

# DERWENTWATER INDEPENDENT HOSTEL

England & Wales · Charity number 1145368

## Details

|                |                                                         |
|----------------|---------------------------------------------------------|
| Other names    | DERWENTWATER YOUTH HOSTEL                               |
| Status         | Registered                                              |
| Legal form     | Charitable company                                      |
| Company number | <a href="#">07817860</a>                                |
| Registered     | 2012-01-10                                              |
| Register       | <a href="#">View on the Charity Commission register</a> |

## Contact

|         |                                                                  |
|---------|------------------------------------------------------------------|
| Address | c/o Rose Castle<br>Rose Castle<br>Dalston<br>Carlisle<br>CA5 7BY |
| Phone   | 07855308999                                                      |
| Email   | <a href="mailto:john@derwentwater.org">john@derwentwater.org</a> |
| Website | <a href="http://derwentwater.org">http://derwentwater.org</a>    |

## Activities

**Objects:** (A) THE ADVANCEMENT OF EDUCATION;(B) THE ADVANCEMENT IN LIFE OF CHILDREN AND YOUNG PEOPLE BY DEVELOPING THEIR SKILLS AND CAPABILITIES TO ENABLE THEM TO PARTICIPATE IN SOCIETY AS INDEPENDENT AND RESPONSIBLE ADULTS; AND(C) THE PROVISION OF RECREATIONAL AND LEISURE TIME ACTIVITY IN THE INTERESTS OF SOCIAL WELFARE FOR PEOPLE WHO HAVE NEED BY REASON OF THEIR YOUTH, AGE, INFIRMITY OR DISABILITY, POVERTY OR SOCIAL AND ECONOMIC CIRCUMSTANCES BY THE PROVISION OF EDUCATIONAL COURSES AND PHYSICAL AND OTHER ACTIVITIES AND ASSOCIATED RESIDENTIAL FACILITIES; AND(D) TO HELP ALL, ESPECIALLY YOUNG PEOPLE OF LIMITED MEANS, TO A GREATER KNOWLEDGE, LOVE AND CARE OF THE COUNTRYSIDE BY PROVIDING A YOUTH HOSTEL OR OTHER ACCOMMODATION FOR THEM AND THUS TO PROMOTE THEIR HEALTH, RECREATION AND EDUCATION.

**Activities:** Running of a Youth Hostel aimed at families and school groups for the advancement of education, experiences and life skills of young people.

## Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services
- **What:** Education/training, Recreation
- **Who:** Children/young People, The General Public/mankind

## Geography

- Cumbria

## Finances

| Period end | Income   | Expenditure | Assets | Employees |
|------------|----------|-------------|--------|-----------|
| 2024-10-31 | £59,032  | £224,707    | -      | -         |
| 2023-10-31 | £459,768 | £490,350    | -      | -         |
| 2022-10-31 | £457,772 | £404,465    | -      | -         |
| 2021-10-31 | £342,713 | £327,348    | -      | -         |
| 2020-10-31 | £223,112 | £276,926    | -      | -         |

## Trustees

| Name                   | Role | Appointed  |
|------------------------|------|------------|
| JOHN HARVEY SNYDER     |      | 2012-01-10 |
| Sarah Elizabeth Snyder |      | 2011-12-06 |

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# Accounts

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**COMPANY REGISTRATION NUMBER: 07817860**

**CHARITY REGISTRATION NUMBER: 1145368**

**DERWENTWATER INDEPENDENT HOSTEL**

**COMPANY LIMITED BY GUARANTEE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 OCTOBER 2024**

**David Allen**

Chartered Accountants

Dalmar House

Barras Lane Estate

Dalston

Carlisle

CA5 7NY

# **DERWENTWATER INDEPENDENT HOSTEL**

## **COMPANY LIMITED BY GUARANTEE**

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## **DERWENTWATER INDEPENDENT HOSTEL**

### **COMPANY LIMITED BY GUARANTEE**

#### **REFERENCE AND ADMINISTRATIVE DETAILS**

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|                                    |                                                                                                                                                           |
|------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Trustees</b>                    | Mr A J Towler (resigned 17 July 2024)<br>Mr J H Snyder<br>Mrs L A Cadman (resigned 17 July 2024)<br>Ms S E Snyder<br>Mr G Gibson (resigned 11 March 2025) |
| <b>Charity Registration Number</b> | 1145368                                                                                                                                                   |
| <b>Company Registration Number</b> | 07817860                                                                                                                                                  |
| <b>Registered Office</b>           | The charity is incorporated in England and Wales.<br>Barrow House<br>Borrowdale<br>Keswick<br>CA12 5UR                                                    |
| <b>Independent examiner</b>        | Alison Welton FCA<br>David Allen<br>Chartered Accountants<br>Dalmar House<br>Barras Lane Estate<br>Dalston<br>Carlisle<br>CA5 7NY                         |
| <b>Bankers</b>                     | Barclays Bank plc<br>Cambridge<br>9/11 St Andrews Street<br>Cambridge<br>CB2 3AX                                                                          |

## **DERWENTWATER INDEPENDENT HOSTEL**

### **COMPANY LIMITED BY GUARANTEE**

#### **TRUSTEES' REPORT**

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The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 October 2024.

#### **OBJECTIVES AND ACTIVITIES**

##### ***Objects and aims***

The Charity's articles declare the charity's objects as:

a) the advancement of education,

b) the advancement in life of children and young people by developing their skills, capacities and capabilities to enable them to participate in society as independent, mature and responsible adults; and

c) the provision of recreational and leisure time activity in the interests of social welfare for people who have need by reason of their youth, age, infirmity or disability, poverty or social and economic circumstances, by the provision of educational courses and physical and other activities; and associated residential activities; and

d) to help all, especially young people of limited means, to a greater knowledge, love and care of the countryside by providing a youth hostel or other accommodation for them and thus to promote their health, recreation and education.

##### ***Public benefit***

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

#### **ACHIEVEMENTS AND PERFORMANCE**

In this thirteenth full year of operating Derwentwater Independent Hostel (DIH) the Charity finds itself in the difficult position of reporting the closure of the hostel after eleven years of trading a surplus for the charity. The charity supported schools whose pupils could not afford the costs of hostel residencies, whilst giving access to a special part of Borrowdale Valley for so many young people.

The summer months continued to show high-season demand for the charity's three pod cabins on the eastern edge of our driveway - each contributed to heightened use of the grounds for both family and individual stays in the summer holidays.

## **DERWENTWATER INDEPENDENT HOSTEL**

### **COMPANY LIMITED BY GUARANTEE**

#### **TRUSTEES' REPORT (CONTINUED)**

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The Charity survived the Covid 19 pandemic, but sadly lost the hostel in a downwards trajectory from Summer 2023. June 2023 saw the temporary departure of our Hostel Manager Tim Butcher on long-term sickness, with a natural impact on the charity's operational capability.

The evening dining service (and revenue) was immediately closed down, as Deputy Manager Alison Jones stepped up in the vacuum to help manage the staff team and finances in Tim's absence. Trustees met regularly on a weekly, then fortnightly, and then on a monthly basis, developing a clear strategy for achieving transparency on financial, staff rotas, and standard operating procedures.

The Charity thanks Laura Cadman, one of our trustees, for spending upto two days a week working both on-site and off-site with operational staff. Many documents had to be recovered from Tim's digital systems and purposefully organized on cloud systems for other staff to access. A financial admin service was provided by Footprints Education Limited for several months to support trading activity to the end of the year.

Deputy Manager Alison resigned in September, and her replacement Aujke Noorman handed her notice in at the end of November. The hostel's summer seasonal staff agreed to stay on to manage out the guest bookings during the shoulder season to mid-November. It is this small trading window in November 2023, and some early 2024 bookings that give the revenue for the full trading year at only £57,134, as compared to £458,499 in 2023!

#### ***Volunteer Report***

The trustees thank Erin Shaw who joined us as a volunteer in 2022/2023, before taking a paid Hostel Assistant role beyond the summer. In 2021/2022 the Charity reported 275 Volunteer Hours, whereas in 2022/2023 the Charity had over 800 Volunteer Hours. Regrettably, the hostel never delivered a 2024 season, so no substantial Volunteer Hours are reported for the 2023/2024 reporting year, other than the committed input of the trustees.

## **DERWENTWATER INDEPENDENT HOSTEL**

### **COMPANY LIMITED BY GUARANTEE**

#### **TRUSTEES' REPORT (CONTINUED)**

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##### ***Closure Decision***

The switch of Councils from Allerdale to a newly formed Cumberland Council prompted a fresh enquiry from HMO advisors on the five staff bedrooms on the top floor of the hostel.

Four fire safety officers came to site to review the sensors and systems in place and submitted a list of recommended modifications, amounting to £80,000. Given a lack of surplus funds, and a reduced staff team, trustees took the decision to close the hostel rather than make these modifications.

Trustees were also facing the herculean task of rebuilding the team after a series of resignations during Tim's absence from work. Tim slowly returned to work after a long-term sickness leave and the trustees are thankful that James Cobban joined him in November 2023, to help kick-start operations for the 2024 season.

However, the trustees decided to close the hostel to guests in March 2024, with the operational exit from the rented premises on 6th May 2024. The trustees would like to thank Tim for a job well done in documenting the details of the handover to all trustees, and ensuring the bank business loan was fully repaid, and all debts were paid down, whilst still leaving some £53,769 in assets after final redundancies and salary were paid by end of July 2024.

All guests who had booked for 2024 were reimbursed of their forward payments for accommodation booked after the hostel's March closure to guests.

##### ***Transfer of Remaining Assets***

The trustees are exploring a handover of remaining charitable funds to the Cumbria Community Foundation (CCF), in a way that continues the charitable activities of Derwentwater Independent Hostel. First the Charity must provide for costs of accountants and related processes to enable the closure of the charity at the end of its thirteenth trading year.

#### **FINANCIAL REVIEW**

The Statement of Financial Activities on page 9 shows a net deficit of £165,675 (2023: net deficit of £30,582).

In 2023/2024 the limited revenues of the winter season, and efforts to start winding the hostel down fully by 6th May 2024 resulted in total income for the year amounted to £59,032 (2023: £459,768). The main income stream for the charity being catering income, followed by overnight income. The total expenditure for the year amounted to £224,707 (2023: £490,350) amongst other costs and depreciation.

Total funds carried forward at 31 December 2024 amounted to £53,769 (2023: £219,444) with hostel operations already closed down, premises vacated, and all staff and HMRC debts met. The results for the year and the charity's financial position at the end of the year are shown in the attached financial statements.

## **DERWENTWATER INDEPENDENT HOSTEL**

### **COMPANY LIMITED BY GUARANTEE**

#### **TRUSTEES' REPORT (CONTINUED)**

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##### ***Policy on reserves***

The trustees have reviewed the Charity's needs for reserves in line with the guidance issued by the charity commission.

The trustees aim to maintain reserves at a level which maintains the capital and income reserves of the trust and to provide sufficient funds to finding needs of Derwentwater Independent Hostel.

##### ***Investment policy and objectives***

The Memorandum and Articles of Association of the Charity permit wide powers of investment. The Trustees should invest the money of the charity not immediately required for its purposes, in or upon such investments, securities or properties as may be thought fit.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### ***Nature of governing document***

Derwentwater Independent Hostel is a company limited by guarantee and registered charity. The company was established under a memorandum of association, which established the objects and powers of the charitable company, and is governed under its articles of association.

##### ***Recruitment and appointment of trustees***

The charity continued to have five trustees during this reporting year.

The charity may appoint any person as a trustee by ordinary resolution.

No formal appointments were made during this period. Thankfully our longstanding trustees were available to support the charity with much time, advice and discussion on how to deal with Tim Butcher's expected long-term absence, the associated HR responsibilities, considering the impact and changes for all staff members and continued focus on the processes and resilience of the charity as an ongoing business with responsibilities to our staff as well as each guest who arrives onsite.

##### ***Induction and training of trustees***

The trustees give their time freely and no trustee remuneration was paid in the year.

## **DERWENTWATER INDEPENDENT HOSTEL**

### **COMPANY LIMITED BY GUARANTEE**

### **TRUSTEES' REPORT (CONTINUED)**

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#### **FINANCIAL INSTRUMENTS**

##### ***Objectives and policies***

The charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the charity's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The charity does not use derivative financial instruments for speculative purposes.

##### ***Cash flow risk***

The charity's activities expose it primarily to the financial risks of changes in interest rates. Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

##### ***Credit risk***

The charity's principal financial assets are investments and bank balances and cash.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

#### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees (who are also the directors of Derwentwater Independent Hostel for the purposes of company law) are responsible for preparing the trustees' 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. Under company law the trustees must not approve the financial statements unless they are satisfied that they 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 its 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 apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

## **DERWENTWATER INDEPENDENT HOSTEL**

### **COMPANY LIMITED BY GUARANTEE**

#### **TRUSTEES' REPORT (CONTINUED)**

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The trustees are responsible for keeping proper accounting records that can 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 annual report was approved by the trustees of the charity on 30 July 2025 and signed on its behalf by:

.....  
Mr J H Snyder  
Trustee

## **DERWENTWATER INDEPENDENT HOSTEL**

### **COMPANY LIMITED BY GUARANTEE**

#### **INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF DERWENTWATER INDEPENDENT HOSTEL ("THE COMPANY")**

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I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 October 2024.

#### **Responsibilities and basis of report**

As the charity's 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 your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

#### **Independent examiner's statement**

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:

1. accounting records were not kept in respect of Derwentwater Independent Hostel 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 any 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 Republic of Ireland (FRS 102)].

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.

.....  
Alison Welton FCA  
Independent Examiner

Dalmar House  
Barras Lane Estate  
Dalston  
Carlisle  
CA5 7NY

30 July 2025

**DERWENTWATER INDEPENDENT HOSTEL****COMPANY LIMITED BY GUARANTEE****STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 OCTOBER 2024  
(INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL  
RECOGNISED GAINS AND LOSSES)**

|                                    | Note | Unrestricted<br>funds<br>£ | Total<br>2024<br>£ | Total<br>2023<br>£ |
|------------------------------------|------|----------------------------|--------------------|--------------------|
| <b>Income and Endowments from:</b> |      |                            |                    |                    |
| Donations and legacies             | 3    | -                          | -                  | 4                  |
| Charitable activities              | 4    | 57,134                     | 57,134             | 458,499            |
| Investment income                  | 5    | 1,898                      | 1,898              | 1,265              |
| Total income                       |      | 59,032                     | 59,032             | 459,768            |
| <b>Expenditure on:</b>             |      |                            |                    |                    |
| Charitable activities              | 6    | (224,707)                  | (224,707)          | (490,350)          |
| Total expenditure                  |      | (224,707)                  | (224,707)          | (490,350)          |
| Net expenditure                    |      | (165,675)                  | (165,675)          | (30,582)           |
| Net movement in funds              |      | (165,675)                  | (165,675)          | (30,582)           |
| <b>Reconciliation of funds</b>     |      |                            |                    |                    |
| Total funds brought forward        |      | 219,444                    | 219,444            | 250,026            |
| Total funds carried forward        | 16   | 53,769                     | 53,769             | 219,444            |

**DERWENTWATER INDEPENDENT HOSTEL****COMPANY LIMITED BY GUARANTEE****STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 OCTOBER 2024  
(CONTINUED)  
(INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL  
RECOGNISED GAINS AND LOSSES)**

|                                    | Note | Unrestricted<br>funds<br>£ | Total<br>2023<br>£    |
|------------------------------------|------|----------------------------|-----------------------|
| <b>Income and Endowments from:</b> |      |                            |                       |
| Donations and legacies             | 3    | 4                          | 4                     |
| Charitable activities              | 4    | 458,499                    | 458,499               |
| Investment income                  | 5    | <u>1,265</u>               | <u>1,265</u>          |
| Total income                       |      | <u>459,768</u>             | <u>459,768</u>        |
| <b>Expenditure on:</b>             |      |                            |                       |
| Charitable activities              | 6    | <u>(490,350)</u>           | <u>(490,350)</u>      |
| Total expenditure                  |      | <u>(490,350)</u>           | <u>(490,350)</u>      |
| Net expenditure                    |      | <u>(30,582)</u>            | <u>(30,582)</u>       |
| Net movement in funds              |      | (30,582)                   | (30,582)              |
| <b>Reconciliation of funds</b>     |      |                            |                       |
| Total funds brought forward        |      | <u>250,026</u>             | <u>250,026</u>        |
| Total funds carried forward        | 16   | <u><u>219,444</u></u>      | <u><u>219,444</u></u> |

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2024 and 2023 is shown in note 16.

**DERWENTWATER INDEPENDENT HOSTEL****COMPANY LIMITED BY GUARANTEE****BALANCE SHEET AS AT 31 OCTOBER 2024**

|                                                                | <b>Note</b> | <b>2024<br/>£</b>    | <b>2023<br/>£</b>     |
|----------------------------------------------------------------|-------------|----------------------|-----------------------|
| <b>Fixed assets</b>                                            |             |                      |                       |
| Tangible assets                                                | 12          | -                    | 25,133                |
| <b>Current assets</b>                                          |             |                      |                       |
| Debtors                                                        | 13          | 8,037                | 15,982                |
| Cash at bank and in hand                                       |             | <u>50,336</u>        | <u>290,052</u>        |
|                                                                |             | 58,373               | 306,034               |
| <b>Creditors: Amounts falling due within one year</b>          | 14          | <u>(4,604)</u>       | <u>(81,862)</u>       |
| <b>Net current assets</b>                                      |             | <u>53,769</u>        | <u>224,172</u>        |
| <b>Total assets less current liabilities</b>                   |             | 53,769               | 249,305               |
| <b>Creditors: Amounts falling due after more than one year</b> | 15          | <u>-</u>             | <u>(29,861)</u>       |
| <b>Net assets</b>                                              |             | <u><u>53,769</u></u> | <u><u>219,444</u></u> |
| <b>Funds of the charity:</b>                                   |             |                      |                       |
| <b>Unrestricted income funds</b>                               |             |                      |                       |
| Unrestricted funds                                             |             | <u>53,769</u>        | <u>219,444</u>        |
| <b>Total funds</b>                                             | 16          | <u><u>53,769</u></u> | <u><u>219,444</u></u> |

For the financial year ending 31 October 2024 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

**DERWENTWATER INDEPENDENT HOSTEL**

**COMPANY LIMITED BY GUARANTEE**

**BALANCE SHEET AS AT 31 OCTOBER 2024 (CONTINUED)**

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The financial statements on pages 9 to 24 were approved by the trustees, and authorised for issue on 30 July 2025 and signed on their behalf by:

.....  
Mr J H Snyder  
Trustee  
Registration number: 07817860

## **DERWENTWATER INDEPENDENT HOSTEL**

### **COMPANY LIMITED BY GUARANTEE**

#### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2024**

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##### **1 CHARITY STATUS**

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation.

The address of its registered office is:

Barrow House  
Borrowdale  
Keswick  
CA12 5UR

These financial statements were authorised for issue by the trustees on 30 July 2025.

##### **2 ACCOUNTING POLICIES**

###### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

###### **Statement of compliance**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: 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) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

###### **Basis of preparation**

Derwentwater Independent Hostel meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

These financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

## **DERWENTWATER INDEPENDENT HOSTEL**

### **COMPANY LIMITED BY GUARANTEE**

#### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2024 (CONTINUED)**

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## **2 ACCOUNTING POLICIES (continued)**

### **Going concern**

The financial statements have not been prepared on a going concern basis. The trustees have formally resolved to wind up the charity, and as such, the charity is no longer expected to continue its operations for the foreseeable future.

### **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 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. Actual results may differ from these estimates.

### **Income and endowments**

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

### ***Donations and legacies***

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

### ***Deferred income***

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

### ***Charitable activities***

Income from charitable activities income arising from delivery of activities and services for its beneficiaries.

### ***Investment income***

Investment income is accounted for in the period in which the charity is entitled to receipt.

Interest receivable is included when receivable and the amount can be measured reliably by the charity.

## **DERWENTWATER INDEPENDENT HOSTEL**

### **COMPANY LIMITED BY GUARANTEE**

#### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2024 (CONTINUED)**

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## **2 ACCOUNTING POLICIES (continued)**

### **Expenditure**

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Direct costs attributable to a single activity are allocated directly to that activity.

### ***Charitable activities***

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

### **Support costs**

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

### **Governance costs**

There include the costs attributable to the charity's compliance with constitutional and statutory requirements.

### **Taxation**

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

### **Tangible fixed assets**

Individual fixed assets are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

### **Depreciation and amortisation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

| <b>Asset class</b>    | <b>Depreciation method and rate</b> |
|-----------------------|-------------------------------------|
| Plant and machinery   | 33% Reducing Balance                |
| Fixtures and fittings | 25% Reducing Balance                |

### **Impairment of fixed assets**

Tangible fixed assets are reviewed for impairment when changes in circumstances or events indicate that the carrying value of the fixed assets may not be recoverable. An impairment loss is recognised where the recoverable amount is less than the carrying value.

## **DERWENTWATER INDEPENDENT HOSTEL**

### **COMPANY LIMITED BY GUARANTEE**

#### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2024 (CONTINUED)**

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## **2 ACCOUNTING POLICIES (continued)**

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

### **Employee benefits**

Termination benefits are recognised as an expense in the statement of financial activity immediately. Termination benefits are recognised as a liability and expense only when the charity is demonstrably committed either to terminate the employment of an employee or group of employees before the normal retirement date or to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

Termination benefits are measured at the best estimate of the expenditure that would be required to settle the obligation at the reporting date. In the case of an offer made to encourage voluntary redundancy, measurement is based on the number of employees expected to accept the offer. When termination benefits are due more than 12 months after the end of the reporting period, they shall be measured at their discounted present value.

## DERWENTWATER INDEPENDENT HOSTEL

### COMPANY LIMITED BY GUARANTEE

#### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2024 (CONTINUED)

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## 2 ACCOUNTING POLICIES (continued)

### Fund structure

Unrestricted income funds are general funds that are available for use at the trustees discretion in furtherance of the objectives of the charity.

