

COMPANY REGISTRATION NUMBER: NI01147

CHARITY REGISTRATION NUMBER: NIC103612

**Youth Hostel Association of Northern Ireland Limited**  
**Company Limited by Guarantee**  
**Financial Statements**  
**31 December 2018**



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# **Youth Hostel Association of Northern Ireland Limited**

**Company Limited by Guarantee**

## **Financial Statements**

**Year ended 31 December 2018**

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# Youth Hostel Association of Northern Ireland Limited

## Company Limited by Guarantee

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

#### Year ended 31 December 2018

The directors, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 December 2018.

#### Reference and administrative details

**Registered charity name** Youth Hostel Association of Northern Ireland Limited

**Charity registration number** NIC103612

**Company registration number** NI01147

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

#### The directors

N P Brady  
P Cregg  
V K Douglas  
T Greene  
M J Howse  
Mrs J Hill  
Ms N Cherry  
Mr A Todd

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

**Bankers** Danske Bank  
University Road  
Belfast  
BT7 1ND

**Solicitors** Cleaver Fulton Rankin  
50 Bedford Street  
Belfast  
BT2 7FW

# **Youth Hostel Association of Northern Ireland Limited**

## **Company Limited by Guarantee**

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

**Year ended 31 December 2018**

#### **Structure, governance and management**

##### **Organisational and Decision Making Structure**

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

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

##### **Relationships with other Associations and Charities**

The Association regularly sends representatives to NICVA, Equality Commission and Community Foundation events. It has good working relationships with other charities in Northern Ireland; in 2018 this was Orchardville nad CRUSE Bereavement in particular. 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 on these islands. As such, YHANI, An Oige, 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.

##### **Objectives and activities**

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

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

# Youth Hostel Association of Northern Ireland Limited

## Company Limited by Guarantee

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

#### Year ended 31 December 2018

#### Achievements and performance

##### Activities over the past year and plans for the future

YHANI showed a surplus of £17,427 at Year End which was another very solid performance; the fifth year in a row in which a surplus has been made. There were close to 56,000 overnight stays across the network in 2018, up slightly on the year before. Can I give my sincere thanks to all YHANI staff, volunteers and members, whose outstanding efforts and commitment have made this continued success possible.

Thanks to this continued stability, the Programmes Division operated for a full year for the first time in some years in 2018, achieving some great things which you can read about in detail in the separate Programmes Report section.

I would like to highlight from the Programmes Report the visit we had from the German Youth Hostel delegation and the cross border project we delivered in conjunction with An Oige. Relationships across borders is fundamental to the ethos of Youth Hostelling. Our CEO also attended the International Youth Hostelling conference in Iceland in order to strengthen and further our global relationships.

In 2018 we formed a partnership with a local charity named Orchardville, which supports people with learning disabilities. Two people recommended by Orchardville are now staff members at the Belfast Youth Hostel.

We also spread our free wi-fi coverage throughout the Belfast Youth Hostel, including in guest bedrooms. There are plans to do the same for Bushmills and White Park in 2019.

In 2018 we spent considerable time engaged in a strategic planning process. This was approved for delivery in time for Q1 2019. One of the operational goals for 2019 will be to add another 6 bed guest room to the Belfast Hotel.

Like many organisations in the UK, YHANI is mindful of the possible impact that Brexit could have on it. We are keeping a close eye on forward bookings as well as liaising closely with the other Youth Hostel Associations in the UK and Ireland on the matter.

Lastly, can we give my sincere thanks to the YHANI Council for their hard work and attendance during 2018. This commitment required a significant call on their time for which we are all most grateful.

#### Performance

The accounts for 2018 showed a surplus of £17,427, up more than £10k on the previous year.

The main reason for the upturn was Bushmills' improved performance. A longstanding contract we had with Moy Park for their migrant workers to stay at Bushmills came to an end in 2017 at quite short notice. As we knew we would not have this contract in good time for 2018, we were able to plan accordingly, hence Bushmills' improved performance.

Overall accommodation income rose by £9,852 (a little more than 1% up), actual overnight stays rose by the same %.

Wages and salaries stayed flat on 2017, despite the rise in Living Wage, this was because we were able to reduce reliance on agency staff in 2018.

