



HOSTELLING INTERNATIONAL NORTHERN IRELAND ANNUAL REPORT 2019

(Company limited by Guarantee)

ANNUAL REPORT 2019

YOUTH HOSTEL ASSOCIATION OF NORTHERN IRELAND

22-32 Donegall Road, Belfast BT12 5JN

Charity No: 103612

The current Officers and Council members are listed below.

President: Mr. P. McAteer

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

Chair of Council: Mr. T. Greene

Vice Chair of Council: Mr V.K. Douglas

Honorary Secretary: Mr. M.J. Howse

Honorary Treasurer: Mr N.P. Brady

Chief Executive Officer: Mr. D. O'Lynn

Members of Council:

A Todd, N Cherry, J. Hill

In Accordance with the Articles of Association, the Officers of the Association and the following members of Council retire by rotation and being eligible offer themselves for re-election:

N. Brady

A. Todd

Bankers: Danske Bank Ltd

Solicitors: Cleaver Fulton Rankin

Auditors: 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 10th November 2020 at 7.00pm**



AGENDA FOR AGM ON 10TH NOVEMBER 2020

1. Minutes of the 2019 General Meeting
2. Introduction of Annual Report
3. Accounts and Auditor's Report for the 12 months ended 31 December 2019
4. Members' Question Time
5. Election of Officers and Council:
 - (a) Officers

President:	Mr. P. McAteer
Vice President:	Miss. K. Howard
Vice President:	Mr. D. MacAfee
Honorary Secretary:	Mr. M.J. Howse
Honorary Treasurer:	Ms J. Hill

(b) Ordinary Members of Council

There are 8 vacancies and the following offer themselves for election:

N. Brady
A. Todd

Note - It is proposed that Mr N Brady step down from his role as Treasurer and offer himself for election as an Ordinary Member of Council instead. He is being proposed by Mr Trevor Greene and seconded by Mr Victor Douglas. This then leaves a vacancy for the role of Honorary Treasurer. Ms Jacqueline Hill, currently an Ordinary Council Member, offers herself for this role and again is being proposed by Mr Trevor Greene and seconded by Mr Victor Douglas.

6, Election of Auditors

NOTE: ADMISSION BY VALID MEMBERSHIP CARD



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

Just over nine months ago, I had the considerable honour to be appointed as Chair of the Association. I recall thinking that I was fortunate to be taking over as Chair at a time when we were beginning to consolidate the improvements in our financial position over recent years.

It came as a shock in the autumn to find that BREXIT had impacted not only our bookings but visitor numbers across the N I tourist industry. We lost a significant volume of income. However, by the end of the year, there was evidence of a recovery of the level of bookings.

Normally an Annual Report deals only with the events of the year past and does not mention the current position. However, I think it is important to let members know the up to date position which the Association faces.

In the later part of 2019, our spirits rose with improving numbers of bookings; sound financial performance; and the prospect of being debt free within the near future. The Council had a feeling of confidence to consider a more expansive role, both in terms of our work to improve the lives of young people in our community and also to begin to look at expanding the number of locations where we could establish new hostels.

Recent months have seen of tourism in the wake of Covid19 leading to the closure of our hostels and the terrible necessity to lay off most of our staff using the Government "furlough" arrangements.

The future is unclear; save to say that our recovery will be difficult in terms of recovering the financial position caused by the near total loss of income since March. The Council will spare no effort in getting the Association back into business; repairing its finances and getting our staff back to work.

To every one of our staff who have driven our recovery over the past ten years I say... "we truly value you and regret the anxiety which each of you has experienced and we will work to ensure the best possible outcome for you".

Trevor Greene - Chair

CHIEF EXECUTIVE OFFICER'S STATEMENT / PERFORMANCE

Performance 2019



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The accounts for 2019 showed a loss of £63,712, down £80k on 2018. This was the first time in 6 years that the Association has made a loss.

The main reason for this was, we believe, uncertainty around Brexit in 2019. All hostels in our network, despite having different markets, were 10% down on guest numbers / revenue on 2018. This decrease in accommodation fees amounted to £80k - the exact figure for the downturn in overall performance.

Early signs in 2020 were that we were emerging from this uncertainty, with improved performance in January and Feb, before the pandemic / lockdown hit.

