



Company number 02250706

Charity number 1117014

**International Youth Hostel Federation  
(Operating as Hostelling International)**

**Annual Report and Financial Statements for the  
Year Ended 31 December 2023**

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Registered Charity (in England & Wales) No. 1117014 | Company No. 02250706**

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## REPORT OF THE BOARD OF TRUSTEES

### ABOUT HOSTELLING INTERNATIONAL

International Youth Hostel Federation (operating as Hostelling International and referred to throughout this report as “HI” or “IYHF”) is a registered charity and non-governmental, not-for-profit organisation representing fifty eight Member Associations (MAs) and one Associate Organisation from all over the world. It is one of the world’s largest youth membership organisations and it is recognised by UNESCO (United Nations Educational Scientific and Cultural Organisation).

HI is the only global network of Youth Hostel Associations. Its nearly 3.6 million member travellers have a choice of over 3,000 hostels worldwide, all of which work with a set of internationally assured quality standards. HI’s membership savings programme also gives access to thousands of travel-related savings.

#### The history of Hostelling International

The concept of hostelling was founded in Germany by Richard Schirrmann, a school teacher, in 1909. He came up with the idea of a network of youth hostels when he and his students were caught in a thunderstorm during an excursion and were offered accommodation in a school. The first official youth hostel opened in Burg Altena in 1912, after which the youth hostel movement grew rapidly. By the summer of 1931 there were 12 Youth Hostel Associations in Europe, operating a total of 2,600 hostels. The International Youth Hostel Federation was founded at the first International Conference in Amsterdam, the Netherlands, in 1932 where Richard Schirrmann was elected the first President.

#### Objects

The purpose of the charity is defined by our charitable object:

“To promote the education of all young people of all nations, but especially young people of limited means, by encouraging in them a greater knowledge, love and care of the countryside and an appreciation of the cultural values of towns and cities in all parts of the world, and as ancillary thereto to provide hostels or other accommodation in which there shall be no distinction of origins, nationality, colour, religion, sex, class, or political opinions and thereby to develop a better understanding of their fellow men, both at home and abroad.”

In other words: we exist to give young people the chance to discover the world, its cultures and fellow people in order to build a more understanding, tolerant, peaceful, environmentally considerate world.

### OBJECTIVES AND ACTIVITIES

HI achieves its mission through its international programmes, Member Associations, and hostels. The HI network has fifty eight Member Associations and one Associate Organisation with over 3,000 hostels, ensuring there is a safe, low-cost base from which young people can explore the world.

HI promotes sustainable hostelling and offers to its Member Associations the HI-Q&S (quality and standards) programme, which seeks to optimise the customer experience and continuous improvement of hostel operations.

## REPORT OF THE BOARD OF TRUSTEES (CONTINUED)

Our website [www.hihostels.com](http://www.hihostels.com) is a content and inspiration hub, signposting travellers to hostels in our network that offer an affordable and sustainable way of travelling internationally.

The Board of Trustees continue to have due regard to the Charity Commission in England and Wales's guidance on public benefit. Through careful management of HI membership income, hihostels.com income and existing funds, HI provides a public benefit by promoting and facilitating international travel for young people through programmes and safe, affordable and sustainable youth hostels.

### VISION AND STRATEGY

In 2022 the HI Strategy working group proposed a strategic direction and plan for the network for the period 2022-26, which was endorsed by the members at the 54<sup>th</sup> conference in September 2022.

The goals for 2026 are:

- Growth in the number of people, overnights and income in our Federation.
- Growth in number of young people recognising and engaging with the HI Brand and Federation.
- Growth in guest satisfaction and quality recognition.
- Growth in Member Associations participation in collaborative projects and programs that strengthen hostelling.
- Increased recognition of HI's leadership in youth travel and sustainable tourism.

The Strategic Priorities to meet these goals are the following:

1. Survive, Then Thrive! - Increase Impact
  - Support Hostelling's Recovery
  - Win More Travellers to Hostelling
  - Differentiate Our Hostels
  - Increase the Visibility of Our Leadership
2. Strengthen Our Fundamentals - Functional capabilities
  - Enhance Collaboration
  - Better Position Our Purposeful Brand
  - Expand Technology
  - More Efficient Governance

### ACHIEVEMENTS AND PERFORMANCE IN 2023

The International Office and network continue to implement the 2022-2026 Strategic Plan designed by the CEO, Management Team and Strategy working group.

In 2023, HI operates its activities under two main teams; Network and Brand, and Technology Services.

## REPORT OF THE BOARD OF TRUSTEES (CONTINUED)

### NETWORK AND BRAND

2023 saw the continuing post-COVID recovery of most Member Associations with travel resuming and visitor numbers recovering. In Europe, North America and Australia 2023 was as good a year, if not better than 2019. In Asia and Africa some travel restrictions remained in place until mid-way through the year.

HI continued to support the global network by facilitating frequent communication and regional calls, organising events, running international programmes, and facilitating the strategic working groups and Board projects.

As part of our ongoing programme of organisational change, working together with the Brand and Strategy Working Groups, we have appointed a brand and digital transformation agency, This Brand Works (TBW).

TBW is helping us modernise our brand and working practices, so that we can meet our beneficiaries where they are, as digital natives, while also adding value to our MA members by ensuring we differentiate ourselves in an increasingly competitive global market place.

The intention is to become a more customer focused organisation able to make decisions based on data and insights. We will clarify and simplify our value proposition(s) and strengthen our positioning by capitalising on our enviable heritage and global scale. The brand element of the project is expected to complete by September 2025 and will be launched at an appropriate time that aligns to digital strategy as it evolves.

### Network events

Critical for communication and strong relationships in the network, face to face meetings are important events organised by HI each year. The European Regional Conference was organised by EUFED (European Union Federation of Youth Hostel Associations) in Israel in March to gather the Presidents and CEOs of our European member associations. Several Board Members of HI, together with our CEO, were in attendance.

In September 2023, HI led the Marketing and Sustainability Forum in Evora, Portugal, where 14 Member Associations were represented by 28 delegates. Participants collaborated on issues such as marketing content planning, global partnerships, HI's digital future, the newly introduced HI standards self-assessment, the reduction of single-use plastics, GTPI (Global Tourism Plastics Initiative) and the Glasgow Declaration.

### Programmes & Membership

Our global programmes continued with the celebration of the UN International Day of Peace on 21 September with our *Say Hi For Peace* programme with engagement from 22 Member Associations and a social media reach of over 400k people in the wider hostelling community.

## **REPORT OF THE BOARD OF TRUSTEES (CONTINUED)**

In 2023, 10 MAs participated in the HI-Connect exchange programme. A total of 20 participants (of which 19 were staff members and 1 was a volunteer) were hosted in a range of hostels from our network, where they had the opportunity to gain a deeper understanding and appreciation of a different culture as well as HI's mission, values and goals, learn new skills or enhance existing ones, and share best practices, innovative ideas, and successful strategies with their colleagues from different parts of the world. 100% of surveyed participants recommend others to participate in HI-Connect, learned words or expressions in a different language, learned something new about tourism and hospitality and report having been inspired personally and professionally. 77.5% report that their understanding of their own cultural values and biases was improved by the exchange program. All of the respondents also claimed that they felt more "part of the international network of HI" since having participated.

The HI membership programme continued to benefit over 3 million member travellers across the HI network with each member association offering discounts at a national level and international discounts offered by partners of HI. With their membership travellers get access to affordable rates in all HI hostels and travel related discounts. HI continued to sell digital memberships on [hihostels.com](https://hihostels.com).

Our member associations also continued to organise programmes for the hostel guests, with hundreds of activities and programmes across the network continuing to offer opportunities to young people of all means to explore the world and meet new people. Examples of programmes include exchange programmes, volunteering, civil service, clean-ups, shared meals, free tours and game nights.