# Youth Hostel Association of Northern Ireland Limited

## Company Limited by Guarantee

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

#### Year ended 31 December 2018

Heat and Light expenses increased by 8% on 2017 (£5,049), this was due to industry wide price rises.

Repair and Maintenance expenditure was down on 2017 (£7,029 or 9%).

Most other income and expenditure headings were similar to the year before.

#### Programmes Report

After its revival in 2017 we can confidently say that our programmes division is working well and although we work with new partners, new grants and new ideas our mission remains the same: promote a world that's defined by a local and global understanding valuing each person as critical for a sustainable environment, cultural diversity and shared community.

Taking up the challenge we entered the Belfast City Council organised "Great Belfast Brush Off" competition in August. On two consecutive days we organised a walking tour which was combined with a litter picking activity. Approximately 10 international guests from the Netherlands, Rumania and Germany collected approximately 9kg of rubbish found on the streets of the Sandy Row neighbourhood. Following this we were nominated as runner ups for the Great Belfast Brush Off prize and took home a £50 voucher for Lidl.

We welcomed Raluca Ionescu from Munich, Germany to our team from August till October 2018. The internship she did with us in the programmes division counted towards her studies of becoming a qualified teacher. She was a wonderful addition to our team and contributed massively to our goals.

The first run of our cross-community project Good Neighbours was successfully carried out in September and October 2018. Over two residentials 50 young people from North Coast Integrated College in County Derry/Londonderry and Gairmscoil Chu Uladh in Donegal got to know each other's life stories, were able to engage with each other in a range of different activities and learned that friendship and good craic knows no borders.

The students who were part of our Good Neighbours project also took part in the Hostelling International project called "Sleep for Peace" during their residential in Bushmills. A short workshop about intercultural understanding across borders was carried out by An Oige staff member Roy Murray who collected filled out postcards which were then sent to the UN Head Quarter in New York. This project, which is carried out throughout communities in countries having a HI association, takes place every year around the UN International Day for Peace (21st September). Back in Belfast the postcard activity was brought to the Queen's University Fresher's Fair at our YHANI stall.

In October 2018 we were visited by a delegation of senior staff from the German Youth Hostel Association. Visiting the Dublin Hostel and Head Quarters of An Oige they made their way up to Northern Ireland and visited all our Hostels between other touristic agenda points. We spent some very interesting few days with them and enjoyed the intercultural and collegiate spirit of the trip. Due to the positive experience they have had both associations are now in talks about a second trip again this year in in October.

A date in the calendar which is highly anticipated by everyone is the yearly Staff Day. On the 21st of November our cross-departmental group first enjoyed a wonderful lunch at The Dock Café and then visited the infamous Titanic Museum. A fantastic day which was filled with fun and a newfound sense of belonging to a team and in such a culturally rich city.

HI Connect is a project organised by HI Worldwide and aims at giving staff the opportunity to learn in and from other associations' hostel practise. Phillip, who is one of our longest reception staff member, signed up to spend 10 days in the International hostel in Berlin City. He came back with a suitcase full of new experiences and friends.

# **Youth Hostel Association of Northern Ireland Limited**

## **Company Limited by Guarantee**

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

#### **Year ended 31 December 2018**

Our Provident funded programme "GATHER" supported a total of 26 community groups last year and thereby reached its target. We are glad to have cooperated with groups from such diverse backgrounds and areas of work, e.g.:

- " Dance and Drama (Pangur Ban, DU Dance, Street Beat)
- " Adoption and Care (Ardrath Childrens Home, Adoption UK)
- " LGBTQ+ youth (Out&About, NI LGBTQ+ Youth Forum)
- " Sport (Sutiluship, Sport Changes Lives)
- " Homelessness (DePaul), Disability (Playtrail)
- " and most prevalent Youth Work with the most marginalised young people across NI (Reach Across, Youth Initiatives, Artillery Youth Centre, Girls and Boys Club, YouthAction NI, Glenparent Youth, Roe Valley, Springboard Opportunities, Upper Springfield Youth Club).

Our relationship with Provident Financial continues to be positive and we have confirmation that the programme is to be continued at least until 2020.