A bright spot in 2019 was grant / voluntary income, which amounted to a little over £70k. This was the highest figure in many years, which allowed us a greater direct reach and indeed depth of impact in terms of the beneficiaries being served through our dedicated social cause programmes.

Dermot O'Lynn - CEO

PROGRAMMES REPORT

The year 2019 was an exciting year during which we continued our local work but also reached further afield to new endeavours with more partners. Staying loyal to our mission of giving people of all ages, backgrounds, and from all over the world the opportunity to experience, appreciate and gain a wider understanding of Northern Ireland and themselves, is paramount to us.

Our good-relations cross-border programme "Good Neighbours" was again funded by the Department of Foreign Affairs through their special Reconciliation Fund. The two schools that had been our partners in the first round, North Coast Integrated College in County Derry/Londonderry and Gairmscoil Chú Uladh in Donegal, were delighted to see the programme being delivered once again. The programme saw 50 new young people coming together while engaging in new activities that support learning and reflection in the same stunning locations as before (Bushmills Hostel, Errigal Hostel).

Another cross-community programme called "T:BUC – Girls United" saw its second go in 2019. Partnering with Girl Guiding Ulster and Catholic Guides of Ireland we facilitated several camp days and a residential at Whitepark Bay Hostel between October 2019 and March 2020 for 40 girls and young women from both the PUL and CNR communities.

Going further afield with the scope we carried out the international and intercultural youth exchange programme "Crossing Borders" in July/August 2019. Together with our partner DJH (German Youth Hostel Association NI) we secured EU funding through their Erasmus+ scheme. For 10 Northern Irish and 10 German young people this meant an exciting two week programme carried out in both countries. The shared history of walls and division was deeply learned about and the young people explored how a shared future for all can look like.

In October 2019 DJH contracted us to coordinate a staff education trip for their subdivision Rheinland-Pfalz and Saarland. They were eager to learn how An Òige and YHANI have evolved over the years and how we operate today.



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Our Walking Tour Team gained two new members in March 2019. After we said goodbye to our longstanding volunteer John we were happy to welcome Barbara and Declan. They both had completed their OCN course and were keen to take up their role as Tour Guides for our guests at the Belfast Hostel. By the end of 2019 both have led out 30+ free tours around Belfast.

The “GATHER” free residential programme was again very popular among local organisations in the community sector. We received many more applications than we could accommodate with the generous funding by Provident Financial. By the end of 2019 a total of 22 groups had benefitted from a free residential at Bushmills or Whitepark Bay Hostel. The work of those organisations reaches across topics such as youth work, disability, Refugees, Cross-Community, etc.

We installed an Info Monitor in the Belfast Hostel Foyer. Our guests can now enjoy a weekly changing repertoire of information on local events, concerts, shows, etc.

Annette Feldmann

Programmes Coordinator

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.



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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. As such, YHANI, An Óige, SYHA and YHA (England & Wales) meet annually at the YHA British and Irish Conference.

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.

PUBLIC BENEFIT STATEMENT

The charity's first object 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. This benefit was demonstrated in 2019 by an Award we received from Belfast City Council for an environmental litter picking initiative involving young volunteers, which was presented at an event in Belfast City Hall.

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. In 2019 we received £70k for direct social cause programmes for young people delivered by the Association, including a cross community TBUC programme and an Erasmus+ international exchange programme in partnership with our sister organisation in Germany, which received media coverage.

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-incident 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. A formal organisational Risk Register was developed for the first time in 2019 and this will be updated on a regular basis.



VOLUNTEER INITIATIVES

The Association gained two new accredited Walking Tour guides in 2019 and also signed up to Hostelling International's HI Connect scheme, which saw a Receptionist from the Belfast Youth Hostel travel to Berlin to learn about and experience the workings of the German Youth Hostel Association (DJH). A reciprocal visit is planned for 2020.

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 26 June 2020 and signed on behalf of the board of trustees by:

T Greene
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 2019 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 2019 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;



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- 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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



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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.

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.

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.