### **Partnerships**

Hostelling International collaborates with charitable organisations, youth groups, educational institutions, and like-minded global brands to advance sustainable tourism initiatives. We are an Affiliate Member of UNWTO (United Nations World Tourism Organization) and a recognised organisation within UNESCO.

We maintain our full membership status in the World Youth Student & Educational (WYSE) Travel Confederation. Through WYSE, which brings together key stakeholders in the youth travel sector and provides access to a global network, events, and focused research, we actively engage in industry dialogues. We have attended their industry events such as STAY WYSE in January and WYSTC in September, fostering connections with stakeholders and exploring potential partnerships.

In 2023, we successfully forged global partnerships with six prominent global brands, enriching travel experiences for our guests and diversifying revenue streams for the HI network. Hostelling International remains committed to promoting sustainable tourism in collaboration with our esteemed global partners.

### **Sustainability & Quality**

HI is actively involved in helping our industry moving forward with the 2030 Sustainable Goals Agenda and is part of the Global Tourism Plastics Initiative and signed the Glasgow Declaration.

## REPORT OF THE BOARD OF TRUSTEES (CONTINUED)

We have continued advancing our HI-Q&S programme by auditing and certifying or recertifying hostels in Switzerland, Belgium, Norway and Portugal. In 2023 we had a total of 364 contracted hostels; 179 HI-Q certified, 190 HI-Q&S certified and 127 in progress (awaiting audits online or onsite in 2024).

We have continued to monitor the overall guest satisfaction of the HI network with our partner ReviewPro and have been pleased to see an overall rating of 82.5% Global Review Index, with a small increase of 0.2%. We have also continued to develop the software partnership with FORM, our new platform that facilitates the audits and self-assessments for both HI Standards and HI-Q&S.

Thanks to our partners, the criteria for HI-Q&S is currently translated and available online in 8 languages: Arabic, English, Finnish, French, German (partial), Portuguese, Romanian and Spanish (in progress), whilst the criteria for HI Standards is currently available in English and Spanish.

### Marketing

We sustained our direct marketing efforts with a monthly newsletter to our 16,000 English subscribers and social media presence to 140,000 followers across all platforms (Facebook, Twitter, Instagram).

With the backdrop of an ambitious brand and digital transformation programme, marketing has mostly continued with business as usual with the notable exception of creating a global content huddle, a space facilitated by HI for Federation Content Creators to meet monthly, exchange ideas and collaborate on projects. With the goal of becoming a collective power house in the digital space through shared amplification and tagging strategies, during 2024 we will launch 2 small user generated content campaigns. These will be soft launches designed to nurture the ground with some key messages around Diversity, Equity, Inclusion, and Belonging (DEIB) and Travel Changing Lives of the Young, in advance of a new brand platform later in the year.

### TECHNOLOGY SERVICES

2023 has been an important year for HI on its transformation. We continued to work with trusted technology partners 934 and have developed our team with the introduction of a part-time digital project manager, and part-time digital marketing executive. In 2024, we are working more closely with technology specialists across the network and moving toward a more agile approach to working which will allow us to access specialist resource, and test digital solutions iteratively as we develop a digital strategy aligned to our strategic objectives.

We continue to collaborate with the Strategy Working Group (consisting of CEOs from several of our Member Associations) and Discover Cloud, a technology partner of the Swiss Youth Hostels, to assess the viability of a digital ecosystem that will connect all Member Associations and refine the customer digital journey from a global perspective.

The hihostels.com website continues to showcase hostels across the IYHF network, inspire our travellers to explore the world, provide content on experiences and sustainable travel, and help travellers find their ideal destination hostel by optimising our search widget. The HI website sends member travellers directly to our Member Associations' own websites for booking but still offers the opportunity for our

## REPORT OF THE BOARD OF TRUSTEES (CONTINUED)

travellers to purchase IYHF membership directly from HI. Hostels are featured on the [hihostels.com](https://hihostels.com) website with individual pages linking to the Member Association's website and booking engine, where available. This website is being reviewed for its ongoing effectiveness as part of the transformation programme and our 2025 strategy will be looking at the best way to modernise its function in keeping with our strategy.

A HI global booking engine Proof of Concept is underway with Australia and Finland Member Associations. This is the first part of our ambitious transformation programme and the concept has been well received by Member Associations as a good opportunity to diversify revenue streams and elevate the customer experience.

### GOVERNANCE AND ADMINISTRATION

#### Board of Trustees

Hostelling International is a registered charity and company limited by guarantee with no share capital, managed by a Board of Trustees. The directors of the charitable company are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees. The Board of Trustees is comprised of up to nine members elected from candidates proposed by HI's Member Associations. Board members serve 4-year terms on a staggered basis meaning that normally only half of the Board seats come up for re-election at each biennial International Conference. The President must stand for election at every International Conference.

The following trustees served on the date this Annual Report was signed, or during the reporting period:

Name (Nationality)	Position	Period of office
Abdusalam El Elarabi Abuehmaera (Libya)	Member	Throughout
Alan Bourne (UK)	Treasurer	Throughout
Hussain Ali Alhababi (Qatar)	Member	Throughout
Miguel Perestrello (Portugal)	Vice President	Throughout
Nicole Sandoval (USA)	Member	Throughout
Sanni Viirto (Finland)	Member	Throughout
Sergio Montoya Ruiz De Angulo (Spain)	Member	Throughout
Stephan Kurmann (Switzerland)	President	Throughout
Uwe Boehm (Germany)	Vice President	Throughout

Throughout 2023 and until the date of signing, the executive team was led by CEO Brianda Lopez.



## **REPORT OF THE BOARD OF TRUSTEES (CONTINUED)**

### **Board of Trustees Selection Process**

Board members are usually current or former trustees or a CEO of a Member Association and are required to be nominated to stand for election by either the Member Association of which they are an individual member or no less than ten other Member Associations. The Board may, but is not obliged to, fill any vacancies that arise. Elections are held at the biennial conference in accordance with our Memorandum and Articles of Association and Rules of Procedure for Conference. Each Trustee may serve up to 8 years - a maximum of 2 terms of four years each – on the Board and then up to an additional 6 years (3 terms of 2 years each) as President.

### **Trustee Induction and Training**

In 2022, newly elected Trustees attended an induction session led by the HI President, Treasurer and CEO. Our accountant and Independent Examiner, MHA, also provided a short reminder session for all Trustees to outline their duties and responsibilities.

### **Organisational and Board Evaluation**

The Charity continues to work towards complying as far as is practical with the Charity Governance Code. At the beginning of 2021 the Board undertook a comprehensive exercise to establish the extent to which HI was following the Code and where improvements were possible. The study confirmed that HI had made considerable progress over recent years with implementing good practice. The key areas which were highlighted as requiring further work were: finalising a new network strategic plan which better emphasised HI's charitable purpose; modernising HI's Board election process to improve its ability to attract trustees with the right skills/expertise and diversity to lead the organisation effectively; and consolidating/establishing good communication channels with the Member Associations. The trustees also undertook a self-assessment of how well the Board was functioning. This concluded that the Board had become much better focused and more effective since the 2020 conference. The key issue raised was the poor diversity represented by Board membership, e.g. only one female trustee and a shortage of younger voices. This was improved by the 2022 elections and is also being addressed by a 'Diversity and Inclusivity' working group as part of the 'HI Aims' project. Other highlighted issues such as a lack of informal discussion and the length of meetings resulted from the move to holding most meetings by video-call. A follow up board evaluation will be conducted in 2025 so that progress can be monitored.