#### **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 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. As part of the strategic planning process in 2018, a need for an organisational risk register was identified and this will be developed in 2019.

#### **Volunteer Initiatives**

There is a volunteer led walking tour which leaves the Belfast Hostel each weekend and also weekdays in the summer. In 2018 we welcomed an international volunteer, Raluca, for the first time in some years.

#### **Fundraising**

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

#### **Directors' responsibilities statement**

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

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

# Youth Hostel Association of Northern Ireland Limited

## Company Limited by Guarantee

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

#### Year ended 31 December 2018

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:

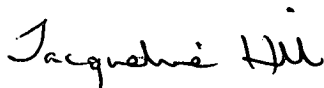
- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of 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 11 June 2019 and signed on behalf of the board of trustees by:



Mrs J Hill  
Director



# **Youth Hostel Association of Northern Ireland Limited**

## **Company Limited by Guarantee**

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

**Year ended 31 December 2018**

#### **Opinion**

We have audited the financial statements of Youth Hostel Association of Northern Ireland Limited (the 'charity') for the year ended 31 December 2018 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 2018 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**

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.

# Youth Hostel Association of Northern Ireland Limited

## Company Limited by Guarantee

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

**Year ended 31 December 2018**

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

#### **Matters on which we are required to report by exception**

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

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

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

# Youth Hostel Association of Northern Ireland Limited

## Company Limited by Guarantee

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

**Year ended 31 December 2018**

#### **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.
- 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.

## Youth Hostel Association of Northern Ireland Limited

### Company Limited by Guarantee

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

### Year ended 31 December 2018

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.

*Elaine Mullholland*

Ms Elaine Mullholland (Senior Statutory Auditor)

For and on behalf of  
Johnston Graham Limited  
Chartered accountants & statutory auditor

216/218 Holywood Road  
Belfast  
BT4 1PD

11 June 2019

# Youth Hostel Association of Northern Ireland Limited

## Company Limited by Guarantee

### Statement of Financial Activities (including income and expenditure account)

Year ended 31 December 2018

		Unrestricted funds £	2018 Restricted funds £	Total funds £	2017 Total funds £
	Note				
<b>Income and endowments</b>					
Donations and legacies	5	–	41,535	<b>41,535</b>	59,402
Other trading activities	6	724,034	–	<b>724,034</b>	717,688
<b>Total income</b>		<u>724,034</u>	<u>41,535</u>	<u><b>765,569</b></u>	<u>777,090</u>
<b>Expenditure</b>					
Expenditure on charitable activities	7,8	706,607	41,535	<b>748,142</b>	770,386
<b>Total expenditure</b>		<u>706,607</u>	<u>41,535</u>	<u><b>748,142</b></u>	<u>770,386</u>
<b>Net income and net movement in funds</b>		<u>17,427</u>	<u>–</u>	<u><b>17,427</b></u>	<u>6,704</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		1,885,124	370,964	<b>2,256,088</b>	2,249,384
<b>Total funds carried forward</b>		<u>1,902,551</u>	<u>370,964</u>	<u><b>2,273,515</b></u>	<u>2,256,088</u>

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

# Youth Hostel Association of Northern Ireland Limited

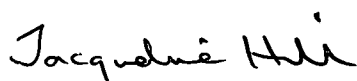
Company Limited by Guarantee

## Statement of Financial Position

31 December 2018

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible fixed assets	13	2,217,349	2,278,203
<b>Current assets</b>			
Stocks	14	5,733	5,834
Debtors	15	41,012	29,447
Cash at bank and in hand		206,431	206,554
		<u>253,176</u>	<u>241,835</u>
<b>Creditors: amounts falling due within one year</b>	16	<u>164,653</u>	<u>196,420</u>
<b>Net current assets</b>		<u>88,523</u>	<u>45,415</u>
<b>Total assets less current liabilities</b>		<u>2,305,872</u>	<u>2,323,618</u>
<b>Creditors: amounts falling due after more than one year</b>	17	<u>32,357</u>	<u>67,530</u>
<b>Net assets</b>		<u><u>2,273,515</u></u>	<u><u>2,256,088</u></u>
<b>Funds of the charity</b>			
Restricted funds		370,964	370,964
Unrestricted funds		1,902,551	1,885,124
<b>Total charity funds</b>	19	<u><u>2,273,515</u></u>	<u><u>2,256,088</u></u>