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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

26 June 2020

**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE ACCOUNT) 31 DECEMBER 2019**

		2019		2018
		Unrestricted funds	Restricted funds	Total funds
	Note	£	£	£
Income and endowments				
Donations and legacies	5	–	70,026	70,026
Other trading activities	6	639,412	–	639,412
Total income		<u>639,412</u>	<u>70,026</u>	<u>709,438</u>
Expenditure				
Expenditure on charitable activities	7,8	703,123	70,026	773,149
Total expenditure		<u>703,123</u>	<u>70,026</u>	<u>773,149</u>
Net income and net movement in funds		<u>(63,711)</u>	<u>–</u>	<u>(63,711)</u>
Reconciliation of funds				
Total funds brought forward		1,902,551	370,964	2,273,515
Total funds carried forward		<u>1,838,840</u>	<u>370,964</u>	<u>2,209,804</u>

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



STATEMENT OF FINANCIAL POSITION 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible fixed assets	13	2,179,188	2,217,349
Current assets			
Stocks	14	3,496	5,733
Debtors	15	48,778	41,012
Cash at bank and in hand		141,595	206,431
		<u>193,869</u>	<u>253,176</u>
Creditors: amounts falling due within one year	16	<u>162,028</u>	<u>164,653</u>
Net current assets		<u>31,841</u>	<u>88,523</u>
Total assets less current liabilities		<u>2,211,029</u>	<u>2,305,872</u>
Creditors: amounts falling due after more than one year	17	<u>1,225</u>	<u>32,357</u>
Net assets		<u>2,209,804</u>	<u>2,273,515</u>
Funds of the charity			
Restricted funds		370,964	370,964
Unrestricted funds		1,838,840	1,902,551
Total charity funds	19	<u>2,209,804</u>	<u>2,273,515</u>

These financial statements were approved by the board of trustees and authorised for issue on 26 June 2020, and are signed on behalf of the board by:

T Greene
Chair

**STATEMENT OF CASH FLOWS YEAR ENDED 31 DECEMBER 2019**

	2019 £	2018 £
Cash flows from operating activities		
Net (expenditure)/income	(63,711)	17,427
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	52,941	60,854
Interest payable and similar charges	11,200	11,822
<i>Changes in:</i>		
Stocks	2,237	101
Trade and other debtors	(7,766)	(11,565)
Trade and other creditors	1,532	(31,767)
Cash generated from operations	(3,567)	46,872
Interest paid	(11,200)	(11,822)
Net cash from operating activities	<u>(14,767)</u>	<u>35,050</u>
Cash flows from investing activities		
Purchase of tangible assets	(14,780)	-
Net cash used in investing activities	<u>(14,780)</u>	<u>-</u>
Cash flows from financing activities		
Proceeds from borrowings	(35,289)	(35,173)
Net cash used in financing activities	<u>(35,289)</u>	<u>(35,173)</u>
Net (decrease)/increase in cash and cash equivalents	(64,836)	(123)
Cash and cash equivalents at beginning of year	206,431	206,554
Cash and cash equivalents at end of year	<u>141,595</u>	<u>206,431</u>



NOTES TO FINANCIAL STATEMENTS YEAR ENDED 31 DEC 2019

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 2019 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.

Stocks



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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.

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



HOSTELLING INTERNATIONAL NORTHERN IRELAND ANNUAL REPORT 2019

(Company limited by Guarantee)

	Restricted Funds	Total Funds 2019	Restricted Funds	Total Funds 2018
	£	£	£	£
Donations				
Deferred income	2,815	2,815	8,733	8,733
Provident Community Partners	30,000	30,000	30,000	30,000
British Council	15,571	15,571	-	-
Other income	3,222	3,222	200	200
Education Authority	9,662	9,662	2,602	2,602
Department of Foreign Affairs	8,756	8,756	-	-
	-----	-----	-----	-----
	70,026	70,026	41,535	41,535
	=====	=====	=====	=====

6. Other trading activities

	Unrestricted Funds	Total Funds 2019	Unrestricted Funds	Total Funds 2018
	£	£	£	£
Members subscriptions	590	590	945	945
Accommodation fees	620,123	620,123	700,667	700,667
Rent received - Office	6,250	6,250	9,625	9,625
Rent received - Kitchen	6,187	6,187	6,000	6,000
Shop profit	91	91	229	229
Sundry income	3,676	3,676	4,073	4,073
Affiliation fees	2,495	2,495	2,495	2,495
	-----	-----	-----	-----
	639,412	639,412	724,034	724,034
	=====	=====	=====	=====