### Financial instruments

#### *Classification*

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

#### *Recognition and measurement*

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the Balance Sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial assets expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

## 3 INCOME FROM DONATIONS AND LEGACIES

|                         | <b>Total<br/>2024<br/>£</b> | <b>Total<br/>2023<br/>£</b> |
|-------------------------|-----------------------------|-----------------------------|
| Donations and legacies; |                             |                             |
| Sundry donations        | -                           | 4                           |
|                         | -                           | 4                           |

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**DERWENTWATER INDEPENDENT HOSTEL**

**COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2024  
(CONTINUED)**

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**4 INCOME FROM CHARITABLE ACTIVITIES**

|                     | <b>Unrestricted<br/>funds<br/>General<br/>£</b> | <b>Total<br/>2024<br/>£</b> | <b>Total<br/>2023<br/>£</b> |
|---------------------|-------------------------------------------------|-----------------------------|-----------------------------|
| Overnight income    | 25,683                                          | 25,683                      | 282,403                     |
| Cancellation charge | 2,080                                           | 2,080                       | 10,499                      |
| Catering income     | 26,942                                          | 26,942                      | 143,868                     |
| Alcohol sales       | 1,554                                           | 1,554                       | 14,881                      |
| Shop sales          | 516                                             | 516                         | 5,778                       |
| Activities          | -                                               | -                           | 400                         |
| Hydro income        | 359                                             | 359                         | 670                         |
|                     | <u>57,134</u>                                   | <u>57,134</u>               | <u>458,499</u>              |

**5 INVESTMENT INCOME**

|                                         | <b>Unrestricted<br/>funds<br/>General<br/>£</b> | <b>Total<br/>2024<br/>£</b> | <b>Total<br/>2023<br/>£</b> |
|-----------------------------------------|-------------------------------------------------|-----------------------------|-----------------------------|
| Interest receivable and similar income; |                                                 |                             |                             |
| Bank interest receivable                | <u>1,898</u>                                    | <u>1,898</u>                | <u>1,265</u>                |

## DERWENTWATER INDEPENDENT HOSTEL

### COMPANY LIMITED BY GUARANTEE

#### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2024 (CONTINUED)

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#### 6 EXPENDITURE ON CHARITABLE ACTIVITIES

|                             | Unrestricted<br>funds<br>General<br>£ | Total<br>2024<br>£ | Total<br>2023<br>£ |
|-----------------------------|---------------------------------------|--------------------|--------------------|
| Purchases                   | 9,296                                 | 9,296              | 75,399             |
| Staff costs                 | 61,174                                | 61,174             | 180,362            |
| Administration              | 13,152                                | 13,152             | 20,238             |
| Marketing and advertising   | 548                                   | 548                | 758                |
| Premises and other costs    | 107,595                               | 107,595            | 194,290            |
| Interest and charges        | 813                                   | 813                | 4,102              |
| Depreciation and impairment | 25,132                                | 25,132             | 8,378              |
| Legal and professional      | 6,997                                 | 6,997              | 6,823              |
|                             | <u>224,707</u>                        | <u>224,707</u>     | <u>490,350</u>     |

Included within the above are support costs of £150,326 (2023: £232,951) and governance costs of £3,910 (2023:£1,100)

#### 7 NET INCOMING/OUTGOING RESOURCES

Net outgoing resources for the year include:

|                                                                            | 2024<br>£    | 2023<br>£    |
|----------------------------------------------------------------------------|--------------|--------------|
| Other non-audit services                                                   | 3,910        | 1,100        |
| Impairment loss on disposal of fixed assets held for the charity's own use | 16,927       | -            |
| Depreciation of fixed assets                                               | <u>8,206</u> | <u>8,378</u> |

#### 8 TRUSTEES REMUNERATION AND EXPENSES

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

## DERWENTWATER INDEPENDENT HOSTEL

### COMPANY LIMITED BY GUARANTEE

#### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2024 (CONTINUED)

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#### 9 STAFF COSTS

The aggregate payroll costs were as follows:

|                                          | 2024<br>£     | 2023<br>£      |
|------------------------------------------|---------------|----------------|
| <b>Staff costs during the year were:</b> |               |                |
| Wages and salaries                       | 49,785        | 168,291        |
| Social security costs                    | 3,253         | 8,624          |
| Pension costs                            | 1,048         | 3,447          |
| Compensation payments                    | 7,088         | -              |
|                                          | <u>61,174</u> | <u>180,362</u> |

The monthly average number of persons (including senior management / leadership team) employed by the charity during the year was as follows:

|              | 2024<br>No | 2023<br>No |
|--------------|------------|------------|
| Managers     | 1          | 1          |
| Hostel staff | <u>1</u>   | <u>7</u>   |
|              | <u>2</u>   | <u>8</u>   |

During the year, the charity made redundancy payments which totalled £7,088 (2023 - Nil). The redundancy costs were funded from the charity's unrestricted general funds.

No employee received emoluments of more than £60,000 during the year.

#### 10 INDEPENDENT EXAMINER'S REMUNERATION

|                                         | 2024<br>£    | 2023<br>£    |
|-----------------------------------------|--------------|--------------|
| Examination of the financial statements | 900          | -            |
| All other services                      | <u>3,010</u> | <u>1,100</u> |
|                                         | <u>3,910</u> | <u>1,100</u> |

## DERWENTWATER INDEPENDENT HOSTEL

### COMPANY LIMITED BY GUARANTEE

#### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2024 (CONTINUED)

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##### 11 TAXATION

The charity is a registered charity and is therefore exempt from taxation.

##### 12 TANGIBLE FIXED ASSETS

|                       | Fixtures and<br>fittings<br>£ | Plant and<br>machinery<br>£ | Total<br>£      |
|-----------------------|-------------------------------|-----------------------------|-----------------|
| <b>Cost</b>           |                               |                             |                 |
| At 1 November 2023    | 7,597                         | 67,583                      | 75,180          |
| Impairment            | <u>(7,597)</u>                | <u>(67,583)</u>             | <u>(75,180)</u> |
| At 31 October 2024    | <u>-</u>                      | <u>-</u>                    | <u>-</u>        |
| <b>Depreciation</b>   |                               |                             |                 |
| At 1 November 2023    | 6,498                         | 43,549                      | 50,047          |
| Charge for the year   | 275                           | 7,931                       | 8,206           |
| Impairment            | <u>(6,773)</u>                | <u>(51,480)</u>             | <u>(58,253)</u> |
| At 31 October 2024    | <u>-</u>                      | <u>-</u>                    | <u>-</u>        |
| <b>Net book value</b> |                               |                             |                 |
| At 31 October 2024    | <u>-</u>                      | <u>-</u>                    | <u>-</u>        |
| At 31 October 2023    | <u>1,099</u>                  | <u>24,034</u>               | <u>25,133</u>   |
| Impairment costs      |                               |                             |                 |

Fixed assets with a carrying value of £16,927 (2023: £Nil) were impaired on the basis that they will hold no residual value following the cessation of the charity after year-end.

**DERWENTWATER INDEPENDENT HOSTEL****COMPANY LIMITED BY GUARANTEE****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2024  
(CONTINUED)**

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**13 DEBTORS**

|               | <b>2024</b>  | <b>2023</b>   |
|---------------|--------------|---------------|
|               | <b>£</b>     | <b>£</b>      |
| Trade debtors | 27           | -             |
| Prepayments   | -            | 15,982        |
| Other debtors | 8,010        | -             |
|               | <u>8,037</u> | <u>15,982</u> |

**14 CREDITORS: amounts falling due within one year**

|                                        | <b>2024</b>  | <b>2023</b>   |
|----------------------------------------|--------------|---------------|
|                                        | <b>£</b>     | <b>£</b>      |
| Trade creditors                        | 904          | 31,453        |
| Other taxation and social security     | -            | 10,422        |
| Accruals                               | 3,700        | 3,950         |
| Deferred income                        | -            | 36,037        |
|                                        | <u>4,604</u> | <u>81,862</u> |
|                                        | <b>2024</b>  | <b>2023</b>   |
|                                        | <b>£</b>     | <b>£</b>      |
| Deferred income at 1 November 2023     | 36,037       | 43,574        |
| Resources deferred in the period       | -            | 36,037        |
| Amounts released from previous periods | (36,037)     | (43,574)      |
| Deferred income at year end            | <u>-</u>     | <u>36,037</u> |

During the previous year deferred income represented the balance of payments received in advance.

**15 CREDITORS: amounts falling due after one year**

|            | <b>2024</b> | <b>2023</b>   |
|------------|-------------|---------------|
|            | <b>£</b>    | <b>£</b>      |
| Bank loans | <u>-</u>    | <u>29,861</u> |

**DERWENTWATER INDEPENDENT HOSTEL****COMPANY LIMITED BY GUARANTEE****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2024  
(CONTINUED)****16 FUNDS**

|                           | <b>Balance at 1<br/>November<br/>2023<br/>£</b> | <b>Income<br/>£</b> | <b>Expenditure<br/>£</b> | <b>Balance at<br/>31 October<br/>2024<br/>£</b> |
|---------------------------|-------------------------------------------------|---------------------|--------------------------|-------------------------------------------------|
| <b>Unrestricted funds</b> |                                                 |                     |                          |                                                 |
| General                   | <u>219,444</u>                                  | <u>59,032</u>       | <u>(224,707)</u>         | <u>53,769</u>                                   |

|                           | <b>Balance at<br/>30<br/>November<br/>2022<br/>£</b> | <b>Income<br/>£</b> | <b>Expenditure<br/>£</b> | <b>Balance at<br/>31 October<br/>2023<br/>£</b> |
|---------------------------|------------------------------------------------------|---------------------|--------------------------|-------------------------------------------------|
| <b>Unrestricted funds</b> |                                                      |                     |                          |                                                 |
| General                   | <u>250,026</u>                                       | <u>459,768</u>      | <u>(490,350)</u>         | <u>219,444</u>                                  |

**17 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

|                     | <b>Unrestricted<br/>funds<br/>General<br/>£</b> | <b>Total funds<br/>at 31<br/>October<br/>2024<br/>£</b> |
|---------------------|-------------------------------------------------|---------------------------------------------------------|
| Current assets      | 58,373                                          | 58,373                                                  |
| Current liabilities | <u>(4,604)</u>                                  | <u>(4,604)</u>                                          |
| Total net assets    | <u>53,769</u>                                   | <u>53,769</u>                                           |

## DERWENTWATER INDEPENDENT HOSTEL

### COMPANY LIMITED BY GUARANTEE

#### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2024 (CONTINUED)

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##### 17 ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

|                       | Unrestricted<br>funds<br>General<br>£ | Total funds<br>at 31<br>October<br>2023<br>£ |
|-----------------------|---------------------------------------|----------------------------------------------|
| Tangible fixed assets | 25,133                                | 25,133                                       |
| Current assets        | 306,034                               | 306,034                                      |
| Current liabilities   | (81,862)                              | (81,862)                                     |
| Creditors over 1 year | <u>(29,861)</u>                       | <u>(29,861)</u>                              |
| Total net assets      | <u>219,444</u>                        | <u>219,444</u>                               |

##### 18 RELATED PARTY TRANSACTIONS

During the year the charity made the following transactions with trustees:

During the year the charity paid £2,340 (2023: £5,880) in consultancy fees to Laura Cadman Limited a company connected to Laura Cadman.

During the year the charity paid £46,207 (2023: £63,377) in rent, £79 (2023: £65) in repair costs , £Nil (2023: £8,643) in insurance, £Nil (2023: £622) in consultancy fees and £Nil (2023: £68) in premises expenses to Footprints Education Limited a company connected to John Snyder and Sarah Snyder.

**DERWENTWATER INDEPENDENT HOSTEL**

England & Wales - Charity number 1145368

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# Accounts

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COMPANY NO: 07817860

Derwentwater Independent Hostel  
Report of the Directors and Trustees  
and Financial Statements for the year ended  
31 October 2023



Keswick  
ACCOUNTANTS

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WEDNESDAY



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31/07/2024

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COMPANIES HOUSE

## **Derwentwater Independent Hostel**

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**Derwentwater Independent Hostel**

**Charity Information  
for the year ended  
31 October 2023**

**DIRECTORS  
AND  
TRUSTEES:**

John Snyder  
Sarah Snyder  
Guy Lee  
Andrew Towler  
Laura Cadman

**CHIEF EXECUTIVE OFFICERS:**

T Butcher

**BUSINESS ADDRESS**

Barrow House  
Borrowdale  
Keswick  
Cumbria  
CA12 5UR

**REGISTERED OFFICE:**

Barrow House  
Borrowdale  
Keswick  
Cumbria  
CA12 5UR

**CHARITY NUMBER:**

1145368

**COMPANY NUMBER:**

07817860

**ACCOUNTANT AND  
INDEPENDENT EXAMINER**

Frances Clark ACA  
Keswick Accountants  
Appleside  
4 Leonard Street  
Keswick  
Cumbria  
CA12 4EJ

**BANKERS:**

Barclays Bank PLC  
Market Square  
Penrith  
Cumbria  
CA11 7YB

## **Derwentwater Independent Hostel**

### **Report of the Trustees for the year ended 31 October 2023**

The Trustees, who are the directors of the Company for the purposes of company law, present their report together with the financial statements of the Charity for the year ended 31 October 2023.

The accounts have been prepared under the provisions of the Companies Act 2006 and the Charities Act 2011, and in accordance with the Statement of Recommended Practice (SORP 2005) on accounting for charities.

#### **Governing Document**

Derwentwater Independent Hostel is a company limited by guarantee and registered charity. The company was established under a Memorandum of Association, which established the objects and powers of the charitable company, and is governed under its Articles of Association.

#### **Objectives**

The Charity's Articles declare the charity's objects as:

- a) the advancement of education,
- b) the advancement in life of children and young people by developing their skills, capacities and capabilities to enable them to participate in society as independent, mature and responsible adults; and
- c) the provision of recreational and leisure time activity in the interests of social welfare for people who have need by reason of their youth, age, infirmity or disability, poverty or social and economic circumstances, by the provision of educational courses and physical and other activities; and associated residential facilities; and
- d) to help all, especially young people of limited means, to a greater knowledge, love and care of the countryside by providing a youth hostel or other accommodation for them and thus to promote their health, recreation and education.

#### **Directors**

The directors who acted during the period were as follows:

John Snyder  
Sarah Snyder  
Guy Lee  
Andy Towler  
Laura Cadman

#### **Management Structure**

The charity now has five Trustees.

# Derwentwater Independent Hostel

## Report of the Trustees, contd. for the year ended 31 October 2023

### Review of the development, activities and achievements of the Company

In the twelfth full year of operating Derwentwater Independent Hostel (DIH) our support of the education sector has continued.

| Customer Type                    | 2021/22<br>Year to 31/10/22 | 2022/23<br>Year to 31/10/23 | % change<br>on LY |
|----------------------------------|-----------------------------|-----------------------------|-------------------|
| <b>Education &amp; Adventure</b> |                             |                             |                   |
| Adult Course                     | 393                         | 814                         | 107%              |
| Sports Group                     | 211                         | 238                         | 13%               |
| Primary School                   | 2575                        | 1055                        | -59%              |
| Secondary School                 | 1565                        | 2727                        | 74%               |
| Scouts                           | 222                         | 102                         | -54%              |
| University                       | 760                         | 587                         | -23%              |
| Youth Group (incl NCS)           | 24                          | 296                         | 1133%             |
| DofE                             | 464                         | 60                          | -87%              |
| Sub-total                        | 6214                        | 5879                        | -5%               |
| <b>Family</b>                    |                             |                             |                   |
| Wedding                          | 662                         | 414                         | -37%              |
| Family                           | 1928                        | 2556                        | 33%               |
| Family Group                     | 168                         | 300                         | 79%               |
| Sub-total                        | 2758                        | 3270                        | 19%               |
| <b>Adult</b>                     |                             |                             |                   |
| Adult Group                      | 454                         | 266                         | -41%              |
| Corporate                        | 28                          | 240                         | 757%              |
| Faith/Church Group               | 735                         | 630                         | -14%              |
| Individual                       | 4745                        | 3278                        | -31%              |
| Sub-total                        | 5962                        | 4414                        | -26%              |
| <b>Total Overnights</b>          | <b>14934</b>                | <b>13563</b>                | <b>-9%</b>        |
| <b>Sub Group Totals</b>          |                             |                             |                   |
| Education & Adventure            | 6214                        | 5879                        | -5%               |
| Family                           | 2758                        | 3270                        | 19%               |
| Adult                            | 5962                        | 4414                        | -26%              |

Our previous reporting year 2021/2022 saw overnights doubling from 7,773 to 14,934, with a strong return in our Education customer base post Covid. The current reporting year 2022/2023 shows 13,563 total overnights – and these total overnights are similar in scale to the pre-Covid levels of 2017/2018 and 2018/2019 reporting years.

However as a trend, Adult and Family Groups make a larger share of total overnights post-Covid than they did in pre-Covid years. It seems the pandemic has delayed the return rate of Education to residential locations like Barrow House, with anecdotal evidence that lack of time and funding, as well as an additional burden of rules placed on teachers is changing the appetite for large group offsites. It is harder work for teachers to make these group stays happen. Also, many families and individuals stayed in the UK immediately after Covid, but now international travel has re-bounded in the last two years, reducing footfall back to pre-Covid levels.

## **Derwentwater Independent Hostel**

### **Report of the Trustees, contd. for the year ended 31 October 2023**

#### **Review of the development, activities and achievements of the Company (cont)**

The summer months continued to show high-season demand for our three pod cabins on the eastern edge of our driveway – each contributed to heightened use of the grounds for both family and individual stays in the summer holidays.

However, sadly, June 2023 saw the temporary departure of our Hostel Manager Tim Butcher on long-term sickness, with a natural impact on the charity's business.

The evening dining service (and revenue) was immediately closed down as Deputy Manager stepped up in the vacuum to help manage the staff team and finances in Tim's absence. The Trustees went into an "emergency" mode and met regularly on a weekly, then fortnightly and monthly basis once a clear strategy for achieving wider transparency on financial, rota, and standard operating procedures was observed. Tim's absence from work showcased a blind spot where important files, log-ins and some systems were not exclusively held on office computers and little to none on central cloud storage systems, creating some challenges for both senior staff and Trustees.

A financial admin service was sought from Footprints Education Limited, for several months, to help right the ship and give wider access to bank accounts and invoices on Xero for managing trading activity to the end of the year. Similarly Laura Cadman provided HR services to the Trustees and staff by working adhoc onsite with the remaining staff team, liaising with Tim in absentia and giving comfort and transparency to the Trustees about what was actually happening on the ground, at site. Our Deputy Manager resigned later in September, and the replacement who stepped up from the team to replace our Duty Manager, similarly resigned at the end of November 2023. Other seasonal staff scheduled to leave after the high season agreed to stay on to help the team manage out the guest bookings in the shoulder season.

The loss of our key manager and the close down on some hostel activities, such as evening dining, naturally reduced some potential revenues at the tail end of this reporting year, but it was important to get the basics right. The financial results do indeed show a loss of trading compared to the trading profits of last year.

#### **2022/2023 Volunteer Report**

In 2021/2022 we reported 275 Volunteer Hours, whereas in 2022/2023 we report over 800 Volunteer Hours. The Trustees, hostel manager and staff would like to thank the following for supporting the hostel in the 2023 summer season:

## **Derwentwater Independent Hostel**

### **Report of the Trustees, contd: for the year ended 31 October 2023**

#### **Review of the development, activities and achievements of the Company (Cont)**

##### **Name**

##### **Volunteer Hours Contributed.**

|                   |     |
|-------------------|-----|
| Dane Higgins      | 155 |
| Lucia Pretorius   | 25  |
| Georgia Ellis     | 95  |
| Jacob Pomerente   | 90  |
| Duncan Gray       | 30  |
| Sophie Huntington | 55  |
| Erin Shaw         | 75  |
| Brendan Rose      | 105 |
| Imogen Carter     | 125 |
| Constantin Grutze | 50  |

Total Volunteer Hours      805 Hours

Special thanks go to Erin Shaw who joined us as a volunteer before taking a paid Hostel Assistant role beyond the Summer.

#### **A strong hard year**

As Chairman of the Trustees I would like to thank Tim Butcher in particular for leading our hostel team as Hostel Manager over the majority of the trading year. He set up in late 2022 the full budget plans for 2023. Despite Tim's absence from July 2023, the team continued on through the high season and reported for the yearend a £460k revenue for 2022/2023 just above last trading year's £458k, despite the lower overnight totals (-9% YonY). This is a strong result given some of the circumstances:

Inflationary pressures on hostel costs did result in higher prices in the budget plan, hence strong revenues despite lower overnights numbers.

However Net Income for 2022/2023 is reported at £-31k compared to the £54k surplus reported in the previous year. Net Expenditure for 2022/2023 was £490k compared to £404k in the previous year, a delta of some £84k. This trend is also shown in the swing from £54k trading surplus to £31k loss.

The result is the Carried Forwards Surplus at 31<sup>st</sup> October 2023 is £209k compared to the carry forward last year of £250k. This now represents less than half of the net expenditure in a year, and is noted by the Trustees.

As Chairman of the Trustees I wish to thank our two Deputy Managers for stepping up in the latter months of this trading year, and for the dedication of our key Trustees in the time of need as our Manager Tim Butcher became absent from work on full sick pay. Team turmoil is a hard thing to plan for, and the resilience of the charity built up over twelve years was a strong position in which to offer help and counsel to Tim and our staff team whilst we set out to deliver those 13,563 overnights for all our guests we received at Barrow House this year.

#### **Trustee Appointments**

The charity continues to have five Trustees.

No formal appointments were made during this period. Thankfully our longstanding Trustees were available to support the charity with much time, advice and discussion on how to deal with Tim Butcher's expected longterm absence, the associated HR responsibilities, considering the impact and changes for all staff members and continued focus on the processes and resilience of the charity as an ongoing business with responsibilities to our staff as well as each guest who arrives onsite.