These financial statements were approved by the board of trustees and authorised for issue on 11 June 2019, and are signed on behalf of the board by:



Mrs J Hill  
Director

# Youth Hostel Association of Northern Ireland Limited

## Company Limited by Guarantee

### Statement of Cash Flows

Year ended 31 December 2018

	2018 £	2017 £
<b>Cash flows from operating activities</b>		
Net income	17,427	6,704
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	60,854	62,812
Interest payable and similar charges	11,822	11,776
<i>Changes in:</i>		
Stocks	101	201
Trade and other debtors	(11,565)	32,106
Trade and other creditors	(31,767)	2,047
Cash generated from operations	46,872	115,646
Interest paid	(11,822)	(11,776)
Net cash from operating activities	<u>35,050</u>	<u>103,870</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	—	(8,981)
Net cash used in investing activities	<u>—</u>	<u>(8,981)</u>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	(35,173)	(34,439)
Net cash used in financing activities	<u>(35,173)</u>	<u>(34,439)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(123)</b>	<b>60,450</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>206,554</b>	<b>146,104</b>
<b>Cash and cash equivalents at end of year</b>	<b><u>206,431</u></b>	<b><u>206,554</u></b>

# Youth Hostel Association of Northern Ireland Limited

## Company Limited by Guarantee

### Notes to the Financial Statements

Year ended 31 December 2018

#### 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.

##### Judgements and key sources of estimation uncertainty

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

##### Fund accounting

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

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

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



# Youth Hostel Association of Northern Ireland Limited

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 December 2018

#### 3. Accounting policies *(continued)*

##### Incoming resources

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

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

##### Resources expended

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

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

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

##### Tangible assets

All fixed assets are initially recorded at cost.

# Youth Hostel Association of Northern Ireland Limited

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 December 2018

#### 3. Accounting policies *(continued)*

##### Depreciation

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

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

##### Impairment of fixed assets

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

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

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

##### Stocks

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

##### Financial instruments

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

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

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

##### Defined contribution plans

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

# Youth Hostel Association of Northern Ireland Limited

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 December 2018

#### 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

	Restricted Funds £	Total Funds 2018 £	Restricted Funds £	Total Funds 2017 £
<b>Donations</b>				
Deferred income	8,733	<b>8,733</b>	8,733	8,733
Provident Community Partners	30,000	<b>30,000</b>	30,000	30,000
Other income	200	<b>200</b>	1,658	1,658
Education Authority	2,602	<b>2,602</b>	11,316	11,316
Department of Foreign Affairs	–	<b>–</b>	7,695	7,695
	<u>41,535</u>	<u><b>41,535</b></u>	<u>59,402</u>	<u>59,402</u>

#### 6. Other trading activities

	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
Members subscriptions	945	<b>945</b>	1,190	1,190
Accommodation fees	700,667	<b>700,667</b>	690,815	690,815
Rent received - Office	9,625	<b>9,625</b>	10,750	10,750
Rent received - Kitchen	6,000	<b>6,000</b>	6,000	6,000
Shop profit	229	<b>229</b>	415	415
Sundry income	4,073	<b>4,073</b>	6,023	6,023
Affiliation fees	2,495	<b>2,495</b>	2,495	2,495
	<u>724,034</u>	<u><b>724,034</b></u>	<u>717,688</u>	<u>717,688</u>

# Youth Hostel Association of Northern Ireland Limited

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

#### 7. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Fundraising trading	537,661	–	537,661
Support costs	168,946	41,535	210,481
	<u>706,607</u>	<u>41,535</u>	<u>748,142</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Fundraising trading	549,873	–	549,873
Support costs	161,111	59,402	220,513
	<u>710,984</u>	<u>59,402</u>	<u>770,386</u>

#### 8. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2018 £	Total fund 2017 £
Fundraising trading	537,661	–	537,661	549,873
Governance costs	–	160,144	160,144	188,421
	<u>537,661</u>	<u>160,144</u>	<u>697,805</u>	<u>738,294</u>