### **Responsibilities of the Board of Trustees**

The role of the Board is governance rather than management. Governance focuses on the wider issues of the organisation and the establishment and monitoring of policy and strategic direction.

The Board works closely in partnership with the Chief Executive Officer (CEO) to ensure that HI's goals are achieved.

The Board may require the CEO to propose new strategies or revise existing strategies for the Board's consideration. Upon approval from the Board, the CEO develops implementation plans and takes the necessary steps to action them. The Board meets on a regular basis to examine progress reports and

## **REPORT OF THE BOARD OF TRUSTEES (CONTINUED)**

supervise performance.

The Board gives direction for the overall operations of HI but is not directly responsible for the day-to-day operations of the organisation - this is the task of the CEO. The Board, however, has the ultimate responsibility for the sound management and financial security of HI.

The Board approves the annual budget prior to the beginning of every financial year and sets a delegation of authority regarding limits on expenditure, contracts etc.

### **Trustees' Indemnity Insurance**

The charitable company has purchased insurance for the trustees and officers of the charity against liability arising from wrongful acts in relation to the charity. The cost of this insurance is not separately available.

### **Key Management Personnel Remuneration**

The key management personnel of the charity comprise the Board of Trustees and the Chief Executive. The Trustees do not receive remuneration. The Chief Executive's remuneration is set by the Board and from time to time they take advice from external recruitment agencies regarding whether that remuneration remains appropriate. The Board does not have a formal remuneration policy. The setting of the pay and conditions of the staff, other than for the CEO, is delegated to the CEO within the constraints of the annual budget and HR policy.

### **Organisational Structure**

At the date of signing, HI has thirteen employees of which eight work part-time. This amounts to 9.9 full-time equivalents. At the head of the team is the CEO.

All staff work remotely from home but meet virtually at least once a week and are brought together for physical team meetings a few times a year.

### **Risk Management**

HI's Risk Management Policy highlights that risk, and its management, is a critical part of the daily operations of HI's business. The Policy requires HI to identify and assess risks, maintain a risk register, and manage and review those risks as part of day-to-day operations. The Board of Trustees are to undertake a full review of the Key Risk Register at least annually.

The key risks for HI identified in May 2024 were:

#### **Strategic Risk**

- Inability to unify the Federation around the HI Strategy and sustainable business model
- Insufficient resilience influence and limited capabilities of the IYHF Network to cope with current and future climate change
- Failure to provide sufficient value to Member Associations and end customers.

## REPORT OF THE BOARD OF TRUSTEES (CONTINUED)

### Governance Risk

- Existing Governance arrangements of HI and/or its Member Associations restrict HI's efficiency in making decisions on behalf of the organisation

### Operational Risk

- Cyber-attack or IT Failure at HI or critical third-party providers.
- Data risk (emerging) of future IYHF ecosystem and HI booking engine and membership sales portal

### Financial Risk

- Major disruption to international travel (e.g. pandemic) or external environment outside HI's control.

The Board is actively looking at ways to mitigate the identified risks through the different strands of the emerging new network strategic plan and associated operational plans.

### Gratitude

The Board would like to take this opportunity to express its thanks to all the volunteers and professionals involved in the international hostelling movement, both those who serve on Member Association Boards of Trustees and those who help with hostel activities. Without their support and assistance, the work to deliver the mission of this global organisation could not take place.

Particular thanks go to our Member, Hostelling International Norge whose staff carried out HI Quality and Sustainability audits following training provided by HI staff. Two weeks of staff time was donated by HI Norge, the value of this time is estimated as £1,594.

### Finance

Total Incoming Resources in 2023 amounted to £633,149 (2022 £1,578,639), income in the prior year included £941,342 in relation to the profit on the sale of the hostel in Lima, Peru. Leaving aside this one-off income from the property sale, income decreased by £4,148 year on year.

56% of HI's 2023 budgeted income (53% in 2022) was from membership fees. By the end of 2023, 92% of the 2022 fees and 90% of the 2023 fees had been paid. At the end of 2022, outstanding membership fees relating to all years amounted to £138,821 this remained at a similar level of £138,418 by the end of 2023.

Total Resources Expended (before gains and losses on investments) amounted to £631,807 (2022 £629,150) representing an increase of 0.4% year on year.

In 2023, no donations-in-kind were received from Google Grants (representing free online advertising costs), compared to £1,132 received in 2022

Net gains on investment assets were £58,720 (2022 £83,711 loss) reflecting a welcomed year end recovery in the money markets.

## REPORT OF THE BOARD OF TRUSTEES (CONTINUED)

The 2023 net movement in funds was a £60,062 increase in reserves compared to an increase of £865,778 in 2022 (following the sale of a property in Lima). Hence HI's reserves increased from £1,499,409 to £1,559,471 during 2023.

### Fundraising

HI has not engaged in any fundraising activities, or with any professional fund-raisers.

The Charity is not registered with the Fundraising Regulator, did not receive any complaints during the year, and does not interact with vulnerable people through its fundraising activities.

### Investment Policy

Following the sale of the Lima hostel in December 2022, the Board agreed that £800,000 of the proceeds that HI did not need access to in the short-term should be transferred to our investment managers, Brewin Dolphin. Later in the year, fees received from Member Associations were placed on short term fixed deposits with HSBC, to take advantage of favourable interest rates. During 2023 HI neither passed surplus cash across to Brewin Dolphin nor needed to sell investments for cash.

As at the end of 2023, £1,353,850 (2022 £478,377 ) was invested with 62% held in equities (69% in 2022), 17% in bonds (14% in 2022), and 21% in a mix of other investment types (17% in 2022). Hostelling International's investment policy seeks to maintain purchasing power and achieve long-term capital growth of UK inflation (RPI) plus 3% while operating with an average/moderate risk (Brewin Dolphin category 6) tolerance.

In accordance with our mission to build a more understanding, tolerant, peaceful, and environmentally considerate world described on page 3, HI's investment policy seeks to be culturally and ethically sensitive and as such screens out investment in certain types of companies whose activities conflict with HI's objects and the environmental principles of HI's Sustainability Charter. This policy precludes direct investment in companies that generate more than 10% of revenues from tobacco, alcohol, nuclear energy, pornography or armaments.

The yield from dividends in 2023 amounted to £19,005 (£10,578 in 2022).

### Reserves Policy

The total funds of the charity at 31 December 2023 were £1,559,471 (2022 £1,499,409), of which restricted funds amounted to £12,975 (2022 £12,856).

HI's Reserves Policy specifies both minimum and maximum levels of "free reserves" which the organisation should aim to stay within. Free Reserves are defined as our unrestricted funds less tangible fixed assets. The lower threshold is set as being the annual operating expenditure – a level deemed to be sufficient to withstand the occurrence of any of HI's high-risk scenarios as documented in its risk register. The worst-case financial modelling surrounding the effects of the pandemic undertaken at the beginning of 2021 gave us a benchmark. The upper threshold is set at twice the annual operating

## REPORT OF THE BOARD OF TRUSTEES (CONTINUED)

expenditure and aims to signal the point at which HI may be accumulating reserves unnecessarily and hence missing opportunities to deliver public benefit in accordance with its mission.

Based on the 2023 budget, the policy sets our upper reserves threshold at £1.3m and the lower threshold at £657k. At the 2023 year-end, our free reserves stood at £1.5m and hence 16% above the upper threshold set by the reserves policy. In 2024, the Board has approved expenditure of up to £100,000 to progress HI's Brand and Digital Transformation Project and continues to review opportunities that would bring HI's reserves below the upper threshold.

HI aims to set and achieve a balanced budget each year. We then rely on the capital growth of our investments over the medium to longer term to at least match inflation to maintain the real value of our reserves and this was achieved in 2023.