## **Derwentwater Independent Hostel**

### **Report of the Trustees, contd. for the year ended 31 October 2023**

#### **Cash Reserves**

Cash reserves carried forward into 2021/2022 were £197k and a trading profit of some £53k created a Funds Carried forward total of £250k for the start of this trading year 2022/2023. A trading loss of £31k brings these Cash Reserves down to £219k. This represents 48% of Annual Income.

#### **Investment Policy**

The Memorandum and Articles of Association of the Charity permit wide powers of investment. The Trustees should invest the money of the charity not immediately required for its purposes, in or upon such investments, securities or properties as may be thought fit.

#### **Risk Assessment**

The Trustees regularly review the risks to which the charity is exposed and consider the implications of those risks. There is no risk currently facing the charity which the Trustees consider significant.

#### **Statement of Directors Responsibilities**

The Directors are required under the Companies Act 2006 and the Charities Act 1993 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of its net surplus or deficit for that period. In preparing those financial statements, the directors are required to:

- a) select suitable accounting policies and then apply them consistently;
- b) make judgements and estimates that are reasonable and prudent;
- c) state whether applicable accounting standards and statements of recommended practice have been followed subject to any departures disclosed and explained in the financial statements;
- d) prepare the financial statements on the going concern basis unless it is inappropriate to presume the company will continue in operation.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the Trust and to enable them to ensure that the financial statements comply with applicable law, accounting standards and the Charities SORP. 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.

This report is prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 and the Financial Reporting Standard for Smaller Entities (effective April 2008) relating to small companies.

#### **ON BEHALF OF THE TRUSTEES**



John Snyder  
Director and Trustee

Date: 29.07.2024

## **Derwentwater Independent Hostel**

### **Independent Examiners Report for the year ended 31 October 2023**

I report on the accounts for the Trust for the year ended 31 October 2023 which are set out on pages 7 - 14.

#### **Respective responsibilities of trustees and examiner**

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year, under section 144(2) of the Charities Act 2011 (the 2011 Act), and that an independent examiners report is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the General Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

#### **Basis of independent examiners report**

My examination was carried out in accordance with the General Directions given by the Charity Commissioners. An examination includes a review of accounting records kept by the charity and a comparison of the accounts presented with these records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and, consequently, I do not express an audit opinion on the view given by the accounts.

#### **Independent examiners' statement**

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that, in any material respect, the requirements to:

- keep accounting records in accordance with s130 of the 2011 Act; and
- to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the 2011 Act

have not been met;

or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Frances Clark ACA  
Keswick Accountants  
Appleside  
4 Leonard Street  
Keswick  
Cumbria CA12 4EJ

**Derwentwater Independent Hostel**

**Statement of Financial Activities  
for the year ended  
31 October 2023**

|                                                  |              | <b>31 October 2023</b> |                     |                             | <b>31 October 2022</b> |
|--------------------------------------------------|--------------|------------------------|---------------------|-----------------------------|------------------------|
|                                                  | <b>Notes</b> | <b>Restricted</b>      | <b>Unrestricted</b> | <b>Designated<br/>Funds</b> | <b>Total</b>           |
|                                                  |              | <b>£</b>               | <b>£</b>            | <b>£</b>                    | <b>£</b>               |
| <b>INCOME</b>                                    |              |                        |                     |                             |                        |
| <b>Voluntary income</b>                          |              |                        |                     |                             |                        |
| Donations and gifts                              | 2            | -                      | 4                   | -                           | 5                      |
| Grants receivable                                | 3            | -                      | -                   | -                           | 4,251                  |
| Investment income                                | 4            | -                      | 1,265               | -                           | 16                     |
| <b>Income from<br/>    charitable activities</b> |              |                        |                     |                             |                        |
| Hostel income                                    | 5            | -                      | 458,499             | -                           | 453,500                |
| <b>Total income</b>                              |              | -                      | 459,768             | -                           | 457,772                |
| <b>Expenditure</b>                               |              |                        |                     |                             |                        |
| Charitable activities                            | 6            | -                      | 490,350             | -                           | 404,465                |
| <b>Total expenditure</b>                         |              | -                      | 490,350             | -                           | 404,465                |
| <b>Net income / (expenditure)</b>                |              | -                      | (30,582)            | -                           | 53,307                 |
| <b>Total funds brought forward</b>               |              | -                      | 250,026             | -                           | 196,719                |
| <b>Transfers between funds</b>                   |              | -                      | -                   | -                           | -                      |
| <b>Total funds carried forward</b>               | 13           | -                      | 219,444             | -                           | 250,026                |

There were no gains or losses in the year to 31 October 2023  
other than those included above.

The notes form part of these financial statements

**Derwentwater Independent Hostel**

**COMPARATIVE Statement of Financial Activities  
for the year ended  
31 October 2022**

| 31 October 2022                          | 31 October 2022. |            |              |                  |         |
|------------------------------------------|------------------|------------|--------------|------------------|---------|
|                                          | Notes            | Restricted | Unrestricted | Designated Funds | Total   |
|                                          |                  | £          | £            | £                | £       |
| <b>INCOME</b>                            |                  |            |              |                  |         |
| <b>Voluntary income</b>                  |                  |            |              |                  |         |
| Donations and gifts                      |                  | -          | 5            | -                | 5       |
| Grants receivable                        |                  | -          | 4,251        | -                | 4,251   |
| Investment income                        |                  | -          | 16           | -                | 16      |
| <b>Income from charitable activities</b> |                  |            |              |                  |         |
| Hostel income                            |                  | -          | 453,500      | -                | 453,500 |
| <b>Total income</b>                      |                  | -          | 457,772      | -                | 457,772 |
| <b>Expenditure</b>                       |                  |            |              |                  |         |
| <b>Charitable activities</b>             |                  |            |              |                  |         |
|                                          |                  | -          | 404,465      | -                | 404,465 |
| <b>Total expenditure</b>                 |                  | -          | 404,465      | -                | 404,465 |
| <b>Net income / (expenditure)</b>        |                  | -          | 53,307       | -                | 53,307  |
| <b>Net movement in funds</b>             |                  | -          | 53,307       | -                | 53,307  |
| Total funds brought forward              |                  | -          | 196,719      | -                | 196,719 |
| Transfers between funds                  |                  | -          | -            | -                | -       |
| <b>Total funds carried forward</b>       |                  | -          | 250,026      | -                | 250,026 |

# Derwentwater Independent Hostel

## Balance Sheet as at 31 October 2023

|                                                             | Notes | 31 October 2023 |                       | 31 October 2022 |                       |
|-------------------------------------------------------------|-------|-----------------|-----------------------|-----------------|-----------------------|
|                                                             |       | £               | £                     | £               | £                     |
| <b>Fixed Assets</b>                                         |       |                 |                       |                 |                       |
| Tangible fixed assets                                       | 9     |                 | 25,133                |                 | 33,511                |
|                                                             |       |                 | <u>25,133</u>         |                 | <u>33,511</u>         |
| <b>Current Assets</b>                                       |       |                 |                       |                 |                       |
| Debtors                                                     | 10    | 15,982          |                       | 11,749          |                       |
| Cash at bank and in hand                                    |       | 290,052         |                       | 354,326         |                       |
|                                                             |       | <u>306,034</u>  |                       | <u>366,075</u>  |                       |
| <b>Creditors: amounts falling due within one year</b>       |       |                 |                       |                 |                       |
| Creditors and accruals                                      | 11    | 81,862          |                       | 109,564         |                       |
|                                                             |       | <u>81,862</u>   |                       | <u>109,564</u>  |                       |
| <b>Net Current Assets</b>                                   |       |                 | 224,172               |                 | 256,511               |
|                                                             |       |                 | <u>224,172</u>        |                 | <u>256,511</u>        |
| <b>Total Assets less Current Liabilities</b>                |       |                 | 249,305               |                 | 290,022               |
|                                                             |       |                 | <u>249,305</u>        |                 | <u>290,022</u>        |
| <b>Creditors: amounts falling due in more than one year</b> |       |                 |                       |                 |                       |
|                                                             |       |                 | 29,861                |                 | 39,996                |
|                                                             |       |                 | <u>29,861</u>         |                 | <u>39,996</u>         |
| <b>NET ASSETS</b>                                           | 12    |                 | 219,444               |                 | 250,026               |
|                                                             |       |                 | <u><u>219,444</u></u> |                 | <u><u>250,026</u></u> |
| <b>Funds</b>                                                |       |                 |                       |                 |                       |
| Restricted funds                                            | 13    |                 |                       |                 |                       |
| Unrestricted funds                                          |       |                 | 219,444               |                 | 250,026               |
| Designated funds                                            |       |                 |                       |                 |                       |
|                                                             |       |                 | <u>219,444</u>        |                 | <u>250,026</u>        |
|                                                             | 14    |                 | <u><u>219,444</u></u> |                 | <u><u>250,026</u></u> |

For the year ending 31 October 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

These accounts have been prepared in accordance with the provisions applicable to companies

**Derwentwater Independent Hostel**

**Balance Sheet  
as at  
31 October 2023**

The directors acknowledge their responsibilities for:

- a) ensuring that the company keeps accounting records which comply with Section 386 of the Companies Act 2006, and
- b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the trustees and signed on their behalf



John Snyder  
Director and Trustee

Date: 29.07.2024

The notes form part of these financial statements

## Derwentwater Independent Hostel

### Notes to the Financial Statements for the year ended 31 October 2023

#### 1 Accounting Policies

##### General

These accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards, including the accruals concept, and the Charities SORP (Statement of Recommended Practice). They include the results of the charitable company's operations which are described in the Directors Report.

##### Cash Flow Statement

The charity has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small charity.

##### Tangible Fixed Assets and Depreciation

Assets used for charitable purposes, with an expected useful life exceeding one year, are capitalised on the balance sheet. Depreciation is provided at the following annual rates in order to write off each asset over its expected useful life:

|                                  |                            |
|----------------------------------|----------------------------|
| Computers                        | 33.34% on reducing balance |
| Fixtures, Fittings and Equipment | 25% on reducing balance    |

##### Income

Income consists of grants received and income from promotions, accounted for on a receivable basis. Where income is received for a specific purpose, as defined by the donor, this income is classed as restricted. Income received towards the general objects of the charity is classed as unrestricted.

##### Expenditure

Expenditure is accounted for on an accruals basis. Where it relates to a specific project it is allocated to that project as restricted expenditure. Expenditure that relates to the objects of the charity is classified as charitable activities. Any legal or professional costs are classified as governance costs. The costs of generating funds are separately identified.

##### Funds

General funds are those where no restrictions have been placed upon the specific spending of the funds by the donor. Designated funds are those funds where the directors have chosen to earmark general funds for a specific purpose. Restricted funds are those funds where the donation is received for a specific purpose as set out by the donor.

##### Corporation Tax

As a 'not for profit' company with charitable status the Company is exempt from the payment of corporation tax.

#### 2 Payment to Accountants

The payment to the accountants included in the expenditure is split as follows:

|                                     | 2023         | 2022       |
|-------------------------------------|--------------|------------|
|                                     | £            | £          |
| Book keeping and payroll services   | 300          | 240        |
| Payment for preparation of accounts | 550          | 450        |
| Payment for Independent Examination | 250          | 200        |
|                                     | <u>1,100</u> | <u>890</u> |

# Derwentwater Independent Hostel

## Notes to the Financial Statements for the year ended 31 October 2023

|                                | 31 October 2023 |                   |                 |            | 31 October 2022 |
|--------------------------------|-----------------|-------------------|-----------------|------------|-----------------|
|                                | Restricted<br>£ | Unrestricted<br>£ | Designated<br>£ | Total<br>£ | £               |
| <b>2 Donations and gifts</b>   |                 |                   |                 |            |                 |
| Sundry donations               | -               | 4                 | -               | 4          | 5               |
|                                | -               | 4                 | -               | 4          | 5               |
| <b>3 Grants receivable</b>     |                 |                   |                 |            |                 |
| Allerdale Business Support Gr. | -               | -                 | -               | -          | 4,000           |
| Job Retention Scheme Grant     | -               | -                 | -               | -          | 251             |
|                                | -               | -                 | -               | -          | 4,251           |
| <b>4 Investment income</b>     |                 |                   |                 |            |                 |
| Bank interest received         | -               | 1,265             | -               | 1,265      | 16              |
|                                | -               | 1,265             | -               | 1,265      | 16              |
| <b>5 Hostel income</b>         |                 |                   |                 |            |                 |
| Overnight income               | -               | 282,403           | -               | 282,403    | 266,591         |
| Cancellation charge            | -               | 10,499            | -               | 10,499     | 14,826          |
| Catering income                | -               | 143,868           | -               | 143,868    | 145,311         |
| Alcohol sales                  | -               | 14,881            | -               | 14,881     | 18,490          |
| Shop sales                     | -               | 5,778             | -               | 5,778      | 6,230           |
| Activities                     | -               | 400               | -               | 400        | 392             |
| Hydro income                   | -               | 670               | -               | 670        | 1,660           |
|                                | -               | 458,499           | -               | 458,499    | 453,500         |

# Derwentwater Independent Hostel

## Notes to the Financial Statements for the year ended 31 October 2023

| 6 Charitable activities   | 31 October 2023 |                   |                 |            | 31 October 2022 |
|---------------------------|-----------------|-------------------|-----------------|------------|-----------------|
|                           | Restricted<br>£ | Unrestricted<br>£ | Designated<br>£ | Total<br>£ | £               |
| Purchases                 | -               | 75,399            | -               | 75,399     | 70,880          |
| Staff costs <b>Note 7</b> | -               | 180,509           | -               | 180,509    | 158,628         |
| Administration            | -               | 20,238            | -               | 20,238     | 10,375          |
| Marketing and Advertising | -               | 611               | -               | 611        | 1,139           |
| Premises and other costs  | -               | 194,290           | -               | 194,290    | 145,556         |
| Interest and charges      | -               | 4,102             | -               | 4,102      | 5,485           |
| Depreciation              | -               | 8,378             | -               | 8,378      | 11,170          |
| Legal and professional    | -               | 6,823             | -               | 6,823      | 1,232           |
|                           | -               | 490,350           | -               | 490,350    | 404,465         |

| 7 Employee Remuneration       | 31 October 2023 | 31 October 2022 |
|-------------------------------|-----------------|-----------------|
|                               | £               | £               |
| Staff costs                   |                 |                 |
| Wages                         | 183,938         | 164,473         |
| Employers NIC                 | 8,624           | 7,269           |
| Staff accommodation deduction | (10,415)        | (11,954)        |
| Staff food deduction          | (5,232)         | (5,232)         |
| Employer pension              | 3,447           | 3,116           |
| Recruitment                   | 147             | 956             |
|                               | <u>180,509</u>  | <u>158,628</u>  |

The average number of staff employed by the trust during the year was as follows;

|              | 31 October 2023 | 31 October 2022 |
|--------------|-----------------|-----------------|
|              | No.             | No.             |
| Managers     | 1               | 1               |
| Hostel staff | 7               | 7               |
|              | <u>8</u>        | <u>8</u>        |

## 8 Trustee Remuneration and Expenses

With the absence of our Hostel manager, Laura Cadman was tasked by the Trustees to assist staff with practical onsite issues at the hostel on a temporary assignment and was paid of total of £4,900 for her interim work to assist the operations.

# Derwentwater Independent Hostel

## Notes to the Financial Statements for the year ended 31 October 2023

### 9 Tangible Fixed Assets

|                       | Plant and<br>machinery<br>£ | Fixtures &<br>Fittings<br>£ | Total<br>£    |
|-----------------------|-----------------------------|-----------------------------|---------------|
| <b>COST</b>           |                             |                             |               |
| At 1 November 2022    | 67,583                      | 7,597                       | 75,180        |
| Additions             | -                           | -                           | -             |
| At 31 October 2023    | <u>67,583</u>               | <u>7,597</u>                | <u>75,180</u> |
| <b>DEPRECIATION</b>   |                             |                             |               |
| At 1 November 2022    | 35,538                      | 6,131                       | 41,669        |
| Charge for year       | 8,011                       | 367                         | 8,378         |
| At 31 October 2023    | <u>43,549</u>               | <u>6,498</u>                | <u>50,047</u> |
| <b>NET BOOK VALUE</b> |                             |                             |               |
| At 31 October 2023    | <u>24,034</u>               | <u>1,099</u>                | <u>25,133</u> |
| At 31 October 2022    | <u>32,045</u>               | <u>1,466</u>                | <u>33,511</u> |

| 10 Debtors    | 31 October 2023<br>£ | 31 October 2022<br>£ |
|---------------|----------------------|----------------------|
| Trade debtors | -                    | -                    |
| Prepayments   | 15,982               | 11,749               |
| VAT Repayable | -                    | -                    |
|               | <u>15,982</u>        | <u>11,749</u>        |

| 11 Creditors: amounts falling due within one year | 31 October 2023<br>£ | 31 October 2022<br>£ |
|---------------------------------------------------|----------------------|----------------------|
| Trade creditors                                   | 31,453               | 42,498               |
| Advance payments                                  | 36,037               | 43,574               |
| Other taxation & social security                  | 10,530               | 21,838               |
| Accruals                                          | 3,950                | 990                  |
| Pension creditor                                  | -                    | 772                  |
| Corporation tax                                   | (108)                | (108)                |
|                                                   | <u>81,862</u>        | <u>109,564</u>       |

| 12 CREDITORS > 1 YEAR | 31 October 2023<br>£ | 31 October 2022<br>£ |
|-----------------------|----------------------|----------------------|
| Bounce Back Loan      | 29,861               | 39,996               |
|                       | <u>29,861</u>        | <u>39,996</u>        |

# Derwentwater Independent Hostel

## Notes to the Financial Statements for the year ended 31 October 2023

| 13 Funds                  | At<br>1 November 2022 | Incoming<br>Resources | Outgoing<br>Resources | Transfers | At<br>31 October 2023 |
|---------------------------|-----------------------|-----------------------|-----------------------|-----------|-----------------------|
| Projects & Restricted fur | £                     | £                     | £                     | £         | £                     |
| <b>Designated Funds</b>   |                       |                       |                       |           |                       |
| Refurbishment Reserve     | -                     | -                     | -                     | -         | -                     |
|                           | -                     | -                     | -                     | -         | -                     |

| 14 Net Assets by fund                         | Restricted<br>£ | Unrestricted<br>£ | Designated<br>£ | Total<br>£ |
|-----------------------------------------------|-----------------|-------------------|-----------------|------------|
| Tangible fixed assets                         | -               | 25,133            | -               | 25,133     |
| Investments                                   | -               | -                 | -               | -          |
| Current assets                                | -               | 306,034           | -               | 306,034    |
| Creditors: amounts falling<br>within one year | -               | (81,862)          | -               | (81,862)   |
| <b>Total net assets</b>                       | -               | 219,444           | -               | 219,444    |

## 15 Members liability

The liability of the members is limited. Every member of the charity undertakes to contribute to the assets of the charity in the event of the organisation being wound up while he or she is a member, or within one year after he or she ceases to be a member, for payment of the debts and liabilities of the charity contracted before he or she ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributors among themselves, such amount as may be required, but not exceeding £1.

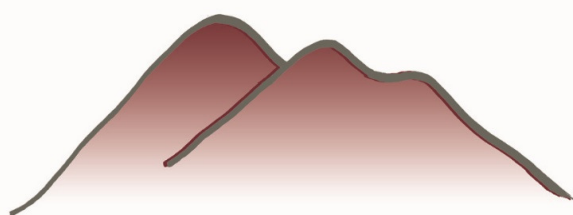
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# Accounts

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COMPANY NO: 07817860

**Derwentwater Independent Hostel**  
**Report of the Directors and Trustees**  
**and Financial Statements for the year ended**  
**31 October 2022**



**K e s w i c k**  
**A C C O U N T A N T S**

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## **Derwentwater Independent Hostel**

### **Index to the Financial Statements for the year ended 31 October 2022**

|                                               | Page    |
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| Trustees' Report                              | 2 - 6   |
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| Statement of Financial Activities             | 8       |
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## **Derwentwater Independent Hostel**

**Charity Information  
for the year ended  
31 October 2022**

|                                                |                                                                                                             |
|------------------------------------------------|-------------------------------------------------------------------------------------------------------------|
| <b>DIRECTORS<br/>AND<br/>TRUSTEES:</b>         | John Snyder<br>Sarah Snyder<br>Guy Lee<br>Andrew Towler<br>Laura Cadman                                     |
| <b>CHIEF EXECUTIVE OFFICERS:</b>               | T Butcher                                                                                                   |
| <b>BUSINESS ADDRESS</b>                        | Barrow House<br>Borrowdale<br>Keswick<br>Cumbria<br>CA12 5UR                                                |
| <b>REGISTERED OFFICE:</b>                      | Barrow House<br>Borrowdale<br>Keswick<br>Cumbria<br>CA12 5UR                                                |
| <b>CHARITY NUMBER:</b>                         | 1145368                                                                                                     |
| <b>COMPANY NUMBER:</b>                         | 07817860                                                                                                    |
| <b>ACCOUNTANT AND<br/>INDEPENDENT EXAMINER</b> | Frances Clark ACA<br>Keswick Accountants<br>Appleside<br>4 Leonard Street<br>Keswick<br>Cumbria<br>CA12 4EJ |
| <b>BANKERS:</b>                                | Barclays Bank PLC<br>Market Square<br>Penrith<br>Cumbria<br>CA11 7YB                                        |

## **Derwentwater Independent Hostel**

### **Report of the Trustees for the year ended 31 October 2022**

The Trustees, who are the directors of the Company for the purposes of company law, present their report together with the financial statements of the Charity for the year ended 31 October 2022.

The accounts have been prepared under the provisions of the Companies Act 2006 and the Charities Act 2011, and in accordance with the Statement of Recommended Practice (SORP 2005) on accounting for charities.

#### **Governing Document**

Derwentwater Independent Hostel is a company limited by guarantee and registered charity. The company was established under a Memorandum of Association, which established the objects and powers of the charitable company, and is governed under its Articles of Association.

