denis Cameron, who spent many years as Manager for the Bushmills Hostel and it would also see the retirement of Victor Douglas from the Executive Council, who dedicated 50 years of service to the organisation. It is also with deep regret that the organisation would see the passing of past President, Paddy McAteer in May 2023. Paddy was an integral part along with Victor in the development of Hostelling International NI. It would also see the closure of the Bushmills Hostel at the end of 2023 for several months, to carry out immediate repairs and improvements throughout the hostel, scheduled to open again in February 2024.

Thankfully the organisation is no longer feeling the impacts of the Covid-19 Pandemic and 2023 witnessed a more unrestricted return to accommodation for our customers including our international visitors. It should be noted that the hospitality and tourism industry is still very much in a recovery process as is the economy. 2023 was a more positive year than 2022 operationally, however I feel there is significant improvement needed across the organisation in several ways. The development of a long-term organisational strategy will be central to the modernisation of information management systems and processes, as well as the development of new Hostel accommodation across the region, which are some of my main priorities that I have highlighted to the Executive Council, promoting change, growth and development.

As well as this, I will be focusing on the charity work of the organisation whilst making significant changes to the fundraising strategies including the identification and application for potential funding opportunities, whilst encouraging partnership work across the organisation. As we continue to see a growth in operating and energy costs, we will also see an increase in salary costs for our staff members where a new pricing strategy will be developed in 2024. HINI continued to have some financial challenges in 2023, resulting in an operating deficit of £49,117 is almost 50% less than that figure in 2022 with an overall income including accommodation fees of £771,054 and the total number of overnight accommodations across the organisation was 47,483 in comparison to 40,362 overnight accommodations in 2022.

I am very much looking forward to getting to know our staff members across our organisation in the future. I am also very much looking forward to working together with our global partner Member Associations across Hostelling International and Hostelling International as an organisation. I look forward to engaging with our stakeholders, members of HINI Executive Council, office bearing Council members and all our customers.



**Phil Glennon**

**Chief Executive Officer**



## 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 & DECISION MAKING STRUCTURES

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

The Headquarters Staff of the CEO (responsible to the Executive Council) 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 Óige, SYHA and YHA (England & Wales) 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 2,650 unique hostels with 60 Member Associations in 90 countries worldwide. Each year, the association sends representatives to HI's European and CEO conferences.



## 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 to ensure the continued safe stewardship of our environment in Northern Ireland. We have continued to drive this effort in 2023 by responsibly encouraging the public to explore safely.

The charity's second objective 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 public. This is clearly stated in our Articles of Association. There is no non-incidental private benefit flowing from Hostelling International NI 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 several factors, our volunteering efforts have been impacted with added restrictions following Brexit and other challenges with regards to backlogged international travel and the impacts of the Covid-19 Pandemic.

## FUNDRAISING

Historically, the Association has restricted its fundraising to overnight fees and the sourcing of grants. 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 performance 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
- 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 31<sup>st</sup> July 2024 and signed on behalf of the board of trustees by:

J Hill  
Chairperson



## 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 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 of 31<sup>st</sup> 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.



## 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 during 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 during 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.



## **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 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 because 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 can detect 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](http://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 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.
- 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.



## STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE ACCOUNT) to 31ST DECEMBER 2023

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

The notes on pages 14 to 22 form part of these financial statements.



## STATEMENT OF FINANCIAL POSITION 31ST DECEMBER 2023

### Youth Hostel Association of Northern Ireland Limited

#### Company Limited by Guarantee

31 December 2023

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible fixed assets	13	2,048,497	2,071,042
<b>Current assets</b>			
Stocks	14	6,064	6,698
Debtors	15	28,351	39,855
Cash at bank and in hand		189,164	239,600
		<u>223,579</u>	<u>286,153</u>
<b>Creditors: amounts falling due within one year</b>	16	<u>151,488</u>	<u>147,201</u>
<b>Net current assets</b>		<u>72,091</u>	<u>138,952</u>
<b>Total assets less current liabilities</b>		<u>2,120,588</u>	<u>2,209,994</u>
<b>Creditors: amounts falling due after more than one year</b>	17	<u>63,895</u>	<u>104,184</u>
<b>Net assets</b>		<u>2,056,693</u>	<u>2,105,810</u>
<b>Funds of the charity</b>			
Restricted funds		370,964	370,964
Unrestricted funds		1,685,729	1,734,846
<b>Total charity funds</b>	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 31<sup>st</sup> July 2024, and are signed on behalf of the board by:

Mrs. J Hill  
Director

The notes on pages 14 to 22 form part of these financial statements.



## STATEMENT OF CASH FLOWS 31ST DECEMBER 2023

### Company Limited by Guarantee

### Statement of Cash Flows

### Year ended 31 December 2023

	2023 £	2022 £
<b>Cash flows from operating activities</b>		
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>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(19,932)	(1,359)
Net cash used in investing activities	<u>(19,932)</u>	<u>(1,359)</u>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	(40,288)	(37,158)
Net cash used in financing activities	<u>(40,288)</u>	<u>(37,158)</u>
<b>Net decrease in cash and cash equivalents</b>	<b>(50,436)</b>	<b>(120,003)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>239,600</b>	<b>359,603</b>
<b>Cash and cash equivalents at end of year</b>	<b><u>189,164</u></b>	<b><u>239,600</u></b>

The notes on pages 14 to 22 form part of these financial statements.



## NOTES TO FINANCIAL STATEMENTS YEAR ENDED 31ST DEC 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 2023 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 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.



## NOTES TO FINANCIAL STATEMENTS YEAR ENDED 31ST DEC 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 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.