HOSTELLING INTERNATIONAL NORTHERN IRELAND ANNUAL REPORT 2019

(Company limited by Guarantee)

7. Expenditure on charitable activities by fund type

	Unrestricted Funds	Restricted Funds	Total Funds 2019
	£	£	£
Fundraising trading	535,570	–	535,570
Support costs	167,553	70,026	237,579
	—————	—————	—————
	703,123	70,026	773,149
	=====	=====	=====

	Unrestricted Funds	Restricted Funds	Total Funds 2018
	£	£	£
Fundraising trading	537,661	–	537,661
Support costs	168,946	41,535	210,481
	—————	—————	—————
	706,607	41,535	748,142
	=====	=====	=====

8. Expenditure on charitable activities by activity type

	Activities undertaken directly	Support costs	Total funds 2019	Total fund 2018
	£	£	£	£
Fundraising trading	535,570	–	535,570	537,661
Governance costs	–	186,595	186,595	160,144
	—————	—————	—————	—————
	535,570	186,595	722,165	697,805
	=====	=====	=====	=====

9. Net (expenditure)/ income



HOSTELLING INTERNATIONAL NORTHERN IRELAND ANNUAL REPORT 2019

(Company limited by Guarantee)

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

	2019	2018
	£	£
Depreciation of tangible fixed assets	52,941	60,854

10. Auditors remuneration

	2019	2018
	£	£
Fees payable for the audit of the financial statements	3,300	4,850

11. Staff costs

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

	2019	2018
	£	£
Wages and salaries	351,716	345,190
Social security costs	27,188	26,669
Employer contributions to pension plans	7,700	7,390
	386,604	379,249

The average head count of employees during the year was 19 (2018: 19). The average number of full-time equivalent employees during the year is analysed as follows:

	2019	2018
	No.	No.
Number of staff	19	19

No employee received employee benefits of more than £60,000 during the year (2018: Nil).

The Council of Management received no remuneration in the year (2018 - Nil).



HOSTELLING INTERNATIONAL NORTHERN IRELAND ANNUAL REPORT 2019

(Company limited by Guarantee)

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 2019 and	3,223,471	66,763	507,457	3,797,691
Additions	14,780	-	-	14,780
	_____	_____	_____	_____
31 December 2019	3,238,251	66,763	507,457	3,812,471
Depreciation				
At 1 January 2019	1,021,882	65,940	492,520	1,580,342
Charge for the year	44,327	134	8,480	52,941
	_____	_____	_____	_____
At 31 December 2019	1,066,209	66,074	501,000	1,633,283
	=====	=====	=====	=====
Carrying amount				
At 31 December 2019	2,172,042	689	6,457	2,179,188
	=====	=====	=====	=====
At 31 December 2018	2,201,589	823	14,937	2,217,349
	=====	=====	=====	=====



HOSTELLING INTERNATIONAL NORTHERN IRELAND ANNUAL REPORT 2019

(Company limited by Guarantee)

14. Stocks

	2019	2018
	£	£
Raw materials and consumables	3,496	5,733
	<u> </u>	<u> </u>

15. Debtors

	2019	2018
	£	£
Other debtors	48,778	41,012

16. Creditors: amounts falling due within one year

	2019	2018
	£	£
Bank loans and overdrafts	27,673	31,830
Trade creditors	28,061	38,946
Other creditors	106,294	93,877
	<u> </u>	<u> </u>
	162,028	164,653
	<u> </u>	<u> </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.



HOSTELLING INTERNATIONAL NORTHERN IRELAND ANNUAL REPORT 2019

(Company limited by Guarantee)

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

	2019	2018
	£	£
Bank loans and overdrafts	1,225	32,357
	<u> </u>	<u> </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 £7,700 (2018: £7,390).