### Going Concern

In order to confirm that HI is a going concern, the Board has considered what could happen to its reserves if 'worst-case' scenarios were to materialise. HI's risk register states our key financial risk is a "major disruption to international travel (e.g. pandemic) or external environment outside HI's control". Our recent experience of the Covid19 pandemic helpfully gives us a benchmark for what could happen as well as pointing to what we might do differently in similar circumstances. However, the Board is mindful that such an event happening so soon after Covid19 could play out differently particularly as the Member Associations on whom we depend on are, to varying degrees, still in recovery mode.

In 2021 we received around 75% of the fees due for that year despite most Member Associations having limited trade during the year. If this was to be repeated, we could cover at least 40% of our core costs from received fees, leaving a shortfall of £350k to fund from reserves. With free reserves of at least £1.5m to cover for unpaid fees, this would be sufficient to cover budgeted costs for three years even if the value of investments fell by 25% (as happened in 2020). In the extreme scenario of no income from members, we have sufficient reserves to cover two years of expenditure before allowing for any short-term savings we might be able to make.

The Trustees agreed that they are satisfied they have a reasonable expectation that the organisation has adequate resources to continue in operational existence for the foreseeable future and that the use of the going concern basis of accounting is appropriate in preparing the annual financial statements. The trustees do not consider liquidity to be a material financial risk as the charitable company has sufficient funds, represented by accessible fixed term cash deposits, or investments managed by Brewin Dolphin that can be made available to HI with one week's written notice should received income from members be substantially lower than expected. Accordingly, the Charity is not aware of any material uncertainties that exist over its ability to continue as a going concern.

### Plans for the Future

The Board believes HI's mission and values are more relevant than ever considering the increasing threat of climate change, political and ideological divisions around the world, and declining mental health among youth. HI is uniquely placed to support on these issues by connecting local communities,

## REPORT OF THE BOARD OF TRUSTEES (CONTINUED)

young people and youth organisations, and implementing the Sustainable Development Goals. This emphasises the need to work towards a new strategy and adapt it to the new circumstances in order to protect HI and its network and ensure a bright future for hostelling.

In the meantime, HI continues to progress pillars of the 5-year transition strategy that was presented at Conference 2022 by the Strategy Working Group. Strategic projects and actions undertaken by the HI office, Board and Member Associations have collectively in 2023, and continuing in 2024, contributed to one of the following three pillars:

- **Recovery & Renewal**

This strategic area presents a set of priorities designed to help Member Associations and the HI office collaborate to recover faster from the COVID-19 pandemic and position the federation to strengthen its role in the travel sector and the delivery our mission in ways valued by young people, particularly 18 to 30-year-olds seeking to travel.

- **Brand with a Social Mission (Purposeful Brand)**

This strategic area presents a set of priorities designed to harness the true potential of the HI brand and showcase a strong brand with a recognized social mission that appeals to young people, whilst remaining 'open to all'.

- **Organisational Services that Increase HI's Social Impact**

This strategic area establishes the priorities for services offered within the HI federation that support the ability to deliver its mission and achieve a measurable social impact. It includes services that enable HI to operate as a charitable organization, and optional services that involve additional fees or commissions to cover their costs.

This strategy and this new HI, aim to do things in a different way together with our members. The key drivers that will be necessary to ensure successful delivery of the strategy and a stronger organisation are, amongst others; collaboration, digital transformation, innovation, a focus on young people and a customer centric approach

In 2023, the Strategy WG met regularly to advance on the key strategic areas and made good progress, especially, regarding Digitalisation and Brand.

## REPORT OF THE BOARD OF TRUSTEES (CONTINUED)

The strategy is complemented by a number of Board Projects that are being progressed by Working Groups led by Board members, as follows:

- **HI Aims:** Under the HI values, this project focuses to advance and provide clarification and understanding around Diversity, Equity, Inclusion and Belonging (DEIB) and to create a policy and key targets in this area. This includes progressing the objective of launching a Youth Panel.
- **Federation Expansion and Membership Concept:** A project to look at ways to explore how to expand our Federation both geographically and through our membership categories. This project also aims to identify and identify a new structure for membership fees and voting rights.
- **HI Registered Office:** A project to address a Conference motion to investigate the benefits and disadvantages surrounding moving the registered address of Hostelling International from the United Kingdom into the European Union and to report its conclusions to the Member Associations by the 2024 conference at the latest.
- **HI Conference Criteria:** A project focused on delivering a fair and transparent process and criteria to support the Board of HI selecting future venues for international conferences.
- **Modernising Governance –** Identifying changes to HI's governance documents aimed at streamlining the organisation's strategic decision making processes.

The strategy will help HI and the network to evolve and strengthen together as a federation, in an innovative and collaborative way. Within the strategy there are projects that will be key to the future of HI such as a new Web Service proposal where digitalisation will play a key role within our federation to achieve our goals and fulfil the mission. Other key projects are modernising our governance model, enhance our programmes and work towards SDGs.

We continue the journey that will help HI navigate the unpredictable, whilst laying the foundations for a stronger, more relevant, inspirational organisation.

The Report of the Board of Trustees was approved and signed on behalf of the Board by



**Stephan Kurmann**  
President

22 07 2024



**Alan Bourne**  
Treasurer

22 07 2024

## TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees (who are also directors of International Youth Hostel Federation for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland."

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (Statement of Recommended Practice);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



# **INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS OF INTERNATIONAL YOUTH HOSTEL FEDERATION**

## **Independent Examiner's Report to the Trustees of INTERNATIONAL YOUTH HOSTEL FEDERATION ('the Charity')**

I report to the charity Trustees on my examination of the accounts of the Charity for the year ended 31 December 2023.

### **Responsibilities and Basis of Report**

As the Trustees of the company (and also its directors for the purposes of company law), you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for Independent Examination, I report in respect of my examination of the Charity's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act') and in carrying out my examination, I have followed the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

### **Independent Examiner's Statement**

Since your charity's gross income exceeded £250,000 your examiner must be a member of body listed in section 145 of the 2011 Act. I can confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Company as required by Section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of Section 396 of the 2006 Act other than the requirement that the accounts give a true and fair view which is not a matter considered as part of an Independent Examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102)).

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTERNATIONAL YOUTH HOSTEL FEDERATION (CONTINUED)

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed:



Rachel Doyle

Dated:

22/7/24

ACA FCCA DChA

MHA

Chartered Accountants

MHA House

Charter Court

Swansea Enterprise Park

Swansea

SA7 9FS

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313).

## FINANCIAL STATEMENTS

### STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2023 (INCLUDING THE INCOME & EXPENDITURE ACCOUNT)

		Unrestricted	Restricted	Total	(Note 21) Total
		Funds	Funds	Funds	Funds
	Note	2023	2023	2023	2022
		£	£	£	£
<b>INCOME FROM:</b>					
Donations		1,171	119	1,290	6,242
Grants received		-	-	-	-
Charitable activities	3	598,577	-	598,577	615,993
Other trading activities		2,382	-	2,382	4,382
Investment income	2	30,900	-	30,900	10,582
Other income		-	-	-	98
Profit on Sale of Property	10	-	-	-	941,342
<b>Total Income</b>		<b>633,030</b>	<b>119</b>	<b>633,149</b>	<b>1,578,639</b>
<b>EXPENDITURE ON:</b>					
Raising funds		805	-	805	2,023
Investment management costs		7,983	-	7,983	2,211
Charitable activities					
Network & Brand	4	443,897	-	443,897	439,996
Web Services	4	179,122	-	179,122	184,920
<b>Total Resources Expended</b>		<b>631,807</b>	<b>-</b>	<b>631,807</b>	<b>629,150</b>
Net income before investment gains / (losses)		1,223	119	1,342	949,489
Net gains / (losses) on investment assets	9	58,720	-	58,720	(83,711)
<b>NET MOVEMENT IN FUNDS</b>		<b>59,943</b>	<b>119</b>	<b>60,062</b>	<b>865,778</b>
Total funds brought forward	14, 15	1,486,553	12,856	1,499,409	633,631
Total funds carried forward	14, 15	1,546,496	12,975	1,559,471	1,499,409

All operations are classed as continuing.