## NOTES TO FINANCIAL STATEMENTS YEAR ENDED 31ST DEC 2023

### Accounting policies *(continued)*

#### Depreciation

Depreciation is calculated 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.



## NOTES TO FINANCIAL STATEMENTS YEAR ENDED 31ST DEC 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 £
<b>Donations</b>			
Insurance Income	-	-	-
Deferred income	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
<b>Donations</b>			
Insurance Income	19,222	-	19,722
Deferred income	-	19,767	19,767
	<u>19,222</u>	<u>19,767</u>	<u>39,489</u>
	<u>19,222</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>



## NOTES TO FINANCIAL STATEMENTS CONTINUED

### 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	Total fund
	£	£	2023 £	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>



## NOTES TO FINANCIAL STATEMENTS CONTINUED

### Year ended 31 December 2023

#### 11. Staff costs (continued)

The average head count of employees during the year was 17 (2022: 19). The average number of full-time equivalent employees during the year is analysed as follows:

	2023 No.	2022 No.
Number of staff	<u>17</u>	<u>19</u>

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

#### 14. Stocks

	2023 £	2022 £
Raw materials and consumables	<u><b>6,064</b></u>	<u>6,698</u>

#### 15. Debtors

	2023 £	2022 £
Other debtors	<u><b>28,351</b></u>	<u>39,855</u>



## NOTES TO 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 are 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>



## NOTES TO FINANCIAL STATEMENTS CONTINUED

### 19. Analysis of charitable funds (continued)

#### Restricted funds

	At 1 January 2023	Income	Expenditure	At 31 December 2023
	£	£	£	£
Restricted Fund	370,964	—	—	370,964

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

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)
<b>Net assets</b>	<b>1,685,729</b>	<b>370,964</b>	<b>2,056,693</b>

	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)
<b>Net assets</b>	<b>1,734,846</b>	<b>370,964</b>	<b>2,105,810</b>

### 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>

### 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.



Hostelling International NI Breakdown Overnight Accommodation	Year 2023	Percentage of Accommodation
<b>Breakdown by Age</b>		
Senior Customers	37,920	79.9%
Junior Customers	9,563	20.1%
Total Overnight Accommodation	47,483	100%
<b>Breakdown by Nationality</b>		
N. Ireland	5483	11.5%
Rep of Ireland	4711	9.9%
England & Wales	12410	26.1%
Scotland	1011	2.1%
Afghanistan	7	0.0%
Albania	8	0.0%
Algeria	21	0.0%
Angola	0	0.0%
Argentina	110	0.2%
Australia	1830	3.9%
Austria	208	0.4%
Bahrain	0	0.0%
Bangladesh	16	0.0%
Basque	2	0.0%
Belgium	138	0.3%
Bolivia	13	0.0%
Bosnia HE	0	0.0%
Brazil	336	0.7%
Bulgaria	11	0.0%
Canada	1083	2.3%
Chile	91	0.2%
China	177	0.4%
Columbia	107	0.2%
Croatia	37	0.1%
Cyprus	0	0.0%
Czech Republic	163	0.3%
Denmark	705	1.5%
DR Congo	0	0.0%
Dominican	4	0.0%
Egypt	10	0.0%
Estonia	19	0.0%
Finland	94	0.2%



Fiji	0	0.0%
France	3512	7.4%
Germany	2822	5.9%
Greece	66	0.1%
Hong Kong	47	0.1%
Hungary	126	0.3%
Iceland	2	0.0%
India	808	1.7%
Indonesia	42	0.1%
Iran	2	0.0%
Iraq	2	0.0%
Israel	66	0.1%
Italy	1058	2.2%
Japan	78	2.2%
Jordan	78	0.2%
Kenya	0	0.0%
Kuwait	41	0.1%
Korea	31	0.1%
Lebanon	0	0.0%
Luxembourg	27	0.1%
Libya	0	0.0%
Lithuania	33	0.1%
Macedonia	8	0.0%
Malaysia	105	0.2%
Malta	4	0.0%
Mexico	95	0.2%
Morocco	26	0.1%
Nepal	0	0.0%
Netherlands	812	1.7%
New Zealand	377	0.8%
Nigeria	37	0.1%
Norway	170	0.4%
Pakistan	83	0.2%
Peru	70	0.1%
Philippines	80	0.2%
Poland	397	0.8%
Portugal	295	0.6%
Qatar	4	0.0%
Romania	55	0.1%



Russia	24	0.1%
Saudi Arabia	3	0.0%
Serbia	2	0.0%
Singapore	53	0.1%
South Africa	40	0.1%
Slovakia	38	0.1%
Slovenia	96	0.2%
Spain	2721	5.7%
Sri Lanka	39	0.1%
Sudan	14	0.0%
Sweden	193	0.4%
Switzerland	410	0.9%
Syria	22	0.0%
Taiwan	111	0.2%
Thailand	31	0.1%
Trinidad	3	0.0%
Tunisia	2	0.0%
Turkey	29	0.1%
United Arab Emirates	10	0.0%
Ukraine	80	0.2%
Uganda	4	0.0%
Uruguay	20	0.0%
USA	3263	6.9%
Zimbabwe	12	0.0%
Unknown	53	0.1%
<b>TOTAL</b>	<b>47483</b>	<b>100%</b>





22-32 Donegall Road  
Belfast  
Northern Ireland  
BT12 5JN

+44 (0)28 9032 4733  
[office@hini.org.uk](mailto:office@hini.org.uk)  
[www.hini.org.uk](http://www.hini.org.uk)



#SAYHI2NI