19. Analysis of charitable funds

Unrestricted funds

	At 1 January 2019	Income	Expenditure	At 31 December 2019
	£	£	£	£
Unrestricted Fund	1,902,551	639,412	(703,123)	1,838,840
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

	At 1 January 2018	Income	Expenditure	At 31 December 2018
	£	£	£	£
Unrestricted Fund	1,885,124	724,034	(706,607)	1,902,551
	<u> </u>	<u> </u>	<u> </u>	<u> </u>



HOSTELLING INTERNATIONAL NORTHERN IRELAND ANNUAL REPORT 2019

(Company limited by Guarantee)

Restricted funds

	At 1 January 2019	Income	Expenditure	At 31 December 2019
	£	£	£	£
Restricted Fund	370,964	70,026	(70,026)	370,964
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

	At 1 January 2018	Income	Expenditure	At 31 December 2018
	£	£	£	£
Restricted Fund	370,964	41,535	(41,535)	370,964
	<u> </u>	<u> </u>	<u> </u>	<u> </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 2019
	£	£	£
Tangible fixed assets	1,808,221	370,964	2,179,185
Current assets	193,869	–	193,869
Creditors less than 1 year	(162,028)	–	(162,028)
Creditors greater than 1 year	(1,225)	–	(1,225)
	<u> </u>	<u> </u>	<u> </u>
Net assets	1,838,837	370,964	2,209,801
	<u> </u>	<u> </u>	<u> </u>
	Unrestricted Funds	Restricted Funds	Total Funds 2018
	£	£	£
Tangible fixed assets	1,846,384	370,964	2,217,348



HOSTELLING INTERNATIONAL NORTHERN IRELAND ANNUAL REPORT 2019

(Company limited by Guarantee)

Current assets	253,176	–	253,176
Creditors less than 1 year	(164,652)	–	(164,652)
Creditors greater than 1 year	(32,357)	–	(32,357)
	_____	_____	_____
Net assets	1,902,551	370,964	2,273,515
	=====	=====	=====

21. Contingencies

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

MANAGEMENT INFORMATION

The following pages do not form part of the financial statements.



HOSTELLING INTERNATIONAL NORTHERN IRELAND ANNUAL REPORT 2019

(Company limited by Guarantee)

Detailed Statement of Financial Activities Year ended 31 December 2019

	2019	2018
	£	£
Income and endowments		
Donations and legacies		
Deferred income	2,815	8,733
Provident Community Partners	30,000	30,000
British Council	15,571	—
Other income	3,222	200
Education Authority	9,662	2,602
Department of Foreign Affairs	8,756	—
	<hr/>	<hr/>
	70,026	41,535
	<hr/> <hr/>	<hr/> <hr/>
Other trading activities		
Members subscriptions	590	945
Accommodation fees	620,123	700,667
Rent received - Office	6,250	9,625
Rent received - Kitchen	6,187	6,000
Shop profit	91	229
Sundry income	3,676	4,073
Affiliation fees	2,495	2,495
	<hr/>	<hr/>
	70,026	41,535
	<hr/> <hr/>	<hr/> <hr/>



HOSTELLING INTERNATIONAL NORTHERN IRELAND ANNUAL REPORT 2019

(Company limited by Guarantee)

Total income	709,438	765,569
Expenditure		
Expenditure on charitable activities		
Wages and salaries	351,716	345,190
Employer's NIC	27,188	26,669
Pension costs	7,700	7,390
Rent	49,229	43,618
Light and heat	70,986	66,946
Repairs and maintenance	37,990	53,387
Insurance	20,701	15,180
Other establishment	1,205	2,116
Legal and professional fees	5,092	5,970
Telephone	6,120	5,291
Other office costs	2,277	2,505
Depreciation	52,941	60,854
Other interest payable and similar charges	11,200	11,822
Cleaning & cleaning materials	55,565	60,388
Training & affiliation	3,280	3,610
Conferences & travelling expenses	2,748	4,404
Transfer to deferred income	16,227	(17,535)
	50,984	50,337
	773,149	748,142



HOSTELLING INTERNATIONAL NORTHERN IRELAND ANNUAL REPORT 2019

(Company limited by Guarantee)