The notes on pages 22 to 33 form part of these financial statements.

## BALANCE SHEET AS AT 31 DECEMBER 2023

	<u>Note</u>	<u>2023</u> £	<u>2022</u> £
<b>FIXED ASSETS</b>			
Tangible fixed assets	10	21,440	40,822
Investments	9	1,353,850	478,377
Total Fixed Assets		1,375,290	519,199
<b>CURRENT ASSETS</b>			
Stock		2,363	3,169
Debtors	11	73,322	85,792
Cash held for investment	12	15,231	11,095
Cash at bank and in hand	12	197,083	1,143,595
Total Current Assets		287,999	1,243,651
<b>CREDITORS:</b> Amounts falling due within one year	13	103,818	263,441
<b>NET CURRENT ASSETS</b>		184,181	980,210
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,559,471	1,499,409
<b>TOTAL NET ASSETS</b>		1,559,471	1,499,409
<b>THE FUNDS OF THE CHARITY</b>			
Unrestricted funds			
General fund	14	1,546,496	1,486,553
Restricted funds	14	12,975	12,856
		1,559,471	1,499,409

The accompanying accounting policies and notes form an integral part of these financial statements.

For the year ended 31 December 2023, the company was entitled to exemption under section 249a(1) of the Companies Act 1985. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249b(2).

The members acknowledge their responsibility for:

- (i) Ensuring the company keeps accounts records which comply with section 221; and
- (ii) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts so far as applicable to the company.

Approved and authorised for issue on behalf of the Board of Hostelling International (Company number: 02250706) by



Stephan Kurmann, President



Alan Bourne, Treasurer

Approved by the Board of Trustees on Monday 22<sup>nd</sup> July 2024

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

	<u>2023</u> £	<u>2022</u> £
<b>Net cash flows from operating activities</b>	(152,310)	128,717
<b>Cash flows from investing activities:</b>		
Investment income received	30,900	10,582
Proceeds from sales of fixed assets	-	957,141
Purchase of property, plant and equipment	(4,213)	(46,166)
Proceeds from sale of investments	525,153	119,011
Purchase of investments	(1,341,906)	(143,497)
<b>Net cash flows from investing activities</b>	<u>(790,066)</u>	<u>897,071</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>	(942,376)	1,025,788
<b>Cash and cash equivalents at beginning of year</b>	1,154,690	128,902
<b>Cash and cash equivalents at the end of the year</b>	<u>212,314</u>	<u>1,154,690</u>
<b>Being:</b>		
Cash held for investment	15,231	11,095
Cash at bank and in hand	<u>197,083</u>	<u>1,143,595</u>
	<u>212,314</u>	<u>1,154,690</u>

### Reconciliation of net expenditure to net cash flow from operating activities

	<u>2023</u> £	<u>2022</u> £
<b>Net expenditure as per the statement of financial activities</b>	60,062	865,778
<b>Adjustments for:</b>		
Depreciation charges	23,595	9,824
(Gain) on disposal of fixed assets	-	(941,440)
Losses / (gains) on investments	(58,720)	83,711
Dividends, interest and rents from investments	(30,900)	(10,582)
Decrease in stocks	806	2,023
Decrease / (increase) in debtors	12,470	132,955
Increase / (decrease) in creditors	(159,623)	67,448
(Decrease) / increase in provisions	-	(81,000)
<b>Net cash flows from operating activities</b>	<u>(152,310)</u>	<u>128,717</u>

The Charity did not have any net debt at either the current or prior year end and as such is not disclosing an analysis of movements in net debt table.

# NOTES TO THE FINANCIAL STATEMENTS

## 1. PRINCIPAL ACCOUNTING POLICIES

Hostelling International, a public benefit entity, is registered in England & Wales as a private company limited by guarantee, not having share capital. The charity is a registered charity. The registered office is given on page 34.

- a) **Financial Statements** The financial statements are prepared under the historical cost convention, in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities (SORP)" applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), as updated, effective from 1 January 2019, the Charities Act 2011; and the Companies Act 2006.

The principal accounting policies are set out below and remain consistent under the new framework from the previous year.

Hostelling International has a wholly owned subsidiary, Hostelling International Trading Limited, which has remained dormant since its incorporation and as such the accounts have not been prepared on consolidated basis.

The financial statements have been presented in Sterling and all figures have been rounded to the nearest pound.

- b) **Going concern** These financial statements have been prepared on the going concern basis. The Trustees have performed a robust analysis of forecast future cash flows for the period up to the end of December 2025, which the Trustees consider to be the realistic foreseeable future, taking into account the potential impact on the business of possible future scenarios. This analysis also considered the effectiveness of available measures to assist in mitigating the impact. Based on these assessments and realistic worst-case scenarios and having regard to the liquid resources available to the entity, the Trustees have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the annual report and accounts. Further details of this assessment can be found on page 13 of the Trustees report.
- c) **Fixed Assets** Fixed assets are stated at cost less any impairment. Depreciation is calculated by reference to the cost or valuation of fixed assets at rates considered appropriate, having regard to the expected lives of the fixed assets.
- Website development costs in excess of £500 are capitalised at cost and depreciated in equal annual instalments over 2 years.
  - Freehold buildings are depreciated in equal annual instalments over 40 years from the date of acquisition. Prior to the implementation of FRS 102, the Company had revalued the Peru property to its open market value. Under transitional rules of FRS 102, the Company has retained this previously revalued book amount.
  - Leasehold improvements are depreciated in equal annual instalments over 3 years and are fully depreciated.
  - Office equipment costing more than £500 is capitalised at cost and depreciated in equal annual instalments over 4 years.
- d) **Stocks** Stocks are valued at the lower of cost or net realisable value.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

- e) **Foreign Currencies** Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Income and expenditure in foreign currencies are recorded at the exchange rate ruling at the date of the transaction.
- f) **Pension Costs** The charitable company's contributions to employees' defined contribution schemes are charged to the Statement of Financial Activity for the year in which they are payable to the scheme.
- g) **Fund Accounting** Funds are accounted for as follows:
- Restricted funds are used for specific purposes laid down by the donor. Expenditure for these purposes is charged to the fund.
  - Unrestricted funds are other incoming resources received or generated for expenditure on the general objectives of the charitable company.
  - Designated funds are unrestricted funds which have been designated for specific purposes by the trustees.
- h) **Myclimate funding** As part of HI's sustainability activities, part of the voluntary donation received to offset the carbon footprint of the traveller is paid over directly to myclimate who invest in sustainability projects. Both income and expense are recognised in respect of this transaction.
- i) **Investments** Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are continuously measured at fair value with changes recognised in 'net gains / (losses) on investments' in the Statement of Financial Activities, if the shares are publicly traded or their fair value can otherwise be measured reliably. As investments are continuously revalued there are no realised gains or losses recorded. Investment income is accounted for in the period in which the charitable company is entitled to receipt. Cash held within the investment fund is considered for available use and is included within cash. The investment in the subsidiary is held at cost.
- j) **Programme Related Investments** Loans are made at arm's length to Member Associations to support key hostel projects. Interest is charged at commercial rates and recognised as income when received.
- k) **Resources Expended** Resources expended, including termination payments, are accounted for on an accruals basis. Expenditure is apportioned to activity categories, based on headcount. In 2020, HI rebranded its activities under two umbrella headings; Network and Brand, and Web Services, to better reflect the key focus areas for the restructured organisations.
- l) **Resources** are allocated between:
- Expenditure on supporting Member Associations in their delivery of the mission
  - Expenditure on maintaining and developing our Web Services, including hihostels.com, digital membership and affiliate products for Member Associations
  - Expenditure incurred in the governance, management and administration of the charity is allocated to the above categories on a per capita basis (see Note 4). No such costs are currently allocated to grants or raising funds on the grounds of materiality. Governance expenditure includes costs associated with Board of Trustees' Meetings, Officers' Meetings, biennial international conference, annual report and independent examination.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