#### **Objectives**

The Charity's Articles declare the charity's objects as:

- a) the advancement of education,
- b) the advancement in life of children and young people by developing their skills, capacities and capabilities to enable them to participate in society as independent, mature and responsible adults; and
- c) the provision of recreational and leisure time activity in the interests of social welfare for people who have need by reason of their youth, age, infirmity or disability, poverty or social and economic circumstances, by the provision of educational courses and physical and other activities; and associated residential facilities; and
- d) to help all, especially young people of limited means, to a greater knowledge, love and care of the countryside by providing a youth hostel or other accommodation for them and thus to promote their health, recreation and education.

#### **Directors**

The directors who acted during the period were as follows:

John Snyder  
Sarah Snyder  
Guy Lee  
Andy Towler  
Paul Kleian - resigned 25 January 2022  
Laura Cadman - appointed 26 January 2022

#### **Management Structure**

The charity now has five Trustees and continues to consider recruiting. There continues to be a potential need for additional contributions from people with legal, auditing, estate management and classroom educational skills. More conversations have taken place, but still no new formal appointments yet made.

#### **Review of the development, activities and achievements of the Company**

In the eleventh full year of operating Derwentwater Independent Hostel (DIH) our support of the education sector has continued.

Relative to the prior year of 2020/2021 impacted by Covid measures, this trading year was full of rebound and growth.

## Derwentwater Independent Hostel

### Report of the Trustees, contd. for the year ended 31 October 2022

#### Review of the development, activities and achievements of the Company (cont)

| Full Year Customer Data Comparison |                             |                             |                   |
|------------------------------------|-----------------------------|-----------------------------|-------------------|
| Customer Type                      | 2020/21<br>Year to 31/10/21 | 2021/22<br>Year to 31/10/22 | % change<br>on LY |
| <b>EDUCATION</b>                   |                             |                             |                   |
| Adult Course                       | 303                         | 393                         | 30%               |
| Sports Group                       | 120                         | 211                         | 76%               |
| Primary School                     | 356                         | 2575                        | 623%              |
| Secondary School                   | 404                         | 1565                        | 287%              |
| Scouts                             | 0                           | 222                         | -                 |
| University                         | 549                         | 760                         | 38%               |
| Youth Group (incl NCS)             | 0                           | 24                          | -                 |
| Dof E                              | 349                         | 464                         | 33%               |
|                                    | 2081                        | 6214                        | 199%              |
| <b>FAMILY</b>                      |                             |                             |                   |
| Wedding                            | 386                         | 662                         | 72%               |
| Family                             | 1353                        | 1928                        | 42%               |
| Family Group                       | 230                         | 168                         | -27%              |
|                                    | 1969                        | 2758                        | 40%               |
| <b>Adult Group</b>                 |                             |                             |                   |
| Adult Group                        | 264                         | 454                         | 72%               |
| Corporate                          | 0                           | 28                          | -                 |
| Faith/Church Group                 | 0                           | 735                         | -                 |
| Individual                         | 3459                        | 4745                        | 37%               |
|                                    | 3723                        | 5962                        | 60%               |
| <b>Total Overnights</b>            | <b>7773</b>                 | <b>14934</b>                | <b>92%</b>        |
| <b>Sub Group Totals</b>            |                             |                             |                   |
| Education & Adventure              | 2081                        | 6214                        | 199%              |
| Family                             | 1969                        | 2758                        | 40%               |
| Adult                              | 3723                        | 5962                        | 60%               |

Overnights almost doubled from 7,773 to 14,934 in the trading year, with a very strong upswing in our Education customer base, which grew 199% from 2,081 overnights (2020/2021) to 6,214 overnights in 2021/2022. Within that customer segment, Primary Schools and Secondary Schools showed the highest rate of return to Derwentwater Independent Hostel. Schools had some of the toughest regimes during the Covid lockdown era, and therefore school leaders had to narrow their focus on classroom routines, prior to considering or having the confidence to take students off-campus on school residential trips again. The Education segment now returns as the top category of guests we host at Derwentwater Independent Hostel.

## **Derwentwater Independent Hostel**

### **Report of the Trustees, contd. for the year ended 31 October 2022**

Adult Groups also grew by 60%, whereas the Family Groups had a lower growth rate of 40%. The innovation of introducing temporary camping plots on the front lawn, as well as our three pod cabins on the eastern edge of our driveway – each contributed to heightened use of the grounds for both family and individual stays in the summer holidays.

#### **2021/2022 Volunteer Report**

There continues to be a change in the profile of our volunteers, post Brexit, as visa rules make it very difficult for EU citizens to undertake voluntary work in the UK. We continue to welcome UK based volunteers, and we continue to offer the same experience and outcome to volunteers.

In 2022 we recorded significantly lower volunteering hours than the 550 hours recorded in 2021, as we used all of our available staff accommodation for employees.

The trustees, hostel manager and staff would like to thank the following volunteers for supporting the hostel in 2021/2022.

| <u>Name</u>  | <u>Volunteer Hours Contributed</u> |
|--------------|------------------------------------|
| Darren Pike  | 75 Hours                           |
| Harvey Ball  | 75 Hours                           |
| Steve Mills  | 25 Hours                           |
| Jo Severn    | 25 Hours                           |
| Phil Severn  | 25 Hours                           |
| Paul Chilton | 25 Hours                           |
| Sara Chilton | 25 Hours                           |

Total Volunteer Hours: 275 Hours

Special thanks go to Harvey Ball who joined us as a volunteer before taking a paid Hostel Assistant role.

#### **A successful year**

As Chairman of the Trustees I would like to thank Tim Butcher in particular for leading our hostel team as Hostel Manager through both the Covid period and the immediate post-lockdown uncertainty. Tim with our staff team navigated a period of no returning school groups, followed by a rebound return of these important customer groups back to our hostel. Good communication with our regular school group leaders and booking some new groups too, meant the hostel could rebalance our trading activity. The fruits of our team's hard work posted annual revenues of £458k for 2021/2022, with a net income of £53k. The previous year 2020/2021 the hostel achieved £343k annual revenues with a net income of 15k. By comparison, the prior year of 2019/2020 reported revenues of just £223k with a net loss of £54k!

## **Derwentwater Independent Hostel**

### **Report of the Trustees, contd. for the year ended 31 October 2022**

#### **Review of the development, activities and achievements of the Company (Cont)**

Returning surplus funds back into our reserves is important for the health of our charity, and additional surplus provides more resilience alongside fresh opportunities to continue investing in our team, our infrastructure and our charitable aims. Returning £54k surplus in one year, immediately post-Covid, is a remarkable result.

As Chairman I must observe and share the fact that the Covid lockdowns, and lack of schools returning immediately afterwards, did temporarily stop our customary handing out of grants to chosen schools, both last year and this reporting year. Pre-Covid we distributed small support grants to a few schools which lacked funds to bring their children through to a Lakeland DIH stay experience. Our charity does want to support young people's accessibility to our Borrowdale region of the Lake District, for all, irrespective of the ability any parents to pay for their child's residential stay. My hope is we can return to that agenda, now that significant surpluses are reported coming back into our reserves.

I am so proud to report that our engaging and friendly staff have delivered such a strong year of overnights and service to our many varied visitors. Our Trustees wholeheartedly thank Tim and the team for their huge efforts through this last year.

#### **Trustee Appointments**

The charity has five Trustees. Laura Cadman previously engaged the Trustees on governance, as a charity consultant, with an initial audit on Trustee skills and responsibilities; Laura subsequently joined the Trustee team with a formal appointment on 26<sup>th</sup> January 2022.

No formal appointments were made during the Covid lockdown era, with our small Trustees team working in survival mode drawing on its deep knowledge of the details of the hostel, collected over the many years since 2011. It is refreshing to have a new colleague in our midst, bringing a strength of charity governance and personnel management to our team.

#### **Cash Reserves**

Cash reserves took a dent during the Covid emergency and lockdown restrictions. Unrestricted funds carried forwards have in pre-Covid year exceeded £200,000, but were lower at £181k in the 2020/2021 reporting year. Carried forward unrestricted funds at the close of the 2021/2022 trading are now £197k, and now represent over 43% of our annual income.

#### **Investment Policy**

The Memorandum and Articles of Association of the Charity permit wide powers of investment. The Trustees should invest the money of the charity not immediately required for its purposes, in or upon such investments, securities or properties as may be thought fit.

#### **Risk Assessment**

The Trustees regularly review the risks to which the charity is exposed and consider the implications of those risks. There is no risk currently facing the charity which the Trustees consider significant.

## **Derwentwater Independent Hostel**

### **Report of the Trustees, contd. for the year ended 31 October 2022**

#### **Statement of Directors Responsibilities**

The Directors are required under the Companies Act 2006 and the Charities Act 1993 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of its net surplus or deficit for that period. In preparing those financial statements, the directors are required to:

- a) select suitable accounting policies and then apply them consistently;
- b) make judgements and estimates that are reasonable and prudent;
- c) state whether applicable accounting standards and statements of recommended practice have been followed subject to any departures disclosed and explained in the financial statements;
- d) prepare the financial statements on the going concern basis unless it is inappropriate to presume the company will continue in operation.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the Trust and to enable them to ensure that the financial statements comply with applicable law, accounting standards and the Charities SORP. 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.

This report is prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 and the Financial Reporting Standard for Smaller Entities (effective April 2008) relating to small companies.

#### **ON BEHALF OF THE TRUSTEES**



John Snyder  
Director and Trustee  
Date:

## **Derwentwater Independent Hostel**

### **Independent Examiners Report for the year ended 31 October 2022**

I report on the accounts for the Trust for the year ended 31 October 2022 which are set out on pages 7 - 14.

#### **Respective responsibilities of trustees and examiner**

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year, under section 144(2) of the Charities Act 2011 (the 2011 Act), and that an independent examiners report is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the General Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

#### **Basis of independent examiners report**

My examination was carried out in accordance with the General Directions given by the Charity Commissioners. An examination includes a review of accounting records kept by the charity and a comparison of the accounts presented with these records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and, consequently, I do not express an audit opinion on the view given by the accounts.

#### **Independent examiners' statement**

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that, in any material respect, the requirements to:

- keep accounting records in accordance with s130 of the 2011 Act; and
- to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the 2011 Act

have not been met;

or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Frances Clark ACA  
Keswick Accountants  
Appleside  
4 Leonard Street  
Keswick  
Cumbria CA12 4EJ

# Derwentwater Independent Hostel

## Statement of Financial Activities for the year ended 31 October 2022

|                                                      | Notes | 31 October 2022 |              |                     | Total   | 31 October 2021 |
|------------------------------------------------------|-------|-----------------|--------------|---------------------|---------|-----------------|
|                                                      |       | Restricted      | Unrestricted | Designated<br>Funds |         | Total           |
|                                                      |       | £               | £            | £                   | £       | £               |
| <b>INCOME</b>                                        |       |                 |              |                     |         |                 |
| <b>Voluntary income</b>                              |       |                 |              |                     |         |                 |
| Donations and gifts                                  | 2     | -               | 5            | -                   | 5       | -               |
| Legacies receivable                                  |       | -               | -            | -                   | -       | -               |
| Grants receivable                                    | 3     | -               | 4,251        | -                   | 4,251   | 77,996          |
| Activities for generating funds                      |       | -               | -            | -                   | -       | -               |
| Investment income                                    | 4     | -               | 16           | -                   | 16      | 246             |
| <br><b>Income from<br/>    charitable activities</b> |       |                 |              |                     |         |                 |
| Hostel income                                        | 5     | -               | 453,500      | -                   | 453,500 | 264,471         |
| <br><b>Total income</b>                              |       | -               | 457,772      | -                   | 457,772 | 342,713         |
| <br><b>Expenditure</b>                               |       |                 |              |                     |         |                 |
| <b>Charitable activities</b>                         | 6     | -               | 404,465      | -                   | 404,465 | 327,348         |
| <br><b>Total expenditure</b>                         |       | -               | 404,465      | -                   | 404,465 | 327,348         |
| <br><b>Net income / (expenditure)</b>                |       | -               | 53,307       | -                   | 53,307  | 15,365          |
| <br>Total funds brought forward                      |       | -               | 196,719      | -                   | 196,719 | 181,354         |
| Transfers between funds                              |       | -               | -            | -                   | -       | -               |
| <br><b>Total funds carried forward</b>               | 13    | -               | 250,026      | -                   | 250,026 | 196,719         |

There were no gains or losses in the year to 31 October 2022  
other than those included above.

The notes form part of these financial statements

# Derwentwater Independent Hostel

## COMPARATIVE Statement of Financial Activities for the year ended 31 October 2021

|                                          | Notes | 31 October 2021 |              |            |         |
|------------------------------------------|-------|-----------------|--------------|------------|---------|
|                                          |       | Restricted      | Unrestricted | Designated | Total   |
|                                          |       | £               | £            | Funds<br>£ | £       |
| <b>INCOME</b>                            |       |                 |              |            |         |
| <b>Voluntary income</b>                  |       |                 |              |            |         |
| Donations and gifts                      |       | -               | -            | -          | -       |
| Legacies receivable                      |       | -               | -            | -          | -       |
| Grants receivable                        |       | -               | 77,996       | -          | 77,996  |
| Activities for generating funds          |       | -               | -            | -          | -       |
| Investment income                        |       | -               | 246          | -          | 246     |
| <b>Income from charitable activities</b> |       |                 |              |            |         |
| Hostel income                            |       | -               | 264,471      | -          | 264,471 |
| <b>Total income</b>                      |       | -               | 342,713      | -          | 342,713 |
| <b>Expenditure</b>                       |       |                 |              |            |         |
| <b>Charitable activities</b>             |       |                 |              |            |         |
|                                          |       | -               | 327,348      | -          | 327,348 |
| <b>Total expenditure</b>                 |       | -               | 327,348      | -          | 327,348 |
| <b>Net income / (expenditure)</b>        |       | -               | 15,365       | -          | 15,365  |
| <b>Net movement in funds</b>             |       | -               | 15,365       | -          | 15,365  |
| Total funds brought forward              |       | -               | 148,354      | 33,000     | 181,354 |
| Transfers between funds                  |       | -               | 33,000       | (33,000)   | -       |
| <b>Total funds carried forward</b>       |       | -               | 196,719      | -          | 196,719 |

# Derwentwater Independent Hostel

## Balance Sheet as at 31 October 2022

|                                                             | Notes | 31 October 2022 |         | 31 October 2021 |         |
|-------------------------------------------------------------|-------|-----------------|---------|-----------------|---------|
|                                                             |       | £               | £       | £               | £       |
| <b>Fixed Assets</b>                                         |       |                 |         |                 |         |
| Tangible fixed assets                                       | 9     |                 | 33,511  |                 | 40,716  |
|                                                             |       |                 | <hr/>   |                 | <hr/>   |
|                                                             |       |                 | 33,511  |                 | 40,716  |
| <b>Current Assets</b>                                       |       |                 |         |                 |         |
| Debtors                                                     | 10    | 11,749          |         | 35,131          |         |
| Cash at bank and in hand                                    |       | 354,326         |         | 271,372         |         |
|                                                             |       | <hr/>           |         | <hr/>           |         |
|                                                             |       | 366,075         |         | 306,503         |         |
| <b>Creditors: amounts falling due within one year</b>       |       |                 |         |                 |         |
| Creditors and accruals                                      | 11    | 109,564         |         | 100,500         |         |
|                                                             |       | <hr/>           |         | <hr/>           |         |
| <b>Net Current Assets</b>                                   |       |                 | 256,511 |                 | 206,003 |
|                                                             |       |                 | <hr/>   |                 | <hr/>   |
| <b>Total Assets less Current Liabilities</b>                |       |                 | 290,022 |                 | 246,719 |
| <b>Creditors: amounts falling due in more than one year</b> |       |                 |         |                 |         |
|                                                             |       |                 | 39,996  |                 | 50,000  |
|                                                             |       |                 | <hr/>   |                 | <hr/>   |
| <b>NET ASSETS</b>                                           | 12    |                 | 250,026 |                 | 196,719 |
|                                                             |       |                 | <hr/>   |                 | <hr/>   |
| <b>Funds</b>                                                |       |                 |         |                 |         |
| Restricted funds                                            | 13    | -               |         | -               |         |
| Unrestricted funds                                          |       | 250,026         |         | 196,719         |         |
| Designated funds                                            |       | -               |         | -               |         |
|                                                             |       | <hr/>           |         | <hr/>           |         |
|                                                             | 14    |                 | 250,026 |                 | 196,719 |
|                                                             |       |                 | <hr/>   |                 | <hr/>   |

For the year ending 31 October 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

These accounts have been prepared in accordance with the provisions applicable to companies

## **Derwentwater Independent Hostel**

### **Balance Sheet as at 31 October 2022**

The directors acknowledge their responsibilities for:

- a) ensuring that the company keeps accounting records which comply with Section 386 of the Companies Act 2006, and
- b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the trustees and signed on their behalf



John Snyder  
Director and Trustee  
Date:

The notes form part of these financial statements

## Derwentwater Independent Hostel

### Notes to the Financial Statements for the year ended 31 October 2022

#### 1 Accounting Policies

##### General

These accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards, including the accruals concept, and the Charities SORP (Statement of Recommended Practice). They include the results of the charitable company's operations which are described in the Directors Report.

##### Cash Flow Statement

The charity has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small charity.

##### Tangible Fixed Assets and Depreciation

Assets used for charitable purposes, with an expected useful life exceeding one year, are capitalised on the balance sheet. Depreciation is provided at the following annual rates in order to write off each asset over its expected useful life:

|                                  |                            |
|----------------------------------|----------------------------|
| Computers                        | 33.34% on reducing balance |
| Fixtures, Fittings and Equipment | 25% on reducing balance    |

##### Income

Income consists of grants received and income from promotions, accounted for on a receivable basis. Where income is received for a specific purpose, as defined by the donor, this income is classed as restricted. Income received towards the general objects of the charity is classed as unrestricted.

##### Expenditure

Expenditure is accounted for on an accruals basis. Where it relates to a specific project it is allocated to that project as restricted expenditure. Expenditure that relates to the objects of the charity is classified as charitable activities. Any legal or professional costs are classified as governance costs. The costs of generating funds are separately identified.

##### Funds

General funds are those where no restrictions have been placed upon the specific spending of the funds by the donor. Designated funds are those funds where the directors have chosen to earmark general funds for a specific purpose. Restricted funds are those funds where the donation is received for a specific purpose as set out by the donor.

##### Corporation Tax

As a 'not for profit' company with charitable status the Company is exempt from the payment of corporation tax.

#### 2 Payment to Accountants

The payment to the accountants included in the expenditure is split as follows:

|                                     | 2022       | 2021       |
|-------------------------------------|------------|------------|
|                                     | £          | £          |
| Book keeping and payroll services   | 240        | 240        |
| Payment for preparation of accounts | 450        | 450        |
| Payment for Independent Examination | 200        | 200        |
|                                     | <u>890</u> | <u>890</u> |

## Derwentwater Independent Hostel

### Notes to the Financial Statements for the year ended 31 October 2022

|                                | 31 October 2022 |                   |                 |            | 31 October 2021 |
|--------------------------------|-----------------|-------------------|-----------------|------------|-----------------|
|                                | Restricted<br>£ | Unrestricted<br>£ | Designated<br>£ | Total<br>£ | £               |
| <b>2 Donations and gifts</b>   |                 |                   |                 |            |                 |
| Sundry donations               | -               | 5                 |                 | 5          | -               |
|                                | -               | 5                 | -               | 5          | -               |
| <b>3 Grants receivable</b>     |                 |                   |                 |            |                 |
| Allerdale Business Support Gr. | -               | 4,000             |                 | 4,000      | 27,950          |
| Job Retention Scheme Grant     | -               | 251               |                 | 251        | 50,046          |
|                                | -               | 4,251             | -               | 4,251      | 77,996          |
| <b>4 Investment income</b>     |                 |                   |                 |            |                 |
| Bank interest received         | -               | 16                | -               | 16         | 246             |
|                                | -               | 16                | -               | 16         | 246             |
| <b>5 Hostel income</b>         |                 |                   |                 |            |                 |
| Overnight income               | -               | 266,591           | -               | 266,591    | 171,175         |
| Cancellation charge            | -               | 14,826            | -               | 14,826     | 10,975          |
| Catering income                | -               | 145,311           | -               | 145,311    | 64,278          |
| Alcohol sales                  | -               | 18,490            | -               | 18,490     | 11,116          |
| Shop sales                     | -               | 6,230             | -               | 6,230      | 5,902           |
| Activities                     | -               | 392               | -               | 392        | -               |
| Hydro income                   | -               | 1,660             | -               | 1,660      | 1,025           |
|                                | -               | 453,500           | -               | 453,500    | 264,471         |

## Derwentwater Independent Hostel

### Notes to the Financial Statements for the year ended 31 October 2022

| 6 Charitable activities   | 31 October 2022 |                   |                 |            | 31 October 2021 |
|---------------------------|-----------------|-------------------|-----------------|------------|-----------------|
|                           | Restricted<br>£ | Unrestricted<br>£ | Designated<br>£ | Total<br>£ | £               |
| Purchases                 | -               | 70,880            | -               | 70,880     | 39,094          |
| Staff costs <b>Note 7</b> | -               | 158,628           | -               | 158,628    | 121,125         |
| Administration            | -               | 10,375            | -               | 10,375     | 3,845           |
| Marketing and Advertising | -               | 1,139             | -               | 1,139      | 2,595           |
| Premises and other costs  | -               | 145,556           | -               | 145,556    | 138,240         |
| Interest and charges      | -               | 5,485             | -               | 5,485      | 3,152           |
| Depreciation              | -               | 11,170            | -               | 11,170     | 13,572          |
| Legal and professional    | -               | 1,232             | -               | 1,232      | 5,725           |
|                           | -               | 404,465           | -               | 404,465    | 327,348         |

| 7 Employee Remuneration       | 31 October 2022<br>£ | 31 October 2021<br>£ |
|-------------------------------|----------------------|----------------------|
| Staff costs                   |                      |                      |
| Wages                         | 164,473              | 134,136              |
| Employers NIC                 | 7,269                | 3,836                |
| Staff accommodation deduction | (11,954)             | (12,326)             |
| Staff food deduction          | (5,232)              | (6,692)              |
| Employer pension              | 3,116                | 2,089                |
| Travel                        | -                    | 0                    |
| Recruitment                   | 956                  | 82                   |
|                               | <u>158,628</u>       | <u>121,125</u>       |

The average number of staff employed by the trust during the year was as follows;

|                     | 31 October 2022<br>No. | 31 October 2021<br>No. |
|---------------------|------------------------|------------------------|
| <b>Managers</b>     | 1                      | 1                      |
| <b>Hostel staff</b> | <u>7</u>               | <u>7</u>               |
|                     | <u>8</u>               | <u>8</u>               |

### 7 Trustee Remuneration and Expenses

No remuneration directly or indirectly out of the funds of the charity was paid or payable for the year to any trustee or to any person or persons known to be connected with any of them.