Total expenditure	773,149	748,142
	2019	2018
	£	£
Net (expenditure)/income	(63,711)	17,427
	2019	2018
	£	£
Expenditure on charitable activities		
Fundraising trading		
<i>Activities undertaken directly</i>		
Manager, assistant & cleaner wages	255,932	251,355
Employer's NIC	27,188	26,669
Pension costs	7,700	7,390
Rent, rates & insurance	49,229	43,618
Light & heat	70,986	66,946
Repairs & maintenance - buildings	37,990	53,387
Repairs & maintenance - Equipment	20,701	15,180
Marketing	1,205	2,116
Telephone	6,120	5,291
Cleaning & cleaning materials	55,565	60,388
Training	972	1,840
Conference/meetings	1,982	3,481



HOSTELLING INTERNATIONAL NORTHERN IRELAND ANNUAL REPORT 2019

(Company limited by Guarantee)

	535,570	537,661
	=====	=====
Wages/salaries	95,784	93,835
Audit fees	3,300	4,850
Legal and other professional fees	1,792	1,120
Printing, postage & stationery	2,277	2,505
Depreciation	52,941	60,854
Bank interest & charges	11,200	11,822
Affiliation	2,308	1,770
Travelling expenses	766	923
Transfer to deferred income	16,227	(17,535)
Project expenses	50,984	50,337
	=====	=====
	237,579	210,481
	=====	=====
Expenditure on charitable activities	773,149	748,142
	=====	=====



HOSTELLING INTERNATIONAL NORTHERN IRELAND ANNUAL REPORT 2018

(Company limited by Guarantee)

OVERNIGHTS - HOSTELS

	'15	'16	'17	'18	'19
Belfast	38,092	41,268	41,566	41,102	36,527
Whitepark Bay	6,796	6,480	6,800	6,650	6,217
Armagh	2,159*	2,756*	2,642*	969*	920*
Bushmills	6,810	7,439	5,746	6,993	5,930
Derrygonnelly	174*	-	-	-	-
TOTAL	51,797	54,031	57,943	56,754	49,594

	'15	'16	'17	'18	'19
Memberships	1799	1800	1766	1708	1,713

* Affiliate overnights



HOSTELLING INTERNATIONAL NORTHERN IRELAND ANNUAL REPORT 2018

(Company limited by Guarantee)

	2017	2018	2019		2017	2018	2019
Afghanistan	0	0	2	Luxembourg	38	57	49
Argentina	141	104	137	Malaysia	593	414	223
Australia	898	1552	1005	Malta	28	39	19
Austria	206	150	206	Mexico	112	36	81
Bangladesh	132	73	70	Morocco	0	6	3
Basque	901	383	289	Netherlands	1153	1089	805
Belgium	217	282	215	New Zealand	479	485	577
Bahrain	34	0	0	Nigeria	0	3	0
Brazil	200	194	294	Norway	280	336	182
Bulgaria	21	137	18	Pakistan	64	64	55
Canada	1683	1346	1134	Peru	0	52	4
Chile	25	126	13	Philippines	0	14	2
China	1360	553	418	Poland	482	350	403
Columbia	1	3	21	Portugal	758	497	363
Croatia	55	67	0	Romania	90	56	105
Cyprus	19	35	5	Russia	245	139	96
Czech Rep	109	455	491	Scotland	2881	3024	2525
Denmark	580	286	286	Serbia	0	13	0
Egypt	24	1	18	Singapore	973	483	265
Estonia	0	0	32	Slovakia	173	140	69
Eng& Wales	5439	7087	5907	Slovenia	183	124	109
Finland	278	193	180	South Africa	144	119	135
France	4356	4642	4533	Spain	2576	2275	1931
Germany	4583	5777	4697	Sri Lanka	69	0	0
Greece	29	17	0	Sweden	325	220	317
Hong Kong	187	219	88	Switzerland	301	353	366
Hungary	8	40	45	Syria	34	9	20
Iceland	171	112	58	Taiwan	178	113	144
India	419	271	235	Thailand	58	51	21
Indonesia	0	31	15	Turkey	80	126	159
Iran	57	38	36	Ukraine	0	25	0
Iraq	23	12	0	Uruguay	6	0	8
N Ireland	9618	9778	9297	USA	4515	4563	4658
Rep Ireland	4600	4162	4704	Unspecified	0	4	12
Israel	171	98	74	TOTAL	56754	55714	49594
Italy	1219	1074	845				
Japan	2152	994	453				
Kuwait	0	0	4				
S Korea	131	20	30				
Lithuania	52	12	4				



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