#### m) **Income**

Income from donations includes:

- Voluntary donations to the HI Sustainability and MyClimate funds at the time of booking, which are recognised when the booking is made
- Other donations and legacies, which are recognised when it is probable that the income will be received

Income from charitable activities includes:

- Membership fees and conference fees from Member Associations, which is accounted for on a receivable basis
- Revenue from the hihostels.com website (deposits in respect of bookings, booking fees and commissions on the sale of eMemberships), which is recognised when the booking is made.

Income from other trading activities includes sales of welcome stamps and other merchandise to Member Associations, which is accounted for on a receivable basis.

Income from investments is recognised when receivable.

#### n) **Leases** Leases are classified as finance leases whenever the terms of the lease transfer substantially all risks and rewards of ownership of the leased asset to the group. All other leases are classified as operating leases.

Assets held under finance leases are recognised initially at the fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation on a straight-line basis as there is an immaterial difference to using the effective interest method (which achieves a constant rate of interest on the remaining balance of the liability). Finance charges are deducted in measuring income and expenditure. Assets held under finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

Payments made under operating leases are recognised in the Statement of Financial Activities on straight line basis over the term of the lease.



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

- o) **Provisions** Provisions for future expenditure to return leased property to the same condition as it was at the start of the lease at the expiry of the property lease, as required by the terms of the lease, are made using benchmark figures from the Royal Institute of Chartered Surveyors to reach a reasonable estimate.
- p) **Taxation** As a registered charity, Hostelling International is exempt from taxation on its income and gains falling due within part 11 of the Corporation Taxation Act 2010 and s256 Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable purposes. No tax charge has arisen in the year ended 31 December 2023.
- q) **Grants** Grants payable from the Sustainability Fund are recognised in the Statement of Financial Activities when awarded and communicated to the recipient.
- r) **Financial instruments** The Charity only holds basic Financial Instruments. The financial assets and financial liabilities of the Charity are as follows:
- *Debtors* – trade and other debtors (including accrued income) are financial instruments and are debt instruments measured at amortised cost as detailed in note 11. Prepayments are not financial instruments.
  - *Cash at bank* – is classified as a basic financial instrument and is measured at face value.
  - *Liabilities* – trade creditors, accruals and other creditors are classified as financial instruments, and are measured at amortised cost as detailed in note 13. Taxation and social security are not included in the financial instruments disclosure. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is simply an obligation to deliver services rather than cash or another financial instrument.
- s) **Critical accounting judgements and key sources of estimation uncertainty** In the application of the charitable company's accounting policies described above the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The Trustees are not aware of any critical judgements or sources of estimation uncertainty requiring disclosure beyond the accounting policies listed above.
- t) **Donated professional services** are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

On receipt, donated professional services are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 2. INVESTMENT INCOME

	<u>2023</u>	<u>2022</u>
	£	£
Dividends on listed equities	19,005	7,594
Interest on listed securities	9,156	2,985
Interest on other interest-bearing accounts	2,739	3
	<u>30,900</u>	<u>10,582</u>

### 3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	<u>2023</u>	<u>2022</u>
	£	£
Membership Fees	340,841	358,563
Booking Revenue	-	54,900
Other fees from members	251,990	199,232
Other income	5,746	3,298
	<u>598,577</u>	<u>615,993</u>

Attributable to geographical markets outside the UK	526,509	554,861
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### 4. RESOURCES EXPENDED – CHARITABLE ACTIVITIES & SUPPORT COSTS

	Direct	Support	Total	Direct	Support	Total
	Costs	Costs	£	Costs	Costs	£
	£	£	£	£	£	£
Network & Brand						
Grants awarded	-	-	-	463	-	463
Staff costs	169,018	142,067	311,085	149,770	129,412	279,182
Facilities & equipment	58	7,721	7,779	53	(3,847)	(3,794)
Professional services	-	14,368	14,368	6,182	30,449	36,631
Travel & subsistence	18,087	12,967	31,054	64,654	8,250	72,904
Depreciation	-	839	839	-	8,130	8,130
Other	38,531	40,241	78,772	19,114	27,366	46,480
Total Network & Brand	<u>225,694</u>	<u>218,203</u>	<u>443,897</u>	<u>240,236</u>	<u>199,760</u>	<u>439,996</u>
Web Services						
Staff costs	80,211	38,477	118,688	70,908	26,961	97,869
Facilities and equipment	-	2,091	2,091	-	(802)	(802)
Professional services	54	3,891	3,945	-	6,343	6,343
Travel and subsistence	735	3,512	4,247	73	1,719	1,792
Depreciation	22,529	227	22,756	-	1,694	1,694
Other	16,496	10,899	27,395	72,323	5,701	78,024
Total Web Services	<u>120,025</u>	<u>59,097</u>	<u>179,122</u>	<u>143,304</u>	<u>41,616</u>	<u>184,920</u>
Total expenditure on charitable activities	<u>345,719</u>	<u>277,300</u>	<u>623,019</u>	<u>383,540</u>	<u>241,376</u>	<u>624,916</u>

2022: The negative “Facilities and equipment” costs arise due to the refund received of Business Rates for the year to 31 March 2022.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 4. RESOURCES EXPENDED – CHARITABLE ACTIVITIES & SUPPORT COSTS (CONTINUED)

Analysis of Support Costs

	2023			2022		
	Network & Brand £	Web Services £	Total £	Network & Brand £	Web Services £	Total £
Governance	10,147	2,748	12,895	16,832	3,507	20,339
Management	69,071	18,707	87,778	70,084	14,601	84,685
Finance, IT, HR	135,012	36,566	171,578	117,279	24,432	141,711
Facilities costs	3,973	1,076	5,049	(4,435)	(924)	(5,359)
	<u>218,203</u>	<u>59,097</u>	<u>277,300</u>	<u>199,760</u>	<u>41,616</u>	<u>241,376</u>

Support costs are allocated pro rata on the basis of full-time equivalent headcount.

### 5. STAFF COSTS

	<u>2023</u> £	<u>2022</u> £
Gross Salaries	367,495	318,700
Social security costs	30,276	28,282
Termination costs	-	-
Pension costs	23,278	22,301
	<u>421,049</u>	<u>369,283</u>
Health costs	5,138	4,655
Other costs associated with employees	3,586	3,113
	<u>429,773</u>	<u>377,051</u>

In 2022 and 2023 no Termination costs were incurred.

	<u>No. in 2023</u>	<u>No. in 2022</u>
<b>Employees whose emoluments were between:</b>		
£60,000 - £70,000	1	1

Contributions paid by Hostelling International into employees' individual pension schemes for the employees whose emoluments were above £60,000 amounted to £4,676 (2022: £4,326).

The key management personnel of the charity comprise the Trustees and the Chief Executive. The Trustees do not receive remuneration. The Chief Executive's remuneration is set by the Trustees and from time to time they take advice from external recruitment agencies. In 2023 the total remuneration for the Chief Executive during the year was £79,776 (2022: £74,095).