No reimbursement of expenses has been made or is due to be made to any of the trustees in respect of the year.

# Derwentwater Independent Hostel

## Notes to the Financial Statements for the year ended 31 October 2022

### 9 Tangible Fixed Assets

|                       | Plant and<br>machinery<br>£ | Fixtures &<br>Fittings<br>£ | Total<br>£    |
|-----------------------|-----------------------------|-----------------------------|---------------|
| <b>COST</b>           |                             |                             |               |
| At 1 November 2021    | 63,617                      | 7,597                       | 71,214        |
| Additions             | 3,966                       | -                           | 3,966         |
| At 31 October 2022    | <u>67,583</u>               | <u>7,597</u>                | <u>75,180</u> |
| <b>DEPRECIATION</b>   |                             |                             |               |
| At 1 November 2021    | 24,856                      | 5,642                       | 30,498        |
| Charge for year       | 10,682                      | 489                         | 11,171        |
| At 31 October 2022    | <u>35,538</u>               | <u>6,131</u>                | <u>41,669</u> |
| <b>NET BOOK VALUE</b> |                             |                             |               |
| At 31 October 2022    | <u>32,045</u>               | <u>1,466</u>                | <u>33,511</u> |
| At 31 October 2021    | <u>38,761</u>               | <u>1,955</u>                | <u>40,716</u> |

| 10 Debtors    | 31 October 2022<br>£ | 31 October 2021<br>£ |
|---------------|----------------------|----------------------|
| Trade debtors | -                    | 25,354               |
| Prepayments   | 11,749               | 9,777                |
| VAT Repayable | -                    | -                    |
|               | <u>11,749</u>        | <u>35,131</u>        |

| 11 Creditors: amounts falling due within one year | 31 October 2022<br>£ | 31 October 2021<br>£ |
|---------------------------------------------------|----------------------|----------------------|
| Trade creditors                                   | 42,498               | 47,281               |
| Advance payments                                  | 43,574               | 47,799               |
| Other taxation & social security                  | 21,838               | 2,989                |
| Accruals                                          | 990                  | 2,015                |
| Pension creditor                                  | 772                  | 524                  |
| Corporation tax                                   | (108)                | -                    |
|                                                   | <u>109,564</u>       | <u>100,608</u>       |

| 12 CREDITORS > 1 YEAR | 31 October 2022<br>£ | 31 October 2021<br>£ |
|-----------------------|----------------------|----------------------|
| Bounce Back Loan      | 39,996               | 50,000               |
|                       | <u>39,996</u>        | <u>50,000</u>        |

## Derwentwater Independent Hostel

### Notes to the Financial Statements for the year ended 31 October 2022

| 13 Funds                               | At<br>1 November 2021<br>£ | Incoming<br>Resources<br>£ | Outgoing<br>Resources<br>£ | Transfers<br>£ | At<br>31 October 2022<br>£ |
|----------------------------------------|----------------------------|----------------------------|----------------------------|----------------|----------------------------|
| <b>Projects &amp; Restricted funds</b> |                            |                            |                            |                |                            |
| <b>Designated Funds</b>                |                            |                            |                            |                |                            |
| Refurbishment Reserve                  | -                          | -                          | -                          | -              | -                          |
|                                        | -                          | -                          | -                          | -              | -                          |

| 14 Net Assets by fund                      | Restricted<br>£ | Unrestricted<br>£ | Designated<br>£ | Total<br>£ |
|--------------------------------------------|-----------------|-------------------|-----------------|------------|
| Tangible fixed assets                      | -               | 33,511            | -               | 33,511     |
| Investments                                | -               | -                 | -               | -          |
| Current assets                             | -               | 366,075           | -               | 366,075    |
| Creditors: amounts falling within one year | -               | (109,564)         | -               | (109,564)  |
| <b>Total net assets</b>                    | -               | 250,026           | -               | 250,026    |

### 15 Members liability

The liability of the members is limited. Every member of the charity undertakes to contribute to the assets of the charity in the event of the organisation being wound up while he or she is a member, or within one year after he or she ceases to be a member, for payment of the debts and liabilities of the charity contracted before he or she ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributors among themselves, such amount as may be required, but not exceeding £1.

**Derwentwater Independent Hostel**

**Financial Statements  
for the year ended  
31 October 2022**

The following pages do not form part of the  
Statutory Accounts

**Derwentwater Independent Hostel  
Income and Expenditure Account  
for the year ended  
31 October 2022**

|                                          | 31 October 2022 |         | 31 October 2021 |         |
|------------------------------------------|-----------------|---------|-----------------|---------|
| <b>INCOMING RESOURCES</b>                |                 |         |                 |         |
| <b>Donations and gifts</b>               |                 |         |                 |         |
| Sundry donations                         | <u>5</u>        | 5       | <u>-</u>        | -       |
| <b>Grants receivable</b>                 |                 |         |                 |         |
| Allerdale Business Support Grant         | 4,000           |         | 27,950          |         |
| Job Retention Scheme Grant               | <u>251</u>      | 4,251   | <u>50,046</u>   | 77,996  |
| <b>Investment income</b>                 |                 |         |                 |         |
| Bank interest received                   | <u>16</u>       | 16      | <u>246</u>      | 246     |
| <b>INCOME FROM CHARITABLE ACTIVITIES</b> |                 |         |                 |         |
| <b>Hostel income</b>                     |                 |         |                 |         |
| Overnight income                         | 266,591         |         | 171,175         |         |
| Cancellation charge                      | 14,826          |         | 10,975          |         |
| Catering income                          | 145,311         |         | 64,278          |         |
| Alcohol sales                            | 18,490          |         | 11,116          |         |
| Shop sales                               | 6,230           |         | 5,902           |         |
| Activities                               | 392             |         | -               |         |
| Hydro income                             | <u>1,660</u>    | 453,500 | <u>1,025</u>    | 264,471 |
| <b>Total income</b>                      | <u>457,772</u>  |         | <u>342,713</u>  |         |

**Derwentwater Independent Hostel**  
**Income and Expenditure Account**  
**for the year ended**  
**31 October 2022**

|                                            | <b>31 October 2022</b> |         | <b>31 October 2021</b> |         |
|--------------------------------------------|------------------------|---------|------------------------|---------|
|                                            | £                      | £       | £                      | £       |
| <b>Incoming resources, brought forward</b> |                        | 457,772 |                        | 342,713 |
| <b>RESOURCES EXPENDED</b>                  |                        |         |                        |         |
| <b>Purchases</b>                           |                        |         |                        |         |
| Food purchases                             | 49,134                 |         | 26,118                 |         |
| Alcohol purchaes                           | 9,473                  |         | 6,768                  |         |
| Shop expenditure                           | 2,318                  |         | 583                    |         |
| Activities expenditure                     | 160                    |         | -                      |         |
| Commission payable                         | 9,795                  |         | 5,625                  |         |
|                                            |                        | 70,880  |                        | 39,094  |
| <b>Staff costs</b>                         |                        |         |                        |         |
| Wages                                      | 164,473                |         | 134,136                |         |
| Employers NIC                              | 7,269                  |         | 3,836                  |         |
| Staff accomodation deduction               | (11,954)               |         | (12,326)               |         |
| Staff food deduction                       | (5,232)                |         | (6,692)                |         |
| Employer pension                           | 3,116                  |         | 2,089                  |         |
| Travel                                     | -                      |         | -                      |         |
| Recruitment                                | 956                    |         | 82                     |         |
|                                            |                        | 158,628 |                        | 121,125 |
| <b>Administration</b>                      |                        |         |                        |         |
| Stationery and printing                    | 645                    |         | 1,036                  |         |
| Postage                                    | 6                      |         | 41                     |         |
| Telephone and internet                     | 2,722                  |         | 1,836                  |         |
| Computer & website expenses                | 6,463                  |         | 458                    |         |
| Subscriptions                              | 212                    |         | 335                    |         |
| Sundry expenses                            | 327                    |         | 139                    |         |
|                                            |                        | 10,375  |                        | 3,845   |
| <b>Marketing and Advertising</b>           |                        |         |                        |         |
| Advertising                                | 1,139                  |         | 2,595                  |         |
|                                            |                        | 1,139   |                        | 2,595   |
| <b>Resources expended carry forward</b>    |                        | 241,022 |                        | 166,659 |

**Derwentwater Independent Hostel  
Income and Expenditure Account  
for the year ended  
31 October 2022**

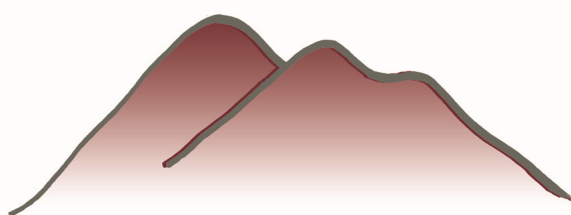
|                                             | <b>31 October 2022</b> |                | <b>31 October 2021</b> |                |
|---------------------------------------------|------------------------|----------------|------------------------|----------------|
|                                             | £                      | £              | £                      | £              |
| <b>RESOURCES EXPENDED (brought forward)</b> |                        | 241,022        |                        | 166,659        |
| <b>Premises and other costs</b>             |                        |                |                        |                |
| Rates and water                             | 8,692                  |                | 6,237                  |                |
| Insurance                                   | 7,475                  |                | 7,049                  |                |
| Repairs and renewals                        | 17,605                 |                | 63,680                 |                |
| Laundry and cleaning                        | 19,193                 |                | 9,756                  |                |
| Trade refuse                                | 5,568                  |                | 3,490                  |                |
| Light and heat                              | 29,843                 |                | 14,533                 |                |
| Rent                                        | 57,180                 |                | 33,495                 |                |
|                                             |                        | 145,556        |                        | 138,240        |
| <b>Interest and charges</b>                 |                        |                |                        |                |
| Bank charges                                | 4,357                  |                | 3,152                  |                |
|                                             |                        | 5,485          |                        | 3,152          |
| <b>Depreciation</b>                         |                        |                |                        |                |
| Equipment                                   | 11,170                 |                | 13,572                 |                |
|                                             |                        | 11,170         |                        | 13,572         |
| <b>Legal and Professional</b>               |                        |                |                        |                |
| Accountancy Fee                             | 890                    |                | 890                    |                |
| Consultancy                                 | -                      |                | 1,320                  |                |
| Professional fees                           | 342                    |                | 3,515                  |                |
|                                             |                        | 1,232          |                        | 5,725          |
| <b>Total Resources Expended</b>             |                        | <b>404,465</b> |                        | <b>327,348</b> |
| <b>Net Incoming / (Outgoing) Resources</b>  |                        | <b>53,307</b>  |                        | <b>15,365</b>  |

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# Accounts

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**Derwentwater Independent Hostel**  
**Report of the Directors and Trustees**  
**and Financial Statements for the year ended**  
**31 October 2021**



**K e s w i c k**  
**A C C O U N T A N T S**

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## **Derwentwater Independent Hostel**

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## **Derwentwater Independent Hostel**

**Charity Information  
for the year ended  
31 October 2021**

|                                                |                                                                                                             |
|------------------------------------------------|-------------------------------------------------------------------------------------------------------------|
| <b>DIRECTORS<br/>AND<br/>TRUSTEES:</b>         | John Snyder<br>Sarah Snyder<br>Guy Lee<br>Andrew Towler<br>Paul Kleian                                      |
| <b>CHIEF EXECUTIVE OFFICERS:</b>               | T Butcher                                                                                                   |
| <b>BUSINESS ADDRESS</b>                        | Barrow House<br>Borrowdale<br>Keswick<br>Cumbria<br>CA12 5UR                                                |
| <b>REGISTERED OFFICE:</b>                      | Barrow House<br>Borrowdale<br>Keswick<br>Cumbria<br>CA12 5UR                                                |
| <b>CHARITY NUMBER:</b>                         | 1145368                                                                                                     |
| <b>COMPANY NUMBER:</b>                         | 07817860                                                                                                    |
| <b>ACCOUNTANT AND<br/>INDEPENDENT EXAMINER</b> | Frances Clark ACA<br>Keswick Accountants<br>Appleside<br>4 Leonard Street<br>Keswick<br>Cumbria<br>CA12 4EJ |
| <b>BANKERS:</b>                                | Barclays Bank PLC<br>Market Square<br>Penrith<br>Cumbria<br>CA11 7YB                                        |

## **Derwentwater Independent Hostel**

### **Report of the Trustees for the year ended 31 October 2021**

The Trustees, who are the directors of the Company for the purposes of company law, present their report together with the financial statements of the Charity for the year ended 31 October 2021.

The accounts have been prepared under the provisions of the Companies Act 2006 and the Charities Act 2011, and in accordance with the Statement of Recommended Practice (SORP 2005) on accounting for charities.

#### **Governing Document**

Derwentwater Independent Hostel is a company limited by guarantee and registered charity. The company was established under a Memorandum of Association, which established the objects and powers of the charitable company, and is governed under its Articles of Association.

#### **Objectives**

The Charity's Articles declare the charity's objects as:

- a) the advancement of education,
- b) the advancement in life of children and young people by developing their skills, capacities and capabilities to enable them to participate in society as independent, mature and responsible adults; and
- c) the provision of recreational and leisure time activity in the interests of social welfare for people who have need by reason of their youth, age, infirmity or disability, poverty or social and economic circumstances, by the provision of educational courses and physical and other activities; and associated residential facilities; and
- d) to help all, especially young people of limited means, to a greater knowledge, love and care of the countryside by providing a youth hostel or other accommodation for them and thus to promote their health, recreation and education.

#### **Directors**

The directors who acted during the period were as follows:

John Snyder  
Sarah Snyder  
Guy Lee  
Andy Towler  
Paul Kleian

#### **Management Structure**

The charity now has five Trustees and continues to consider recruiting. There continues to be a potential need for additional contributions from people with legal, auditing, estate management and classroom educational skills. More conversations have taken place, but still no new formal appointments yet made.

#### **Review of the development, activities and achievements of the Company**

In the tenth full year of operating Derwentwater Independent Hostel (DIH) as an independent hostel since the acquisition from the YHA in 2011, the hostel like every hospitality sector business had a busy summer re-establishing itself after first Covid lockdown in March 2020. However, social distancing rules still restricted bathroom access in the main building, and many previously cancelled school groups still needed more confidence before they could rebook education groups back into hostel accommodation: so the open question for Trustees was "what impact will any Winter 2020 resurgence of Covid have on both our hostel staff team, and the visitors we would normally welcome through our winter and summer season?"

In the trading year 1st November 2020 to 31st October 2021, the Hostel was closed for 196 days (from 1st November 2020 to 16th May 2021), almost 54% of the year!

## **Derwentwater Independent Hostel**

### **Report of the Trustees, contd. for the year ended 31 October 2021**

#### **Review of the development, activities and achievements of the Company (cont)**

Yet 7,773 overnights were booked this financial year, representing a solid 60% of the pre-Covid 2018/2019 overnight numbers, showing that the hostel was indeed busy once again, as soon as lockdown measures receded and the hostel was able to re- open with vigour.

The annual overnights ledger tells the story:

|           |                   |
|-----------|-------------------|
| 2016-2017 | 13,893 overnights |
| 2017-2018 | 13,340 overnights |
| 2018-2019 | 13,016 overnights |
| 2019-2020 | 5,326 overnights  |
| 2020-2021 | 7,773 overnights  |

The Trustees are thankful that the Allerdale Borough Council supported the hostel with £27,950 via Allerdale Business Support Grants, and the Job Retention Scheme supported the furloughing of staff with a received total of £50,046. The furloughing of staff and council grants helped to alleviate some of the financial pain. The furlough scheme was fundamental to managing to retain all hostel permanent staff, despite the sacrifice everyone made in accepting a reduced wage of 80% under the furlough scheme. Retaining our permanent staff has been key to a fast and effective start up in Summer 2021 and successfully navigating the wider hospitality recruitment problems of 2022. The support we provided for our staff members ensured everyone remained positive throughout, enabling the team to take on the challenges of reopening and maximise the opportunities once the Hostel re-opened 17th May 2021.

In addition to government subsidy, our Hostel Manager, Tim Butcher, reports that the landlord provided discount/rent relief equating to a gross saving of £30,930 in this financial year too.

With almost £110k of financial assistance, I am pleased to report with a similarly year half-open (2020/21 as 2019/2020), the Hostel team recorded a strong £264k of hostel income, up 78% on the 2019/2020 trading year hostel income of £149k, with the advantage of a strong Summer 2021.

It means the trading loss of £53,814 from the previous year (2019/2020) has been transformed back into a trading profit of £15,365 for 2020/2021, which is a testament to the resolve and actions of our Hostel Manager Tim Butcher and his full team. They were keen to be back at work after lock-down, and the decision to invest in 3 external wooden Camping Pods and the temporary camping pitches on the lawn in Summer 2021, proved invaluable foundations on which to build the 2021 customer experience upon. Of the total investment of £85,000 sanctioned by Trustees in the year to October 2021, £50,000 was invested in the installation of three new camping pods which were delivered in May 2021, ready for the reopening of the hostel. In 5.5 months to the end of this financial year, these three new camping pods delivered a net boost to overnight income of £21,000 and they are on target to have paid for themselves by the end of the 2022 financial year. The "pop- up" provision of camping pitches contributed a further £11,000 to hostel overnight income. Hence the overall trading surplus made possible.

The outdoor camping activities helped to shoulder the inability to get full room occupancy inside the main house, as specific bathroom/shower units had to be dedicated to specific "social distancing groups" to help health and safety isolation rules within the building, for the well-being of all visitors and staff. It meant the number of dedicated bathrooms was the controlling factor on how many rooms could be sold on a given day.

Demand for hostel accommodation was high from families and individuals throughout the summer holidays. Whilst eventually school residential trips were legally possible, many regular school groups did not travel in 2021, which reflects the low level of group business in the following table of figures for a 2021 comparison:

## Derwentwater Independent Hostel

### Report of the Trustees, contd. for the year ended 31 October 2021

| Full Year Customer Data Comparison |                             |                   |                        |                             |                   |                        |                             |                   |                        |
|------------------------------------|-----------------------------|-------------------|------------------------|-----------------------------|-------------------|------------------------|-----------------------------|-------------------|------------------------|
| Customer Type                      | 2018/19<br>Year to 31/10/19 | % change<br>on LY | % share<br>of category | 2019/20<br>Year to 31/10/20 | % change<br>on LY | % share<br>of category | 2020/21<br>Year to 31/10/21 | % change<br>on LY | % share<br>of category |
| Education & Adventure              |                             |                   |                        |                             |                   |                        |                             |                   |                        |
| Adult Course                       | 715                         | -17%              | 9%                     | 595                         | -17%              | 33%                    | 303                         | -49%              | 15%                    |
| Sports Group                       | 732                         | -13%              | 10%                    | 568                         | -22%              | 31%                    | 120                         | -79%              | 6%                     |
| Primary School                     | 1229                        | 10%               | 16%                    | 0                           | -100%             | 0%                     | 356                         |                   | 17%                    |
| Secondary School                   | 2267                        | -16%              | 30%                    | 162                         | -93%              | 9%                     | 404                         | 149%              | 19%                    |
| Scouts                             | 171                         | -7%               | 2%                     | 114                         | -33%              | 6%                     | 0                           | -100%             | 0%                     |
| University                         | 1656                        | -4%               | 22%                    | 150                         | -91%              | 8%                     | 549                         | 266%              | 26%                    |
| Youth Group (incl NCS)             | 550                         | 1210%             | 7%                     | 195                         | -65%              | 11%                    | 0                           | -100%             | 0%                     |
| DofE                               | 364                         | 122%              | 5%                     | 30                          | -92%              | 2%                     | 349                         | 1063%             | 17%                    |
| Family                             |                             |                   |                        |                             |                   |                        |                             |                   |                        |
| Wedding                            | 0                           | -100%             | 0%                     | 0                           | -100%             | 0%                     | 386                         |                   | 20%                    |
| Family                             | 1047                        | -13%              | 87%                    | 1185                        | 13%               | 64%                    | 1353                        | 14%               | 69%                    |
| Family Group                       | 156                         | -28%              | 13%                    | 660                         | 323%              | 36%                    | 230                         | -65%              | 12%                    |
| Adult                              |                             |                   |                        |                             |                   |                        |                             |                   |                        |
| Adult Group                        | 513                         | 10%               | 12%                    | 0                           | -100%             | 0%                     | 264                         |                   | 7%                     |
| Corporate                          | 0                           | -100%             | 0%                     | 55                          |                   | 3%                     | 0                           | -100%             | 0%                     |
| Faith/Church Group                 | 355                         | 122%              | 9%                     | 340                         | -4%               | 20%                    | 0                           | -100%             | 0%                     |
| Individual                         | 3261                        | -6%               | 79%                    | 1272                        | -61%              | 76%                    | 3459                        | 172%              | 93%                    |
| Total Overnights                   |                             |                   |                        |                             |                   |                        |                             |                   |                        |
|                                    | 13016                       | -2%               |                        | 5326                        | -59%              |                        | 7773                        | 46%               |                        |
|                                    |                             |                   |                        |                             |                   |                        | 0.59718808                  |                   |                        |
|                                    |                             |                   |                        |                             |                   |                        |                             |                   |                        |
| Education & Adventure              |                             |                   |                        |                             |                   |                        |                             |                   |                        |
| Family                             | 1203                        | -24%              | 9%                     | 1845                        | 53%               | 35%                    | 1969                        | 7%                | 25%                    |
| Adult                              | 4129                        | 0%                | 32%                    | 1667                        | -60%              | 31%                    | 3723                        | 123%              | 48%                    |

### Review of the development, activities and achievements of the Company (Cont)

The Customer Data Comparison chart above shows the drop in Primary School and Secondary Schools segment of the Education & Adventure customer types from 16% and 30% respectively in Pre-Covid 2018/2019 down to just 0% and 9% in the Covid Year 2019/2020, with a bounce back in this last financial year to 17% and 19% respectively for Primary Schools and Secondary Schools. University groups made up 26% of all Education & Adventure categories in this last year, although just 549 (one third) University group overnights compared to the 1,656 overnights for University groups back in pre-Covid 2018/2019.