#### 9. Net income

Net income is stated after charging/(crediting):

	2018 £	2017 £
Depreciation of tangible fixed assets	<u>60,854</u>	<u>62,812</u>

#### 10. Auditors remuneration

	2018 £	2017 £
Fees payable for the audit of the financial statements	<u>4,850</u>	<u>4,900</u>

#### 11. Staff costs

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

	2018 £	2017 £
Wages and salaries	345,190	340,405
Social security costs	26,669	26,292
Employer contributions to pension plans	7,390	6,736
	<u>379,249</u>	<u>373,433</u>

# Youth Hostel Association of Northern Ireland Limited

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 December 2018

##### 11. Staff costs *(continued)*

The average head count of employees during the year was 19 (2017: 19). The average number of full-time equivalent employees during the year is analysed as follows:

	2018 No.	2017 No.
Number of staff	<u>19</u>	<u>19</u>

No employee received employee benefits of more than £60,000 during the year (2017: Nil).

The Council of Management received no remuneration in the year (2016 - 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>				
<b>At 1 January 2018 and 31 December 2018</b>	<u>3,223,471</u>	<u>66,763</u>	<u>507,457</u>	<u>3,797,691</u>
<b>Depreciation</b>				
At 1 January 2018	976,952	65,230	477,306	1,519,488
Charge for the year	44,930	710	15,214	60,854
<b>At 31 December 2018</b>	<u>1,021,882</u>	<u>65,940</u>	<u>492,520</u>	<u>1,580,342</u>
<b>Carrying amount</b>				
<b>At 31 December 2018</b>	<u>2,201,589</u>	<u>823</u>	<u>14,937</u>	<u>2,217,349</u>
At 31 December 2017	<u>2,246,519</u>	<u>1,533</u>	<u>30,151</u>	<u>2,278,203</u>

##### 14. Stocks

	2018 £	2017 £
Raw materials and consumables	<u>5,733</u>	<u>5,834</u>

##### 15. Debtors

	2018 £	2017 £
Other debtors	<u>41,012</u>	<u>29,447</u>

# Youth Hostel Association of Northern Ireland Limited

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

#### 16. Creditors: amounts falling due within one year

	2018	2017
	£	£
Bank loans and overdrafts	31,830	31,830
Trade creditors	38,946	36,617
Other creditors	93,877	127,973
	<u>164,653</u>	<u>196,420</u>

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

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

	2018	2017
	£	£
Bank loans and overdrafts	<u>32,357</u>	<u>67,530</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 £7,390 (2017: £6,736).

#### 19. Analysis of charitable funds

##### Unrestricted funds

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

	At 1 January 2017	Income	Expenditure	At 31 December 2017
	£	£	£	£
Unrestricted Fund	<u>1,878,420</u>	<u>717,688</u>	<u>(710,984)</u>	<u>1,885,124</u>

# Youth Hostel Association of Northern Ireland Limited

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 December 2018

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

##### Restricted funds

	At 1 January 2018	Income	Expenditure	At 31 December 2018
	£	£	£	£
Restricted Fund	<u>370,964</u>	<u>41,535</u>	<u>(41,535)</u>	<u>370,964</u>

	At 1 January 2017	Income	Expenditure	At 31 December 2017
	£	£	£	£
Restricted Fund	<u>370,964</u>	<u>59,402</u>	<u>(59,402)</u>	<u>370,964</u>

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

#### 20. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Tangible fixed assets	1,846,384	370,964	2,217,348
Current assets	253,176	—	253,176
Creditors less than 1 year	(164,652)	—	(164,652)
Creditors greater than 1 year	(32,357)	—	(32,357)
<b>Net assets</b>	<u>1,902,551</u>	<u>370,964</u>	<u>2,273,515</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Tangible fixed assets	1,907,239	370,964	4,556,406
Current assets	241,835	—	483,670
Creditors less than 1 year	(196,420)	—	(392,840)
Creditors greater than 1 year	(67,530)	—	(135,060)
<b>Net assets</b>	<u>1,885,124</u>	<u>370,964</u>	<u>4,512,176</u>

#### 21. 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.