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 5. STAFF COSTS (CONTINUED)

The number of employees during the year, analysed by function, was:

	<u>No. in 2023</u>		<u>No. in 2022</u>	
	Average No.	Full Time Equivalent	Average No.	Full Time Equivalent
Network & Brand	6	5	6	5
Web Services	2	1	1	1
Support costs including management	3	2	3	3
	<u>11</u>	<u>8</u>	<u>10</u>	<u>9</u>

### 6. TOTAL EXPENDITURE included:

	<u>2023</u>	<u>2022</u>
	£	£
Depreciation	23,595	9,824
Fees payable to the company's auditor:		
For the audit of the company's annual accounts	-	17,500
Under accrual for 2021 audit services	-	750
Independent Examination	4,250	
Rentals under operating leases	-	19,159
Foreign exchange losses	8,244	2,562
Cost of stock recognised as an expense	806	2,023

### 7. TRUSTEES' EXPENSES

The trustees who served during the year are shown on page 8. No trustee received remuneration during 2023 (2022 – Nil). Travel and other expenses reimbursed to the trustees during the year amounted to £6,756 (2022 £2,089). In 2023, 6 trustees received reimbursed expenses (2022: 4).

### 8. LEASING COMMITMENTS

HI relinquished its leased office at the end of March 2022 meaning its operating lease commitments ceased to exist on 31 March 2022.

### 9. INVESTMENTS

	<u>2023</u>	<u>2022</u>
	£	£
<b>Securities</b>		
Fair value at 1 January	478,376	537,601
Acquisitions at cost	1,341,906	143,497
Disposals at carrying value	(525,153)	(119,011)
Net (losses)/gains in the year	<u>58,720</u>	<u>(83,711)</u>
Fair value at 31 December	<u>1,353,849</u>	<u>478,376</u>
<b>Investment in Subsidiary</b>		
Share in wholly owned subsidiary (at cost) (note 16)	<u>1</u>	<u>1</u>
Total investments	<u>1,353,850</u>	<u>478,377</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 9. INVESTMENTS (CONTINUED)

#### Analysis of investments by type

	<u>2023</u>	<u>2022</u>
	£	£
Bonds	236,549	65,581
Equities	925,915	332,218
Other Investments	191,385	80,577
Investment in subsidiary	1	1
	<u>1,353,850</u>	<u>478,377</u>

The value of securities shown in the Balance Sheet is the market value at 31 December 2023. The historical costs are shown below:

	<u>2023</u>	<u>2022</u>
	£	£
Historical cost at 31 December	1,297,065	484,385

### 10. TANGIBLE FIXED ASSETS

	<u>Website Development Costs</u>	<u>Freehold Land and Buildings</u>	<u>Leasehold Improvements</u>	<u>Office Equipment</u>	<u>Total</u>
	£	£	£	£	£
<b><u>Cost or valuation</u></b>					
At 1 January 2023	45,058	-	-	10,163	55,221
Additions	-	-	-	4,213	4,213
Disposals	-	-	-	-	-
At 31 December 2023	<u>45,058</u>	<u>-</u>	<u>-</u>	<u>14,376</u>	<u>59,434</u>
<b><u>Depreciation</u></b>					
At 1 January 2023	5,546	-	-	8,853	14,399
Provided for in year	22,529	-	-	1,066	23,595
Disposals	-	-	-	-	-
At 31 December 2023	<u>28,075</u>	<u>-</u>	<u>-</u>	<u>9,919</u>	<u>37,994</u>
<b><u>Net Book Value</u></b>					
At 31 December 2023	<u>16,983</u>	<u>-</u>	<u>-</u>	<u>4,457</u>	<u>21,440</u>
At 31 December 2022	<u>39,512</u>	<u>-</u>	<u>-</u>	<u>1,310</u>	<u>40,822</u>

Development costs of the new hihostels.com website that were capitalised in 2022, are being depreciated over a 2 year period.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 11. DEBTORS

	<u>2023</u>	<u>2022</u>
	£	£
Member Associations	46,397	54,008
Other debtors	7,936	12,249
Prepayments and accrued income	18,989	19,535
	<u>73,322</u>	<u>85,792</u>

### 12. CASH AT BANK AND IN HAND

	<u>2023</u>	<u>2022</u>
	£	£
Cash held for investment	<u>15,231</u>	<u>11,095</u>

	<u>2023</u>	<u>2022</u>
	£	£
Current accounts	196,531	1,143,020
Petty cash	552	575
	<u>197,083</u>	<u>1,143,595</u>

### 13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2023</u>	<u>2022</u>
	£	£
Member Associations	30,249	31,882
Trade creditors	16,009	55,326
Amounts owed to subsidiary undertakings	1	1
Other taxes and social security	7,035	14,496
Other creditors and accruals	37,250	148,462
Grant award creditor	13,274	13,274
	<u>103,818</u>	<u>263,441</u>

Included in Other creditors and accruals is a balance of £nil (2022: £2,664) relating to CO2 offset donations received, under an agreement with Myclimate. Donations of £2,664 were paid to Myclimate during the year (2022 £nil).

The grant award creditor relates to grants awarded but not yet paid from the HI Sustainability restricted fund. Grants are paid on the completion of the project. Further details are shown below.

	<u>2023</u>	<u>2022</u>
	£	£
Grants awarded in 2015: HI Iceland	7,000	7,000
Grants awarded in 2019: YHA Israel	3,085	3,085
Grants awarded in 2020: Hostelling International – Canada	2,126	2,126
Hihostels Brasil	1,063	1,063
	<u>13,274</u>	<u>13,274</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 14. FUNDS

2023	<u>General Fund</u>	<u>Restricted Funds</u>	<u>Total Funds</u>
	£	£	£
Balance at 31 December 2022	1,486,553	12,856	1,499,409
Incoming resources	633,030	119	633,149
Expenditure	(631,807)	-	(631,807)
Net losses on investment assets	58,720	-	58,720
Balance at 31 December 2023	<u>1,546,496</u>	<u>12,856</u>	<u>1,559,471</u>

  

2022	<u>General Fund</u>	<u>Restricted Funds</u>	<u>Total Funds</u>
	£	£	£
Balance at 31 December 2021	621,754	11,877	633,631
Incoming resources	1,620,191	1,442	1,621,633
Expenditure	(671,681)	(463)	(672,144)
Net gains on investment assets	(83,711)	-	(83,711)
Balance at 31 December 2022	<u>1,486,553</u>	<u>12,856</u>	<u>1,499,409</u>

In 2012, Hostelling International launched the Sustainability Fund on hihostels.com to enable HI customers to make a donation to offset the CO2 of their overnight stay. Part of the donated amount is passed to Myclimate for carbon offsetting projects. The other part of the donation is held within a restricted fund by HI to be expended as grants to Member Associations to support their sustainable projects. No grants were paid during the year (2022: Grants totalling £1,063 were paid related to grant awards in 2020). See note 13.

### 15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

2023	<u>Unrestricted General</u>	<u>Restricted</u>	<u>Total funds</u>
	£	£	£
Tangible fixed assets	21,440	-	21,440
Investments	1,353,850	-	1,353,850
Current assets	287,999	-	287,999
Current liabilities	(116,793)	12,975	(103,818)
Total net assets	<u>1,546,496</u>	<u>12,975</u>	<u>1,559,471</u>

  

2022	<u>Unrestricted General</u>	<u>Restricted</u>	<u>Total funds</u>
	£	£	£
Tangible fixed assets	40,822	-	40,822
Investments	478,377	-	478,377
Current assets	1,243,651	-	1,243,651
Current liabilities	(276,297)	12,856	(263,441)
Total net assets	<u>1,486,553</u>	<u>12,856</u>	<u>1,499,409</u>

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **16. RELATED CHARITIES**

#### **International Youth Hostel Federation**

The directors consider that the International Youth Hostel Federation, an unincorporated charity registered with the Charity Commission for England and Wales (number 306038), is a related charity by virtue of the fact that both charities have the same trustees. IYHF is dormant with no transactions during the year (2022 – Nil).