It is heartening to see our youth returning to Derwentwater and the Lakes, as schools and universities re-mobilise their students back into group-led activities and exercises. The Education and Adventure agenda is uppermost in the decisions of the Trustees as we reflect on our charitable objectives and how to continue to offer access to young people to such a special environment and ecosystem seen in the Hostel grounds and immediately around our location. Sadly there were no school groups underpinned by our own charity subsidy or that of grants we offer to improve accessibility for some school pupils. The levels of hostel use by schools and scout teams have been just so low due to the Covid regime and the subsequent delay in confidence levels for schools to get re-established once again for organising large group residential stays.

#### Special Grants

With few school groups to stay at the Hostel, no special grants were distributed in 2020-2021 on account of the impact of coronavirus on all school bookings.

#### Volunteers

We are extremely grateful for the support of many volunteers working alongside our hostel team, in helping us to manage the hostel through 2020/21. We pass our thanks to the following volunteers who contributed to the running of the hostel in the year to 31st October 2021.

## **Derwentwater Independent Hostel**

### **Report of the Trustees, contd. for the year ended 31 October 2021**

#### **Review of the development, activities and achievements of the Company (Cont)**

Abi Devaney - 25 hours

Leo & Danielle Lovejoy - 50 hours Jess Halsall - 30 hours

Tyla Smith & Ava Newell - 50 hours Colm Reynolds & Liz Fehily - 90 hours Madeleine Birchmore - 50 Hours

Anna Hawkins - 25 hours

Olive Robinson - 70 hours Harry Street - 75 Hours

Paul & Sara Chilton - 50 hours Total volunteering hours 515

#### *Trustee Appointments*

The charity has benefited over the past two years of crisis from the consultant input of Laura Cadman advising the Trustees on their legal responsibilities, improving our charity processes, agenda setting, governance details and leading a Trustee training day.

I would also like to thank Paul Kleian for his contributions to Trustee meetings, in particular advice and counsel on brand, marketing and insights on the Lake District tourism and hospitality sector during successive Covid lockdowns. Paul also contributed to a sub-committee workshop on potential website, CRM (Customer Relationship Management) and PMS (Property Management System) strategies, as Hostel Manager Tim Butcher began to scope and plan for a potential IT investment in the next financial year, to see if any business case could actually be made for upgrading the Hostel's systems and workflow, after these last ten years of operation since taking over from the Youth Hostel Association.

No new Trustees were elected in this financial year.

#### *Cash Reserves*

Cash reserves were as high as £235k in 2018-2019, but fell in 2019-2020 to £181k – representing just 49% of 2018-2019 revenues and under 50% of an average pre-Covid trading year. With a trading surplus this year, cash reserves now sit at £196k end of the 2020/2021 trading year.

#### Summary

2020/2021 is therefore a year only half-open and half-full, yet importantly one where the hostel team did find their feet once again, and excelled in delivering the revenue and costs which helped balance the books back into surplus with the help of grants, rent subsidy, many volunteers and the return of customers to our doors, as well as the foresight to invest in Camping Pods and temporary tent camping.

The Trustees heartfelt thanks is once again extended to Tim Butcher and his wider hostel team who faced the unknown fears of lockdown, the uncertainty of cancellations, and brought the hostel back to a new normal, with their energy and commitment to serve all those enjoying what the Borrowdale Valley has to offer with the Hostel as a hub for extended outdoor activities and camping for many.

Please do visit our website at [www.derwentwater.org](http://www.derwentwater.org) and read the team's newsletters, still action-packed with inspiring tales of Lakeland adventure and learning.

As Chairman of the Trustees I personally thank once again the hard-work and passion of our hostel team at Derwentwater Independent Hostel.

#### **Investment Policy**

The Memorandum and Articles of Association of the Charity permit wide powers of investment. The Trustees should invest the money of the charity not immediately required for its purposes, in or upon such investments, securities or properties as may be thought fit.

#### **Risk Assessment**

The Trustees regularly review the risks to which the charity is exposed and consider the implications of those risks. There is no risk currently facing the charity which the Trustees consider significant.

## **Derwentwater Independent Hostel**

### **Report of the Trustees, contd. for the year ended 31 October 2021**

#### **Statement of Directors Responsibilities**

The Directors are required under the Companies Act 2006 and the Charities Act 1993 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of its net surplus or deficit for that period. In preparing those financial statements, the directors are required to:

- a) select suitable accounting policies and then apply them consistently;
- b) make judgements and estimates that are reasonable and prudent;
- c) state whether applicable accounting standards and statements of recommended practice have been followed subject to any departures disclosed and explained in the financial statements;
- d) prepare the financial statements on the going concern basis unless it is inappropriate to presume the company will continue in operation.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the Trust and to enable them to ensure that the financial statements comply with applicable law, accounting standards and the Charities SORP. 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.

This report is prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 and the Financial Reporting Standard for Smaller Entities (effective April 2008) relating to small companies.

#### **ON BEHALF OF THE TRUSTEES**

John Snyder  
Director and Trustee  
Date: 19.07.2022

## **Derwentwater Independent Hostel**

### **Independent Examiners Report for the year ended 31 October 2021**

I report on the accounts for the Trust for the year ended 31 October 2021 which are set out on pages 7 - 14.

#### **Respective responsibilities of trustees and examiner**

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year, under section 144(2) of the Charities Act 2011 (the 2011 Act), and that an independent examiners report is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the General Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

#### **Basis of independent examiners report**

My examination was carried out in accordance with the General Directions given by the Charity Commissioners. An examination includes a review of accounting records kept by the charity and a comparison of the accounts presented with these records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and, consequently, I do not express an audit opinion on the view given by the accounts.

#### **Independent examiners' statement**

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that, in any material respect, the requirements to:

- keep accounting records in accordance with s130 of the 2011 Act; and
- to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the 2011 Act

have not been met;

or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Frances Clark ACA  
Keswick Accountants  
Appleside  
4 Leonard Street  
Keswick  
Cumbria CA12 4EJ

# Derwentwater Independent Hostel

## Statement of Financial Activities for the year ended 31 October 2021

|                                              |       | 31 October 2021 |              |            |         | 31 October 2020 |
|----------------------------------------------|-------|-----------------|--------------|------------|---------|-----------------|
|                                              | Notes | Restricted      | Unrestricted | Designated | Total   | Total           |
|                                              |       | £               | £            | Funds<br>£ | £       | £               |
| <b>INCOME</b>                                |       |                 |              |            |         |                 |
| <b>Voluntary income</b>                      |       |                 |              |            |         |                 |
| Donations and gifts                          | 2     | -               | -            | -          | -       | 327             |
| Legacies receivable                          |       | -               | -            | -          | -       | -               |
| Grants receivable                            | 3     | -               | 77,996       | -          | 77,996  | 73,419          |
| Activities for generating funds              |       | -               | -            | -          | -       | -               |
| Investment income                            | 4     | -               | 246          | -          | 246     | 570             |
| <br><b>Income from charitable activities</b> |       |                 |              |            |         |                 |
| Hostel income                                | 5     | -               | 264,471      | -          | 264,471 | 148,796         |
| <br><b>Total income</b>                      |       | -               | 342,713      | -          | 342,713 | 223,112         |
| <br><b>Expenditure</b>                       |       |                 |              |            |         |                 |
| <b>Charitable activities</b>                 | 6     | -               | 327,348      | -          | 327,348 | 276,926         |
| <br><b>Total expenditure</b>                 |       | -               | 327,348      | -          | 327,348 | 276,926         |
| <br><b>Net income / (expenditure)</b>        |       | -               | 15,365       | -          | 15,365  | (53,814)        |
| <br>Total funds brought forward              |       | -               | 148,354      | 33,000     | 181,354 | 235,168         |
| Transfers between funds                      |       | -               | 33,000       | (33,000)   | -       | -               |
| <br><b>Total funds carried forward</b>       | 13    | -               | 196,719      | -          | 196,719 | 181,354         |

There were no gains or losses in the year to 31 October 2021 other than those included above.

The notes form part of these financial statements

## Derwentwater Independent Hostel

### COMPARATIVE Statement of Financial Activities for the year ended 31 October 2020

|                                                      | Notes | 31 October 2020 |              |                     | Total    |
|------------------------------------------------------|-------|-----------------|--------------|---------------------|----------|
|                                                      |       | Restricted      | Unrestricted | Designated<br>Funds |          |
|                                                      |       | £               | £            | £                   | £        |
| <b>INCOME</b>                                        |       |                 |              |                     |          |
| <b>Voluntary income</b>                              |       |                 |              |                     |          |
| Donations and gifts                                  |       | -               | 327          | -                   | 327      |
| Legacies receivable                                  |       | -               | -            | -                   | -        |
| Grants receivable                                    |       | -               | 73,419       | -                   | 73,419   |
| Activities for generating funds                      |       | -               | -            | -                   | -        |
| Investment income                                    |       | -               | 570          | -                   | 570      |
| <br><b>Income from<br/>    charitable activities</b> |       |                 |              |                     |          |
| Hostel income                                        |       | -               | 148,796      | -                   | 148,796  |
| <br><b>Total income</b>                              |       | -               | 223,112      | -                   | 223,112  |
| <br><b>Expenditure</b>                               |       |                 |              |                     |          |
| <b>Charitable activities</b>                         |       | -               | 274,926      | 2,000               | 276,926  |
| <br><b>Total expenditure</b>                         |       | -               | 274,926      | 2,000               | 276,926  |
| <br><b>Net income / (expenditure)</b>                |       | -               | (51,814)     | (2,000)             | (53,814) |
| <br><b>Net movement in funds</b>                     |       | -               | (51,814)     | (2,000)             | (53,814) |
| Total funds brought forward                          |       | -               | 200,168      | 35,000              | 235,168  |
| Transfers between funds                              |       | -               | -            | -                   | -        |
| <br><b>Total funds carried forward</b>               |       | -               | 148,354      | 33,000              | 181,354  |

# Derwentwater Independent Hostel

## Balance Sheet as at 31 October 2021

|                                                             | Notes | 31 October 2021 |             | 31 October 2020 |             |
|-------------------------------------------------------------|-------|-----------------|-------------|-----------------|-------------|
|                                                             |       | £               | £           | £               | £           |
| <b>Fixed Assets</b>                                         |       |                 |             |                 |             |
| Tangible fixed assets                                       | 9     |                 | 40,716      |                 | 7,018       |
|                                                             |       |                 | <hr/>       |                 | <hr/>       |
|                                                             |       |                 | 40,716      |                 | 7,018       |
| <b>Current Assets</b>                                       |       |                 |             |                 |             |
| Debtors                                                     | 10    | 35,131          |             | 9,433           |             |
| Cash at bank and in hand                                    |       | 271,372         |             | 288,602         |             |
|                                                             |       | <hr/>           |             | <hr/>           |             |
|                                                             |       | 306,503         |             | 298,035         |             |
| <b>Creditors: amounts falling due within one year</b>       |       |                 |             |                 |             |
| Creditors and accruals                                      | 11    | 100,500         |             | 73,699          |             |
|                                                             |       | <hr/>           |             | <hr/>           |             |
| <b>Net Current Assets</b>                                   |       |                 | 206,003     |                 | 224,336     |
|                                                             |       |                 | <hr/>       |                 | <hr/>       |
| <b>Total Assets less Current Liabilities</b>                |       |                 | 246,719     |                 | 231,354     |
| <b>Creditors: amounts falling due in more than one year</b> |       |                 |             |                 |             |
|                                                             |       |                 | 50,000      |                 | 50,000      |
|                                                             |       |                 | <hr/>       |                 | <hr/>       |
| <b>NET ASSETS</b>                                           | 12    |                 | 196,719     |                 | 181,354     |
|                                                             |       |                 | <hr/> <hr/> |                 | <hr/> <hr/> |
| <b>Funds</b>                                                |       |                 |             |                 |             |
| Restricted funds                                            | 13    | -               |             | -               |             |
| Unrestricted funds                                          |       | 196,719         |             | 148,354         |             |
| Designated funds                                            |       | -               |             | 33,000          |             |
|                                                             |       | <hr/>           |             | <hr/>           |             |
|                                                             | 14    |                 | 196,719     |                 | 181,354     |
|                                                             |       |                 | <hr/> <hr/> |                 | <hr/> <hr/> |

For the year ending 31 October 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

These accounts have been prepared in accordance with the provisions applicable to companies

## **Derwentwater Independent Hostel**

### **Balance Sheet as at 31 October 2021**

The directors acknowledge their responsibilities for:

- a) ensuring that the company keeps accounting records which comply with Section 386 of the Companies Act 2006, and
- b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the trustees and signed on their behalf

John Snyder  
Director and Trustee  
Date: 19.07.2022

The notes form part of these financial statements

## Derwentwater Independent Hostel

### Notes to the Financial Statements for the year ended 31 October 2021

#### 1 Accounting Policies

##### General

These accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards, including the accruals concept, and the Charities SORP (Statement of Recommended Practice). They include the results of the charitable company's operations which are described in the Directors Report.

##### Cash Flow Statement

The charity has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small charity.

##### Tangible Fixed Assets and Depreciation

Assets used for charitable purposes, with an expected useful life exceeding one year, are capitalised on the balance sheet. Depreciation is provided at the following annual rates in order to write off each asset over its expected useful life:

|                                  |                            |
|----------------------------------|----------------------------|
| Computers                        | 33.34% on reducing balance |
| Fixtures, Fittings and Equipment | 25% on reducing balance    |

##### Income

Income consists of grants received and income from promotions, accounted for on a receivable basis. Where income is received for a specific purpose, as defined by the donor, this income is classed as restricted. Income received towards the general objects of the charity is classed as unrestricted.

##### Expenditure

Expenditure is accounted for on an accruals basis. Where it relates to a specific project it is allocated to that project as restricted expenditure. Expenditure that relates to the objects of the charity is classified as charitable activities. Any legal or professional costs are classified as governance costs. The costs of generating funds are separately identified.

##### Funds

General funds are those where no restrictions have been placed upon the specific spending of the funds by the donor. Designated funds are those funds where the directors have chosen to earmark general funds for a specific purpose. Restricted funds are those funds where the donation is received for a specific purpose as set out by the donor.

##### Corporation Tax

As a 'not for profit' company with charitable status the Company is exempt from the payment of corporation tax.

#### 2 Payment to Accountants

The payment to the accountants included in the expenditure is split as follows:

|                                     | 2021       | 2020       |
|-------------------------------------|------------|------------|
|                                     | £          | £          |
| Book keeping and payroll services   | 240        | 240        |
| Payment for preparation of accounts | 450        | 450        |
| Payment for Independent Examination | 200        | 200        |
|                                     | <u>890</u> | <u>890</u> |

# Derwentwater Independent Hostel

## Notes to the Financial Statements for the year ended 31 October 2021

|                                  | 31 October 2021 |                   |                 |            | 31 October 2020 |
|----------------------------------|-----------------|-------------------|-----------------|------------|-----------------|
|                                  | Restricted<br>£ | Unrestricted<br>£ | Designated<br>£ | Total<br>£ | £               |
| <b>2 Donations and gifts</b>     |                 |                   |                 |            |                 |
| Sundry donations                 | -               | -                 | -               | -          | 327             |
|                                  | -               | -                 | -               | -          | 327             |
| <b>3 Grants receivable</b>       |                 |                   |                 |            |                 |
| Allerdale Business Support Grant | -               | 27,950            | -               | 27,950     | 25,000          |
| Job Retention Scheme Grant       | -               | 50,046            | -               | 50,046     | 48,419          |
|                                  | -               | 77,996            | -               | 77,996     | 73,419          |
| <b>4 Investment income</b>       |                 |                   |                 |            |                 |
| Bank interest received           | -               | 246               | -               | 246        | 570             |
|                                  | -               | 246               | -               | 246        | 570             |
| <b>5 Hostel income</b>           |                 |                   |                 |            |                 |
| Group adult bednight             | -               | 32,475            | -               | 32,475     | 32,271          |
| Group U18 bednight               | -               | 18,013            | -               | 18,013     | 4,976           |
| Family rooms                     | -               | 43,243            | -               | 43,243     | 19,936          |
| Private rooms                    | -               | 43,842            | -               | 43,842     | 24,801          |
| Individual adult bednight        | -               | 1,104             | -               | 1,104      | 1,604           |
| Individual U18 bednight          | -               | -                 | -               | -          | 30              |
| Cancellation charge              | -               | 10,975            | -               | 10,975     | 2,296           |
| Camping                          | -               | 11,520            | -               | 11,520     | 4,924           |
| Camping pods                     | -               | 20,978            | -               | 20,978     | -               |
| Breakfast                        | -               | 24,443            | -               | 24,443     | 15,559          |
| Adult packed lunch               | -               | 9,307             | -               | 9,307      | 4,965           |
| Junior packed lunch              | -               | 4                 | -               | 4          | 100             |
| Group adult evening meal         | -               | 7,522             | -               | 7,522      | 9,565           |
| Group Junior evening meal        | -               | 10,918            | -               | 10,918     | 2,905           |
| A la carte evening meal          | -               | 8,725             | -               | 8,725      | 7,463           |
| Function catering                | -               | 3,359             | -               | 3,359      | 4,567           |
| Alcohol sales                    | -               | 9,740             | -               | 9,740      | 6,765           |
| Soft drinks                      | -               | 1,376             | -               | 1,376      | 729             |
| Confectionery                    | -               | 804               | -               | 804        | 346             |
| Merchandise                      | -               | 175               | -               | 175        | 613             |
| Office services                  | -               | 470               | -               | 470        | 309             |
| Kitchen sales                    | -               | 409               | -               | 409        | 312             |
| Tea and coffee                   | -               | 4,044             | -               | 4,044      | 1,278           |
| Ticket sales                     | -               | -                 | -               | -          | 78              |
| Hydro income                     | -               | 1,025             | -               | 1,025      | 2,404           |
|                                  | -               | 264,471           | -               | 264,471    | 148,796         |

## Derwentwater Independent Hostel

### Notes to the Financial Statements for the year ended 31 October 2021

| 6 Charitable activities   | 31 October 2021 |                   |                 |            | 31 October 2020 |
|---------------------------|-----------------|-------------------|-----------------|------------|-----------------|
|                           | Restricted<br>£ | Unrestricted<br>£ | Designated<br>£ | Total<br>£ |                 |
| Purchases                 | -               | 39,094            | -               | 39,094     | 29,377          |
| Staff costs <b>Note 7</b> | -               | 121,125           | -               | 121,125    | 129,907         |
| Administration            | -               | 3,845             | -               | 3,845      | 3,307           |
| Marketing and Advertising | -               | 2,595             | -               | 2,595      | 2,752           |
| Premises and other costs  | -               | 138,240           | -               | 138,240    | 103,166         |
| Interest and charges      | -               | 3,152             | -               | 3,152      | 1,869           |
| Depreciation              | -               | 13,572            | -               | 13,572     | 2,338           |
| Legal and professional    | -               | 5,725             | -               | 5,725      | 4,210           |
|                           | -               | 327,348           | -               | 327,348    | 276,926         |

| 7 Employee Remuneration       | 31 October 2021<br>£ | 31 October 2020<br>£ |
|-------------------------------|----------------------|----------------------|
| Staff costs                   |                      |                      |
| Wages                         | 134,136              | 142,984              |
| Employers NIC                 | 3,836                | 4,582                |
| Staff accommodation deduction | (12,326)             | (11,701)             |
| Staff food deduction          | (6,692)              | (8,421)              |
| Employer pension              | 2,089                | 2,329                |
| Travel                        | -                    | 134                  |
| Recruitment                   | 82                   | -                    |
|                               | <u>121,125</u>       | <u>129,907</u>       |

The average number of staff employed by the trust during the year was as follows;

|                     | 31 October 2021<br>No. | 31 October 2020<br>No. |
|---------------------|------------------------|------------------------|
| <b>Managers</b>     | 1                      | 2                      |
| <b>Hostel staff</b> | <u>7</u>               | <u>6</u>               |
|                     | <u>8</u>               | <u>8</u>               |

### 7 Trustee Remuneration and Expenses

No remuneration directly or indirectly out of the funds of the charity was paid or payable for the year to any trustee or to any person or persons known to be connected with any of them.

No reimbursement of expenses has been made or is due to be made to any of the trustees in respect of the year.

# Derwentwater Independent Hostel

## Notes to the Financial Statements for the year ended 31 October 2021

### 9 Tangible Fixed Assets

|                       | Plant and<br>machinery<br>£ | Fixtures &<br>Fittings<br>£ | Total<br>£    |
|-----------------------|-----------------------------|-----------------------------|---------------|
| <b>COST</b>           |                             |                             |               |
| At 1 November 2020    | 16,346                      | 7,597                       | 23,943        |
| Additions             | <u>47,272</u>               | <u>-</u>                    | <u>47,272</u> |
| At 31 October 2021    | <u>63,618</u>               | <u>7,597</u>                | <u>71,215</u> |
| <b>DEPRECIATION</b>   |                             |                             |               |
| At 1 November 2020    | 11,936                      | 4,989                       | 16,925        |
| Charge for year       | <u>12,921</u>               | <u>653</u>                  | <u>13,574</u> |
| At 31 October 2021    | <u>24,857</u>               | <u>5,642</u>                | <u>30,499</u> |
| <b>NET BOOK VALUE</b> |                             |                             |               |
| At 31 October 2021    | <u>38,761</u>               | <u>1,955</u>                | <u>40,716</u> |
| At 31 October 2020    | <u>4,410</u>                | <u>2,608</u>                | <u>7,018</u>  |

| 10 Debtors    | 31 October 2021<br>£ | 31 October 2020<br>£ |
|---------------|----------------------|----------------------|
| Trade debtors | 25,354               | 1,079                |
| Prepayments   | 9,777                | 2,806                |
| VAT Repayable | <u>-</u>             | <u>5,548</u>         |
|               | <u>35,131</u>        | <u>9,433</u>         |

| 11 Creditors: amounts falling due within one year | 31 October 2021<br>£ | 31 October 2020<br>£ |
|---------------------------------------------------|----------------------|----------------------|
| Trade creditors                                   | 47,281               | 32,728               |
| Advance payments                                  | 47,799               | 35,407               |
| Other taxation & social security                  | 2,989                | 2,119                |
| Accruals                                          | 2,015                | 2,815                |
| Pension creditor                                  | 524                  | 630                  |
| Corporation tax                                   | <u>(108)</u>         | <u>-</u>             |
|                                                   | <u>100,500</u>       | <u>73,699</u>        |

| 12 CREDITORS > 1 YEAR | 31 October 2021<br>£ | 31 October 2020<br>£ |
|-----------------------|----------------------|----------------------|
| Bounce Back Loan      | <u>50,000</u>        | <u>50,000</u>        |
|                       | <u>50,000</u>        | <u>50,000</u>        |

## Derwentwater Independent Hostel

### Notes to the Financial Statements for the year ended 31 October 2021

| <b>13 Funds</b>                        | At<br>1 November 20 | Incoming<br>Resources | Outgoing<br>Resources | Transfers       | At<br>31 October 2021 |
|----------------------------------------|---------------------|-----------------------|-----------------------|-----------------|-----------------------|
|                                        | £                   | £                     | £                     | £               | £                     |
| <b>Projects &amp; Restricted funds</b> |                     |                       |                       |                 |                       |
| <b>Designated Funds</b>                |                     |                       |                       |                 |                       |
| Refurbishment Reserve                  | 33,000              | -                     | 0                     | - 33,000        | 0                     |
|                                        | <u>33,000</u>       | <u>-</u>              | <u>0</u>              | <u>- 33,000</u> | <u>0</u>              |

| <b>14 Net Assets by fund</b>                      | Restricted<br>£ | Unrestricted<br>£ | Designated<br>£ | Total<br>£     |
|---------------------------------------------------|-----------------|-------------------|-----------------|----------------|
| Tangible fixed assets                             | -               | 40,716            | -               | 40,716         |
| Investments                                       | -               | -                 | -               | -              |
| Current assets                                    | -               | 306,503           | -               | 306,503        |
| Creditors: amounts falling due<br>within one year | -               | (100,500)         | -               | (100,500)      |
|                                                   | <u>-</u>        | <u>196,719</u>    | <u>-</u>        | <u>196,719</u> |
| <b>Total net assets</b>                           | <u>-</u>        | <u>196,719</u>    | <u>-</u>        | <u>196,719</u> |

### 15 Members liability

The liability of the members is limited. Every member of the charity undertakes to contribute to the assets of the charity in the event of the organisation being wound up while he or she is a member, or within one year after he or she ceases to be a member, for payment of the debts and liabilities of the charity contracted before he or she ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributors among themselves, such amount as may be required, but not exceeding £1.

**Derwentwater Independent Hostel**

**Financial Statements  
for the year ended  
31 October 2021**

The following pages do not form part of the  
Statutory Accounts

**Derwentwater Independent Hostel  
Income and Expenditure Account  
for the year ended  
31 October 2021**

|                                          | 31 October 2021 | 31 October 2020 |
|------------------------------------------|-----------------|-----------------|
| <b>INCOMING RESOURCES</b>                |                 |                 |
| <b>Donations and gifts</b>               |                 |                 |
| Sundry donations                         | <u>-</u>        | <u>327</u>      |
|                                          | -               | 327             |
| <b>Grants receivable</b>                 |                 |                 |
| Allerdale Business Support Grant         | 27,950          | 25,000          |
| Job Retention Scheme Grant               | <u>50,046</u>   | <u>48,419</u>   |
|                                          | 77,996          | 73,419          |
| <b>Investment income</b>                 |                 |                 |
| Bank interest received                   | <u>246</u>      | <u>570</u>      |
|                                          | 246             | 570             |
| <b>INCOME FROM CHARITABLE ACTIVITIES</b> |                 |                 |
| <b>Hostel income</b>                     |                 |                 |
| Group adult bednight                     | 32,475          | 32,271          |
| Group U18 bednight                       | 18,013          | 4,976           |
| Family rooms                             | 43,243          | 19,936          |
| Private rooms                            | 43,842          | 24,801          |
| Individual adult bednight                | 1,104           | 1,604           |
| Individual U18 bednight                  | -               | 30              |
| Cancellation charge                      | 10,975          | 2,296           |
| Camping                                  | 11,520          | 4,924           |
| Camping pods                             | 20,978          | -               |
| Breakfast                                | 24,443          | 15,559          |
| Adult packed lunch                       | 9,307           | 4,965           |
| Junior packed lunch                      | 4               | 100             |
| Group adult evening meal                 | 7,522           | 9,565           |
| Group Junior evening meal                | 10,918          | 2,905           |
| A la carte evening meal                  | 8,725           | 7,463           |
| Function catering                        | 3,359           | 4,567           |
| Alcohol sales                            | 9,740           | 6,765           |
| Soft drinks                              | 1,376           | 729             |
| Confectionery                            | 804             | 346             |
| Merchandise                              | 175             | 613             |
| Office services                          | 470             | 309             |
| Kitchen sales                            | 409             | 312             |
| Tea and coffee                           | 4,044           | 1,278           |
| Ticket sales                             | -               | 78              |
| Hydro income                             | <u>1,025</u>    | <u>2,404</u>    |
|                                          | 264,471         | 148,796         |
| <b>Total income</b>                      | <u>342,713</u>  | <u>223,112</u>  |

**Derwentwater Independent Hostel**  
**Income and Expenditure Account**  
**for the year ended**  
**31 October 2021**

|                                            | <b>31 October 2021</b> |         | <b>31 October 2020</b> |         |
|--------------------------------------------|------------------------|---------|------------------------|---------|
|                                            | £                      | £       | £                      | £       |
| <b>Incoming resources, brought forward</b> |                        | 342,713 |                        | 223,112 |
| <b>RESOURCES EXPENDED</b>                  |                        |         |                        |         |
| <b>Purchases</b>                           |                        |         |                        |         |
| Food purchases                             | 26,118                 |         | 23,515                 |         |
| Alcohol purchaes                           | 6,102                  |         | 3,228                  |         |
| Soft drink purchases                       | 666                    |         | 236                    |         |
| Merchandising purchases                    | 80                     |         | 231                    |         |
| Ticket purchases                           | -                      |         | 72                     |         |
| Confectionery purchases                    | 503                    |         | 263                    |         |
| Commission payable                         | 5,625                  |         | 1,832                  |         |
|                                            |                        | 39,094  |                        | 29,377  |
| <b>Staff costs</b>                         |                        |         |                        |         |
| Wages                                      | 134,136                |         | 142,984                |         |
| Employers NIC                              | 3,836                  |         | 4,582                  |         |
| Staff accomodation deduction               | (12,326)               |         | (11,701)               |         |
| Staff food deduction                       | (6,692)                |         | (8,421)                |         |
| Employer pension                           | 2,089                  |         | 2,329                  |         |
| Travel                                     | -                      |         | 134                    |         |
| Recruitment                                | 82                     |         | -                      |         |
|                                            |                        | 121,125 |                        | 129,907 |
| <b>Administration</b>                      |                        |         |                        |         |
| Stationery and printing                    | 1,036                  |         | 484                    |         |
| Postage                                    | 41                     |         | 4                      |         |
| Telephone and internet                     | 1,836                  |         | 1,250                  |         |
| Computer & website expenses                | 458                    |         | 809                    |         |
| Subscriptions                              | 335                    |         | 389                    |         |
| Sundry expenses                            | 139                    |         | 371                    |         |
|                                            |                        | 3,845   |                        | 3,307   |
| <b>Marketing and Advertising</b>           |                        |         |                        |         |
| Advertising                                | 2,595                  |         | 2,752                  |         |
|                                            |                        | 2,595   |                        | 2,752   |
| <b>Resources expended carry forward</b>    |                        | 166,659 |                        | 165,343 |

**Derwentwater Independent Hostel  
Income and Expenditure Account  
for the year ended  
31 October 2021**

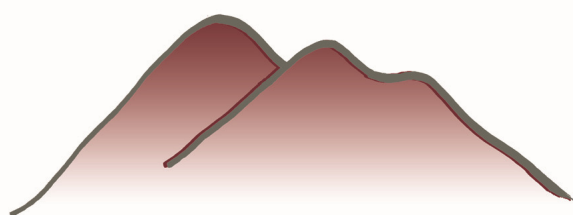
|                                             | <b>31 October 2021</b> |                | <b>31 October 2020</b> |                 |
|---------------------------------------------|------------------------|----------------|------------------------|-----------------|
|                                             | £                      | £              | £                      | £               |
| <b>RESOURCES EXPENDED (brought forward)</b> |                        | 166,659        |                        | 165,343         |
| <b>Premises and other costs</b>             |                        |                |                        |                 |
| Rates and water                             | 6,237                  |                | 8,233                  |                 |
| Insurance                                   | 7,049                  |                | 6,731                  |                 |
| Repairs and renewals                        | 63,680                 |                | 12,876                 |                 |
| Laundry and cleaning                        | 9,756                  |                | 6,618                  |                 |
| Trade refuse                                | 3,490                  |                | 5,037                  |                 |
| Light and heat                              | 14,533                 |                | 15,301                 |                 |
| Rent                                        | 33,495                 |                | 48,370                 |                 |
|                                             |                        | 138,240        |                        | 103,166         |
| <b>Interest and charges</b>                 |                        |                |                        |                 |
| Bank charges                                | 3,152                  |                | 1,869                  |                 |
|                                             |                        | 3,152          |                        | 1,869           |
| <b>Depreciation</b>                         |                        |                |                        |                 |
| Equipment                                   | 13,572                 |                | 2,338                  |                 |
|                                             |                        | 13,572         |                        | 2,338           |
| <b>Legal and Professional</b>               |                        |                |                        |                 |
| Accountancy Fee                             | 890                    |                | 890                    |                 |
| Professional fees                           | 3,515                  |                | 2,000                  |                 |
|                                             |                        | 5,725          |                        | 4,210           |
| <b>Total Resources Expended</b>             |                        | <u>327,348</u> |                        | <u>276,926</u>  |
| <b>Net Incoming / (Outgoing) Resources</b>  |                        | <u>15,365</u>  |                        | <u>(53,814)</u> |

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# Accounts

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**Derwentwater Independent Hostel**  
**Report of the Directors and Trustees**  
**and Financial Statements for the year ended**  
**31 October 2020**



**K e s w i c k**  
**A C C O U N T A N T S**

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## **Derwentwater Independent Hostel**

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## **Derwentwater Independent Hostel**

**Charity Information  
for the year ended  
31 October 2020**

|                                                |                                                                                                             |
|------------------------------------------------|-------------------------------------------------------------------------------------------------------------|
| <b>DIRECTORS<br/>AND<br/>TRUSTEES:</b>         | John Snyder<br>Sarah Snyder<br>Guy Lee<br>Andrew Towler<br>Paul Kleian                                      |
| <b>CHIEF EXECUTIVE OFFICERS:</b>               | T Butcher                                                                                                   |
| <b>BUSINESS ADDRESS</b>                        | Barrow House<br>Borrowdale<br>Keswick<br>Cumbria<br>CA12 5UR                                                |
| <b>REGISTERED OFFICE:</b>                      | Barrow House<br>Borrowdale<br>Keswick<br>Cumbria<br>CA12 5UR                                                |
| <b>CHARITY NUMBER:</b>                         | 1145368                                                                                                     |
| <b>COMPANY NUMBER:</b>                         | 07817860                                                                                                    |
| <b>ACCOUNTANT AND<br/>INDEPENDENT EXAMINER</b> | Frances Clark ACA<br>Keswick Accountants<br>Appleside<br>4 Leonard Street<br>Keswick<br>Cumbria<br>CA12 4EJ |
| <b>BANKERS:</b>                                | Barclays Bank PLC<br>Market Square<br>Penrith<br>Cumbria<br>CA11 7YB                                        |

## **Derwentwater Independent Hostel**

### **Report of the Trustees for the year ended 31 October 2020**

The Trustees, who are the directors of the Company for the purposes of company law, present their report together with the financial statements of the Charity for the year ended 31 October 2020.

The accounts have been prepared under the provisions of the Companies Act 2006 and the Charities Act 2011, and in accordance with the Statement of Recommended Practice (SORP 2005) on accounting for charities.

#### **Governing Document**

Derwentwater Independent Hostel is a company limited by guarantee and registered charity. The company was established under a Memorandum of Association, which established the objects and powers of the charitable company, and is governed under its Articles of Association.

#### **Objectives**

The Charity's Articles declare the charity's objects as:

- a) the advancement of education,
- b) the advancement in life of children and young people by developing their skills, capacities and capabilities to enable them to participate in society as independent, mature and responsible adults; and
- c) the provision of recreational and leisure time activity in the interests of social welfare for people who have need by reason of their youth, age, infirmity or disability, poverty or social and economic circumstances, by the provision of educational courses and physical and other activities; and associated residential facilities; and
- d) to help all, especially young people of limited means, to a greater knowledge, love and care of the countryside by providing a youth hostel or other accommodation for them and thus to promote their health, recreation and education.

#### **Directors**

The directors who acted during the period were as follows:

John Snyder  
Sarah Snyder  
Guy Lee  
Andy Towler  
Paul Kleian - appointed 19th December 2019.

#### **Management Structure**

The charity now has five Trustees and continues to consider recruiting. There continues to be a potential need for additional contributions from people with legal, auditing, estate management and classroom educational skills. More conversations have taken place, but still no new formal appointments yet made.

#### **Review of the development, activities and achievements of the Company**

In the ninth full year of operating Derwentwater Independent Hostel (DIH) as an independent hostel since the acquisition from the YHA in 2011, the hostel like every hospitality sector business was hit hard with Covid 19 Lockdown measures which kept visitors away from the premises for long periods, and the staff without their usual work to do.

The overnights ledger tells the story:

|           |                   |
|-----------|-------------------|
| 2016-2017 | 13,893 overnights |
| 2017-2018 | 13,340 overnights |
| 2018-2019 | 13,016 overnights |
| 2019-2020 | 5,326 overnights  |

## **Derwentwater Independent Hostel**

### **Report of the Trustees, contd. for the year ended 31 October 2020**

#### **Review of the development, activities and achievements of the Company (cont)**

A 60% reduction in overnights year on year is catastrophic for any independent accommodation provider. The furloughing of staff and council grants helped to alleviate some of the financial pain, alongside the landlord not charging rent whilst the hostel was closed-up.

The hostel income for 2020 was just 40% of 2019 revenues, yet costs for 2020 remained 79% of 2019 levels, despite such reduced activity at the hostel. Grants of £73k contributed an additional 49% of hostel-earned revenue – helping to reduce the trading loss down to - £54k in 2020, instead of the trading surplus of £23k in 2019. This has reduced our carried forward funds from £235k down to £181k, with the trading loss using up almost a quarter of our carried forward 2019 reserves.

However, a more fundamental existential threat to the hostel business model was apparent too, through the lens of Covid-19 social distancing. With our largest dormitory housing 21 beds, and no provision for ensuite bathrooms inside the listed hostel building – how were new social distancing rules to be applied? When we re-opened in the summer of 2020, each of the 11 bedrooms had to be assigned a dedicated shower for each “bubble” of family members social-distancing in each room, with more intensive cleaning schedules in place, and the shared customer kitchen closed off. With a policy of assigning each shower to a dedicated bedroom, there were not even enough independent shower to serve each of our 11 bedrooms!

This state of affairs was most ironic, given the effort and work over the prior two years by Trustees to ‘re-imagine’ the hostel layout under a new building programme to house more smaller bedrooms, each with en-suites, in a modern extension to the older frame of the historic listed building we inhabit today. Without bathrooms ensuite and a suitable way to maintain social distancing and adequate cleaning regimes for showers and toilets it did seem the charity was under threat.

However strong trading in previous years since 2011 had built up a surplus which was again drawn on to tackle the threat of coronavirus facing both Trustees and our hostel manager Tim Butcher.

I record our sincere thanks to Tim for investing huge time and effort on new business models breaking down options for camping pitches and glamping pods as an external set of accommodation options once lockdown eased in July 2020. With a small number of pitches set apart, and arranging for controlled access to toilets in the building, a superior camping experience was developed on the shores of the Derwentwater lake, which was welcomed by those people breaking out from lockdown and choosing Borrowdale as an outdoors destination for a ‘staycation’ break.

Understanding the new type of customer needs through the late summer months prior to a subsequent lockdown allowed Tim and the Trustees to plan for winter investments in the building: upgrading shower facilities in particular and also sub-dividing one dorm to make two separate units for two separate family “bubbles”.

The year 2019-2020 is defined by a dearth of school and education groups attending the Hostel. Regular school groups cancelled their bookings, or delayed them to a subsequent year. All education providers from primary schools to universities were focused on the more immediate needs of online education provision. It seemed impossible to lead any school groups during stringent lockdown measures, even after pupils had returned to school in the Autumn.

Our agenda for Education and Adventure Activities took a sharp 76% decline in 2019-2020.

Zero Primary School children attended and just 8% of previous year's number of Duke of Edinburgh students staying at the Hostel.

## **Derwentwater Independent Hostel**

### **Report of the Trustees, contd. for the year ended 31 October 2020**

#### **Review of the development, activities and achievements of the Company (Cont)**

A 76% reduction in Education and Adventure customers, and a 60% reduction in Adult (defined by Adult Group, Corporate, Faith Group or Individual sub-groups) were offset by a stronger take-up by families after lockdown was eased in the summer of 2020. The Family segment increased by 53% year-on-year, signaling a fundamental change in the customer mix for 2019-2020.

The camping and “bubble” management elements of managing customers during Summer 2020 emboldened the Trustees and our Hostel Manager to invest for 2021 with planning applications undertaken over the winter to build three wooden pods in the grounds of the Hostel, and to expand the camping season for 2021.

2020 was indeed a period of experimentation and innovation for the Hostel, alongside the collection of data to evidence the subsequent investments made to increase shower provision and sub-divide a bedroom into two bedroom units, each with toilet and shower pod.

Our heartfelt thanks is extended to both Tim Butcher and the wider hostel team who prevailed through the lockdown with no visitors and rebounded with energy and commitment to serve all those enjoying what Borrowdale Valley has to offer with the Hostel as a hub for extended outdoor activities and camping for many.

Please do visit our website at [www.derwentwater.org](http://www.derwentwater.org) and read the team’s newsletters, still action-packed with inspiring tales of Lakeland adventure and learning.

As Chairman of the Trustees I thank once again the hard-work and passion of our hostel team at Derwentwater Independent Hostel. In hard trading circumstances in a year when the Hostel was mostly closed, the team achieved annual revenues of £149k and a trading loss of just £54k, helped by £73k of public grants - importantly reducing what could have been a much larger dent in our cash reserves. With the floods of 2015 and now the Covid 19 pandemic of 2020, the Trustees remain committed to building up reserves when they can, but also drawing down from them in times of need, to be agile and flexible to meet the external factors that can besiege a small independent charity like the Derwentwater Independent Hostel.

#### *Special Grants*

With few school groups to stay at the Hostel, no special grants were distributed in 2019-2020 on account of the impact of coronavirus on all school bookings.

#### *Volunteers*

Likewise, with the restrictions of Covid we welcomed just one volunteer over the year. We are grateful to Naomi High who volunteered from 28th February, contributing 75 hours of volunteering until lockdown curtailed her stay on 25<sup>th</sup> March 2020.

#### *Trustee Appointments*

The charity has benefited over this year of crisis from the consultant input of Laura Cadman advising the Trustees their legal responsibilities, improving our charity processes, agenda setting, governance details and leading a Trustee training day.

## **Derwentwater Independent Hostel**

### **Report of the Trustees, contd. for the year ended 31 October 2020**

#### **Review of the development, activities and achievements of the Company (Cont)**

With the building project's visioning work of 2017-2018 now on permanent hold, the Hostel team continues to navigate the threat of Covid 19 in the near-term and must re-double efforts to rebuild the education and adventure customer base.

Paul Kleian contributed volunteer input to many meetings prior to formalizing his role as a new Trustee on 19<sup>th</sup> December 2019. The Trustees have been grateful for Paul Kleian's contribution on marketing, and insights on customer needs and industry trends within the Cumbrian hospitality sector. It is more timely than ever to recruit new Trustee members to the team. This is higher on the priority list than ever before.

#### *Cash Reserves*

Cash reserves have grown over nine years to a high of £235k in 2018-2019, but fallen due to 2019-2020 investments to £181k – representing just 49% of 2018-2019 revenues and under 50% of an average pre-Covid trading year. The hostel continues to invest in short-term modifications to improve camping facilities and glamping pods in the grounds, as well as additional sanitary provisions inside the hostel itself: which again takes investment underpinned by a £50k business loan.

#### Summary

The Trustees are very pleased to report a strong 2019-2020 in the face of adversity – drawing on the surplus to risk a re-opening in the Summer of 2020 despite having impractical dorm sizes and shower facilities to optimize overnights numbers due to social distancing restrictions inside the building. Opening-up camping pitches and gathering data to support the investment decision to commission 3 wooden pods, gives me confidence that the Trustees and Hostel Manager can flex and adjust to changing circumstances. The horizon for 2021-2022 is still unclear and opaque, but there is renewed confidence in our ability to innovate and make decisions, emboldened by the fact that previous strong years of trading have given us a buffer of reserves to assist our strategy and survival in the face of adversity.