#### **Hostelling International Trading Limited**

Hostelling International Trading Limited (company number 09019564) was registered and incorporated in the UK on 30<sup>th</sup> April 2014 and is a wholly owned subsidiary of Hostelling International. Hostelling International Trading Limited has been dormant since incorporation. The registered office is 7 Bell Yard, London, WC2A 2JR.

### **17. LEGAL STATUS**

The charity is limited by guarantee and has no share capital. Each member's liability is limited to £1.

### **18. RELATED PARTY TRANSACTIONS**

Other than the transactions detailed in notes 5, 7 and 16 above, there were no related party transactions in either year. Transactions with Member Associations that have representatives on the HI Board do not represent related party transactions.



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 19. STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2022 (INCLUDING THE INCOME & EXPENDITURE ACCOUNT)

		Unrestricted Funds	Restricted Funds	Total Funds
	<u>Note</u>	<u>2022</u>	<u>2022</u>	<u>2022</u>
		£	£	£
<b>INCOME FROM:</b>				
Donations		4,800	1,442	6,242
Grants received		-	-	-
Charitable activities	3	615,993	-	615,993
Other trading activities		4,382	-	4,382
Investment income	2	10,582	-	10,582
Other income		98	-	98
Profit on Sale of Property	10	941,342	-	941,342
<b>Total Income</b>		<u>1,577,197</u>	<u>1,442</u>	<u>1,578,639</u>
<b>EXPENDITURE ON:</b>				
Raising funds		2,023	-	2,023
Investment management costs		2,211	-	2,211
Charitable activities				
Network & Brand	4	439,533	463	439,996
Web Services	4	184,920	-	184,920
<b>Total Resources Expended</b>		<u>628,687</u>	<u>463</u>	<u>629,150</u>
Net income/(expenditure) before investment gains / (losses)		948,510	979	949,489
Net (losses)/gains on investment assets	9	(83,711)	-	(83,711)
<b>NET MOVEMENT IN FUNDS</b>		<u>864,799</u>	<u>979</u>	<u>865,778</u>
Total funds brought forward at 1 January 2022	14, 15	621,754	11,877	633,631
Total funds carried forward at 31 December 2022	14, 15	<u>1,486,553</u>	<u>12,856</u>	<u>1,499,409</u>

## **REGISTERED OFFICE AND PROFESSIONAL ADVISORS**

### **Registered Office**

7 Bell Yard  
London  
WC2A 2JR

### **Bankers:**

HSBC  
Howardsgate  
Welwyn Garden City  
Herts  
AL8 6BH

### **Independent Examiners:**

MHA  
MHA House, Charter Court  
Phoenix Way  
Swansea Enterprise Park  
Swansea  
SA7 9FS

### **Investment Bankers:**

Brewin Dolphin  
12 Smithfield Street  
London  
EC1A 9BD

### **Solicitors:**

Russell-Cooke LLP  
2 Putney Hill  
London  
SW15 6AB

### **Trademarks:**

Murgitroyd  
Arena Point  
Merrion Way  
Leeds  
LS2 BPA

### **VAT:**

Constable VAT Consultancy  
12 Dedham Vale Business Centre  
Manningtree Road  
Essex  
CO7 6BL

## MEMBER ASSOCIATIONS

COUNTRY	ASSOCIATION
ALGERIA	Fédération Algérienne des Auberges de Jeunesse
AUSTRALIA	YHA Australia
AUSTRIA	Österreichischer Jugendherbergsverband Hauptverband (ÖJHV)
AUSTRIA	Österreichisches Jugendherbergswerk (ÖJHW)
BAHRAIN	Bahrain Youth Hostels Society
BELGIUM	Les Auberges de Jeunesse (LAJ)
BELGIUM	Vlaamse Jeugdherbergen vzw (VJH)
BOLIVIA	Hostelling International Bolivia
BOSNIA & HERZEGOVINA	Youth Hostel Association of Bosnia and Herzegovina
BRAZIL	HI Hostel Brasil
CANADA	Hostelling International – Canada
CHILE	Asociación Chilena de Albergues Turísticos Juveniles
CHINA	YHA China
CHINESE TAIPEI	Chinese Taipei Youth Hostel Association
CROATIA	Hrvatski Ferijalni i Hostelski Savez (Croatian YHA)
CZECH REPUBLIC	Czech Youth Hostel Association (CZYHA)
DENMARK	DANHOSTEL
EGYPT	Egyptian Youth Hostels Association
ENGLAND & WALES	YHA England & Wales
FINLAND	Suomen Hostellijärjestö – HI Finland
FRANCE	Fédération Unie des Auberges de Jeunesse (FUAJ)
GERMANY	DJH Hauptverband
HONG KONG	Hong Kong Youth Hostels Association
ICELAND	HI Iceland
INDIA	Youth Hostels Association of India
IRELAND (Northern)	Hostelling International-Northern Ireland
IRELAND (Rep of)	An Óige (Irish Youth Hostel Association)
ISRAEL	Israel Youth Hostels Association
ITALY	Associazione Italiana Alberghi per la Gioventù (AIG) (Until May 2024)
JAPAN	Japan Youth Hostels Inc
JORDAN	Jordan Youth Hostels Commission
KOREA (South)	Hostelling International Korea
KUWAIT	Kuwait Youth Hostel Committee
LEBANON	Lebanese Youth Hostels Federation
LIBYA	Libyan Youth Hostel Association
LUXEMBOURG	Centrale des Auberges de Jeunesse Luxembourgeoises
MALAYSIA	HI Malaysia
MALTA	NSTS Hostelling International
MOROCCO	Fédération Royale Marocaine des Auberges de Jeunes
NETHERLANDS	Stayokay
NEW ZEALAND	YHA New Zealand
NORWAY	Norske Vandrerhjem – HI Norway
PAKISTAN	Pakistan Youth Hostels Association
PHILIPPINES	Youth and Student Hostel Foundation of the Philippines
POLAND	Polskie Towarzystwo Schronisk Młodzieżowych (Polish YHA)

## MEMBER ASSOCIATIONS (CONTINUED)

COUNTRY	ASSOCIATION
PORTUGAL	MOVIJOVEM (Mobilidade Juvenil Cooperativa de interesse Público e Responsabilidade Lda.)
QATAR	Qatar Youth Hostels Association
ROMANIA	Romanian Hostelling - Association for Hiking and Youth Hostels
SAUDI ARABIA	Saudi Arabian Youth Hostels Association
SCOTLAND	SYHA Hostelling Scotland
SERBIA	Ferijalni i Hostelski savez Srbije (Youth Hostels Association of Serbia)
SLOVENIA	Popotniško združenje Slovenije (Hostelling International Slovenia)
SPAIN	Red Española de Albergues Juveniles (REAJ)
SUDAN	Sudanese Youth Hostels Association
SWEDEN	Svenska Turistföreningen (Until September 2022)
SWITZERLAND	Schweizer Jugendherbergen
TUNISIA	Association Tunisienne des Auberges de Tourisme de Jeunes
UNITED ARAB EMIRATES	UAE Federation for Youth Hostel & Sports
URUGUAY	Asociación de Alberguistas del Uruguay
USA	Hostelling International USA

## HI Associate Organisations

COUNTRY	ASSOCIATION
GREECE	Greek Youth Hostels Association