Well done to Tim Butcher and our team! We together survived to tackle another year, with coronavirus, with all its limitations and implications, still in our midst. The Trustees extend their thanks to Tim and his team for their unstinting efforts over the last 18 months.

#### **Investment Policy**

The Memorandum and Articles of Association of the Charity permit wide powers of investment. The Trustees should invest the money of the charity not immediately required for its purposes, in or upon such investments, securities or properties as may be thought fit.

#### **Risk Assessment**

The Trustees regularly review the risks to which the charity is exposed and consider the implications of those risks. There is no risk currently facing the charity which the Trustees consider significant.

## **Derwentwater Independent Hostel**

### **Report of the Trustees, contd. for the year ended 31 October 2020**

#### **Statement of Directors Responsibilities**

The Directors are required under the Companies Act 2006 and the Charities Act 1993 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of its net surplus or deficit for that period. In preparing those financial statements, the directors are required to:

- a) select suitable accounting policies and then apply them consistently;
- b) make judgements and estimates that are reasonable and prudent;
- c) state whether applicable accounting standards and statements of recommended practice have been followed subject to any departures disclosed and explained in the financial statements;
- d) prepare the financial statements on the going concern basis unless it is inappropriate to presume the company will continue in operation.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the Trust and to enable them to ensure that the financial statements comply with applicable law, accounting standards and the Charities SORP. 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.

This report is prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 and the Financial Reporting Standard for Smaller Entities (effective April 2008) relating to small companies.

#### **ON BEHALF OF THE TRUSTEES**

John Snyder  
Director and Trustee  
Date: 26.07.2021

## **Derwentwater Independent Hostel**

### **Independent Examiners Report for the year ended 31 October 2020**

I report on the accounts for the Trust for the year ended 31 October 2020 which are set out on pages 7 - 14.

#### **Respective responsibilities of trustees and examiner**

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year, under section 144(2) of the Charities Act 2011 (the 2011 Act), and that an independent examiners report is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the General Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

#### **Basis of independent examiners report**

My examination was carried out in accordance with the General Directions given by the Charity Commissioners. An examination includes a review of accounting records kept by the charity and a comparison of the accounts presented with these records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and, consequently, I do not express an audit opinion on the view given by the accounts.

#### **Independent examiners' statement**

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that, in any material respect, the requirements to:

- keep accounting records in accordance with s130 of the 2011 Act; and
- to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the 2011 Act

have not been met;

or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Frances Clark ACA  
Keswick Accountants  
Appleside  
4 Leonard Street  
Keswick  
Cumbria CA12 4EJ

# Derwentwater Independent Hostel

## Statement of Financial Activities for the year ended 31 October 2020

|                                          |       | 31 October 2020 |              |            |          | 31 October 2019 |
|------------------------------------------|-------|-----------------|--------------|------------|----------|-----------------|
|                                          | Notes | Restricted      | Unrestricted | Designated | Total    | Total           |
|                                          |       | £               | £            | Funds<br>£ | £        | £               |
| <b>INCOME</b>                            |       |                 |              |            |          |                 |
| <b>Voluntary income</b>                  |       |                 |              |            |          |                 |
| Donations and gifts                      | 2     | -               | 327          | -          | 327      | -               |
| Legacies receivable                      |       | -               | -            | -          | -        | -               |
| Grants receivable                        | 3     | -               | 73,419       | -          | 73,419   | -               |
| Activities for generating funds          |       | -               | -            | -          | -        | -               |
| Investment income                        | 4     | -               | 570          | -          | 570      | 278             |
| <b>Income from charitable activities</b> |       |                 |              |            |          |                 |
| Hostel income                            | 5     | -               | 148,796      | -          | 148,796  | 372,428         |
| <b>Total income</b>                      |       | -               | 223,112      | -          | 223,112  | 372,706         |
| <b>Expenditure</b>                       |       |                 |              |            |          |                 |
| <b>Charitable activities</b>             |       |                 |              |            |          |                 |
|                                          | 6     | -               | 274,926      | 2,000      | 276,926  | 349,826         |
| <b>Total expenditure</b>                 |       | -               | 274,926      | 2,000      | 276,926  | 349,826         |
| <b>Net income / (expenditure)</b>        |       | -               | (51,814)     | (2,000)    | (53,814) | 22,880          |
| Total funds brought forward              |       | -               | 200,168      | 35,000     | 235,168  | 212,288         |
| Transfers between funds                  |       | -               | -            | -          | -        | -               |
| <b>Total funds carried forward</b>       | 13    | -               | 148,354      | 33,000     | 181,354  | 235,168         |

There were no gains or losses in the year to 31 October 2020 other than those included above.

The notes form part of these financial statements

# Derwentwater Independent Hostel

## Balance Sheet as at 31 October 2020

|                                                             | Notes | 31 October 2020 |             | 31 October 2019 |             |
|-------------------------------------------------------------|-------|-----------------|-------------|-----------------|-------------|
|                                                             |       | £               | £           | £               | £           |
| <b>Fixed Assets</b>                                         |       |                 |             |                 |             |
| Tangible fixed assets                                       | 9     |                 | 7,018       |                 | 7,458       |
|                                                             |       |                 | <hr/>       |                 | <hr/>       |
|                                                             |       |                 | 7,018       |                 | 7,458       |
| <b>Current Assets</b>                                       |       |                 |             |                 |             |
| Debtors                                                     | 10    | 9,433           |             | 36,343          |             |
| Cash at bank and in hand                                    |       | 288,602         |             | 235,024         |             |
|                                                             |       | <hr/>           |             | <hr/>           |             |
|                                                             |       | 298,035         |             | 271,367         |             |
| <b>Creditors: amounts falling due within one year</b>       |       |                 |             |                 |             |
| Creditors and accruals                                      | 11    | 73,699          |             | 43,657          |             |
|                                                             |       | <hr/>           |             | <hr/>           |             |
| <b>Net Current Assets</b>                                   |       |                 | 224,336     |                 | 227,710     |
|                                                             |       |                 | <hr/>       |                 | <hr/>       |
| <b>Total Assets less Current Liabilities</b>                |       |                 | 231,354     |                 | 235,168     |
| <b>Creditors: amounts falling due in more than one year</b> |       |                 |             |                 |             |
|                                                             |       |                 | 50,000      |                 | -           |
|                                                             |       |                 | <hr/>       |                 | <hr/>       |
| <b>NET ASSETS</b>                                           | 12    |                 | 181,354     |                 | 235,168     |
|                                                             |       |                 | <hr/> <hr/> |                 | <hr/> <hr/> |
| <b>Funds</b>                                                |       |                 |             |                 |             |
| Restricted funds                                            | 13    | -               |             | -               |             |
| Unrestricted funds                                          |       | 148,354         |             | 200,168         |             |
| Designated funds                                            |       | 33,000          |             | 35,000          |             |
|                                                             |       | <hr/>           |             | <hr/>           |             |
|                                                             | 14    |                 | 181,354     |                 | 235,168     |
|                                                             |       |                 | <hr/> <hr/> |                 | <hr/> <hr/> |

For the year ending 31 October 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

These accounts have been prepared in accordance with the provisions applicable to companies

## **Derwentwater Independent Hostel**

### **Balance Sheet as at 31 October 2020**

The directors acknowledge their responsibilities for:

- a) ensuring that the company keeps accounting records which comply with Section 386 of the Companies Act 2006, and
- b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the trustees and signed on their behalf

John Snyder  
Director and Trustee  
Date:

The notes form part of these financial statements

## Derwentwater Independent Hostel

### Notes to the Financial Statements for the year ended 31 October 2020

#### 1 Accounting Policies

##### General

These accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards, including the accruals concept, and the Charities SORP (Statement of Recommended Practice). They include the results of the charitable company's operations which are described in the Directors Report.

##### Cash Flow Statement

The charity has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small charity.

##### Tangible Fixed Assets and Depreciation

Assets used for charitable purposes, with an expected useful life exceeding one year, are capitalised on the balance sheet. Depreciation is provided at the following annual rates in order to write off each asset over its expected useful life:

|                                  |                            |
|----------------------------------|----------------------------|
| Computers                        | 33.34% on reducing balance |
| Fixtures, Fittings and Equipment | 25% on reducing balance    |

##### Income

Income consists of grants received and income from promotions, accounted for on a receivable basis. Where income is received for a specific purpose, as defined by the donor, this income is classed as restricted. Income received towards the general objects of the charity is classed as unrestricted.

##### Expenditure

Expenditure is accounted for on an accruals basis. Where it relates to a specific project it is allocated to that project as restricted expenditure. Expenditure that relates to the objects of the charity is classified as charitable activities. Any legal or professional costs are classified as governance costs. The costs of generating funds are separately identified.

##### Funds

General funds are those where no restrictions have been placed upon the specific spending of the funds by the donor. Designated funds are those funds where the directors have chosen to earmark general funds for a specific purpose. Restricted funds are those funds where the donation is received for a specific purpose as set out by the donor.

##### Corporation Tax

As a 'not for profit' company with charitable status the Company is exempt from the payment of corporation tax.

#### 2 Payment to Accountants

The payment to the accountants included in the expenditure is split as follows:

|                                     | 2020       | 2019       |
|-------------------------------------|------------|------------|
|                                     | £          | £          |
| Book keeping and payroll services   | 240        | 240        |
| Payment for preparation of accounts | 450        | 450        |
| Payment for Independent Examination | 200        | 200        |
|                                     | <u>890</u> | <u>890</u> |

## Derwentwater Independent Hostel

### Notes to the Financial Statements for the year ended 31 October 2020

|                                | 31 October 2020 |                   |                 |            | 31 October 2019 |
|--------------------------------|-----------------|-------------------|-----------------|------------|-----------------|
|                                | Restricted<br>£ | Unrestricted<br>£ | Designated<br>£ | Total<br>£ | £               |
| <b>2 Donations and gifts</b>   |                 |                   |                 |            |                 |
| Sundry donations               | -               | 327               |                 | 327        | -               |
|                                | -               | 327               | -               | 327        | -               |
| <b>3 Grants receivable</b>     |                 |                   |                 |            |                 |
| Allerdale Business Support Gr. | -               | 25,000            |                 | 25,000     | -               |
| Job Retention Scheme Grant     | -               | 48,419            |                 | 48,419     | -               |
|                                | -               | 73,419            | -               | 73,419     | -               |
| <b>4 Investment income</b>     |                 |                   |                 |            |                 |
| Bank interest received         | -               | 570               | -               | 570        | 278             |
|                                | -               | 570               | -               | 570        | 278             |
| <b>5 Hostel income</b>         |                 |                   |                 |            |                 |
| Group adult bednight           | -               | 32,271            | -               | 32,271     | 63,942          |
| Group U18 bednight             | -               | 4,976             | -               | 4,976      | 52,597          |
| Family rooms                   | -               | 19,936            | -               | 19,936     | 22,973          |
| Private rooms                  | -               | 24,801            | -               | 24,801     | 33,331          |
| Individual adult bednight      | -               | 1,604             | -               | 1,604      | 28,168          |
| Individual U18 bednight        | -               | 30                | -               | 30         | 660             |
| Cancellation charge            | -               | 2,296             | -               | 2,296      | 3,600           |
| Camping                        | -               | 4,924             | -               | 4,924      | 115             |
| Breakfast                      | -               | 15,559            | -               | 15,559     | 44,137          |
| Adult packed lunch             | -               | 4,965             | -               | 4,965      | 29,565          |
| Junior packed lunch            | -               | 100               | -               | 100        | 70              |
| Group adult evening meal       | -               | 9,565             | -               | 9,565      | 21,012          |
| Group Junior evening meal      | -               | 2,905             | -               | 2,905      | 34,921          |
| A la carte evening meal        | -               | 7,463             | -               | 7,463      | 7,145           |
| Function catering              | -               | 4,567             | -               | 4,567      | 2,546           |
| Alcohol sales                  | -               | 6,765             | -               | 6,765      | 12,832          |
| Soft drinks                    | -               | 729               | -               | 729        | 1,633           |
| Confectionery                  | -               | 346               | -               | 346        | 1,723           |
| Merchandise                    | -               | 613               | -               | 613        | 1,030           |
| Office services                | -               | 309               | -               | 309        | 1,607           |
| Kitchen sales                  | -               | 312               | -               | 312        | 758             |
| Tea and coffee                 | -               | 1,278             | -               | 1,278      | 3,584           |
| Group junior activity          | -               | -                 | -               | -          | 1,961           |
| Ticket sales                   | -               | 78                | -               | 78         | 616             |
| Hydro income                   | -               | 2,404             | -               | 2,404      | 1,902           |
|                                | -               | 148,796           | -               | 148,796    | 372,428         |

## Derwentwater Independent Hostel

### Notes to the Financial Statements for the year ended 31 October 2020

| 6 Charitable activities   | 31 October 2020 |                   |                 |            | 31 October 2019 |
|---------------------------|-----------------|-------------------|-----------------|------------|-----------------|
|                           | Restricted<br>£ | Unrestricted<br>£ | Designated<br>£ | Total<br>£ | £               |
| Purchases                 | -               | 29,377            | -               | 29,377     | 67,024          |
| Staff costs <b>Note 7</b> | -               | 129,907           | -               | 129,907    | 133,994         |
| Administration            | -               | 3,307             | -               | 3,307      | 4,019           |
| Marketing and Advertising | -               | 2,752             | -               | 2,752      | 1,806           |
| Premises and other costs  | -               | 103,166           | -               | 103,166    | 131,850         |
| Interest and charges      | -               | 1,869             | -               | 1,869      | 2,407           |
| Depreciation              | -               | 2,338             | -               | 2,338      | 2,486           |
| Legal and professional    | -               | 2,210             | 2,000           | 4,210      | 6,240           |
|                           | -               | 274,926           | 2,000           | 276,926    | 349,826         |

| 7 Employee Remuneration       | 31 October 2020<br>£ | 31 October 2019<br>£ |
|-------------------------------|----------------------|----------------------|
| Staff costs                   |                      |                      |
| Wages                         | 142,984              | 144,584              |
| Employers NIC                 | 4,582                | 5,354                |
| Staff accommodation deduction | (11,701)             | (13,688)             |
| Staff food deduction          | (8,421)              | (6,240)              |
| Employer pension              | 2,329                | 2,174                |
| Travel                        | 134                  | 586                  |
| Uniform                       | -                    | 792                  |
| Recruitment                   | -                    | 316                  |
| Staff training                | -                    | 116                  |
|                               | <u>129,907</u>       | <u>133,994</u>       |

The average number of staff employed by the trust during the year was as follows;

|                     | 31 October 2020<br>No. | 31 October 2019<br>No. |
|---------------------|------------------------|------------------------|
| <b>Managers</b>     | 1                      | 2                      |
| <b>Hostel staff</b> | <u>7</u>               | <u>6</u>               |
|                     | <u>8</u>               | <u>8</u>               |

### 7 Trustee Remuneration and Expenses

No remuneration directly or indirectly out of the funds of the charity was paid or payable for the year to any trustee or to any person or persons known to be connected with any of them.

No reimbursement of expenses has been made or is due to be made to any of the trustees in respect of the year.

# Derwentwater Independent Hostel

## Notes to the Financial Statements for the year ended 31 October 2020

### 9 Tangible Fixed Assets

|                       | Plant and<br>machinery<br>£ | Fixtures &<br>Fittings<br>£ | Total<br>£    |
|-----------------------|-----------------------------|-----------------------------|---------------|
| <b>COST</b>           |                             |                             |               |
| At 1 November 2019    | 16,346                      | 5,699                       | 22,045        |
| Additions             | -                           | 1,898                       | 1,898         |
| At 31 October 2020    | <u>16,346</u>               | <u>7,597</u>                | <u>23,943</u> |
| <b>DEPRECIATION</b>   |                             |                             |               |
| At 1 November 2019    | 10,466                      | 4,121                       | 14,587        |
| Charge for year       | 1,470                       | 868                         | 2,338         |
| At 31 October 2020    | <u>11,936</u>               | <u>4,989</u>                | <u>16,925</u> |
| <b>NET BOOK VALUE</b> |                             |                             |               |
| At 31 October 2020    | <u>4,410</u>                | <u>2,608</u>                | <u>7,018</u>  |
| At 31 October 2019    | <u>5,880</u>                | <u>1,578</u>                | <u>7,458</u>  |

| 10 Debtors    | 31 October 2020<br>£ | 31 October 2019<br>£ |
|---------------|----------------------|----------------------|
| Trade debtors | 1,079                | 26,500               |
| Prepayments   | 2,806                | 9,843                |
| VAT Repayable | 5,548                | -                    |
|               | <u>9,433</u>         | <u>36,343</u>        |

| 11 Creditors: amounts falling due within one year | 31 October 2020<br>£ | 31 October 2019<br>£ |
|---------------------------------------------------|----------------------|----------------------|
| Trade creditors                                   | 32,728               | 10,103               |
| Advance payments                                  | 35,407               | 14,739               |
| Other taxation & social security                  | 2,119                | 12,678               |
| Accruals                                          | 2,815                | 6,137                |
| Pension creditor                                  | 630                  | -                    |
|                                                   | <u>73,699</u>        | <u>43,657</u>        |

| 12 CREDITORS > 1 YEAR | 31 October 2020<br>£ | 31 October 2019<br>£ |
|-----------------------|----------------------|----------------------|
| Bounce Back Loan      | 50,000               | -                    |
|                       | <u>50,000</u>        | <u>-</u>             |

## Derwentwater Independent Hostel

### Notes to the Financial Statements for the year ended 31 October 2020

| <b>13 Funds</b>                        | At<br>1 November 20 | Incoming<br>Resources | Outgoing<br>Resources | Transfers | At<br>31 October 2020 |
|----------------------------------------|---------------------|-----------------------|-----------------------|-----------|-----------------------|
|                                        | £                   | £                     | £                     | £         | £                     |
| <b>Projects &amp; Restricted funds</b> |                     |                       |                       |           |                       |
| <b>Designated Funds</b>                |                     |                       |                       |           |                       |
| Refurbishment Reserve                  | 35,000              | -                     | (2,000)               | -         | 33,000                |
|                                        | <u>35,000</u>       | <u>-</u>              | <u>(2,000)</u>        | <u>-</u>  | <u>33,000</u>         |

| <b>14 Net Assets by fund</b>                      | Restricted<br>£ | Unrestricted<br>£ | Designated<br>£ | Total<br>£     |
|---------------------------------------------------|-----------------|-------------------|-----------------|----------------|
| Tangible fixed assets                             | -               | 7,018             | -               | 7,018          |
| Investments                                       | -               | -                 | -               | -              |
| Current assets                                    | -               | 265,035           | 33,000          | 298,035        |
| Creditors: amounts falling due<br>within one year | -               | (73,699)          | -               | (73,699)       |
| <b>Total net assets</b>                           | <u>-</u>        | <u>148,354</u>    | <u>33,000</u>   | <u>181,354</u> |

### 15 Members liability

The liability of the members is limited. Every member of the charity undertakes to contribute to the assets of the charity in the event of the organisation being wound up while he or she is a member, or within one year after he or she ceases to be a member, for payment of the debts and liabilities of the charity contracted before he or she ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributors among themselves, such amount as may be required, but not exceeding £1.

**Derwentwater Independent Hostel**

**Financial Statements  
for the year ended  
31 October 2020**

The following pages do not form part of the  
Statutory Accounts

**Derwentwater Independent Hostel  
Income and Expenditure Account  
for the year ended  
31 October 2020**

|                                          | 31 October 2020 | 31 October 2019 |
|------------------------------------------|-----------------|-----------------|
| <b>INCOMING RESOURCES</b>                |                 |                 |
| <b>Donations and gifts</b>               |                 |                 |
| Sundry donations                         | <u>327</u>      | <u>-</u>        |
|                                          | 327             | -               |
| <b>Grants receivable</b>                 |                 |                 |
| Allerdale Business Support Grant         | 25,000          | -               |
| Job Retention Scheme Grant               | <u>48,419</u>   | <u>-</u>        |
|                                          | 73,419          | -               |
| <b>Investment income</b>                 |                 |                 |
| Bank interest received                   | <u>570</u>      | <u>278</u>      |
|                                          | 570             | 278             |
| <b>INCOME FROM CHARITABLE ACTIVITIES</b> |                 |                 |
| <b>Hostel income</b>                     |                 |                 |
| Group adult bednight                     | 32,271          | 63,942          |
| Group U18 bednight                       | 4,976           | 52,597          |
| Family rooms                             | 19,936          | 22,973          |
| Private rooms                            | 24,801          | 33,331          |
| Individual adult bednight                | 1,604           | 28,168          |
| Individual U18 bednight                  | 30              | 660             |
| Cancellation charge                      | 2,296           | 3,600           |
| Camping                                  | 4,924           | 115             |
| Breakfast                                | 15,559          | 44,137          |
| Adult packed lunch                       | 4,965           | 29,565          |
| Junior packed lunch                      | 100             | 70              |
| Group adult evening meal                 | 9,565           | 21,012          |
| Group Junior evening meal                | 2,905           | 34,921          |
| A la carte evening meal                  | 7,463           | 7,145           |
| Function catering                        | 4,567           | 2,546           |
| Alcohol sales                            | 6,765           | 12,832          |
| Soft drinks                              | 729             | 1,633           |
| Confectionery                            | 346             | 1,723           |
| Merchandise                              | 613             | 1,030           |
| Office services                          | 309             | 1,607           |
| Kitchen sales                            | 312             | 758             |
| Tea and coffee                           | 1,278           | 3,584           |
| Group junior activity                    | -               | 1,961           |
| Ticket sales                             | 78              | 616             |
| Hydro income                             | <u>2,404</u>    | <u>1,902</u>    |
|                                          | 148,796         | 372,428         |
| <b>Total income</b>                      | <u>223,112</u>  | <u>372,706</u>  |

**Derwentwater Independent Hostel  
Income and Expenditure Account  
for the year ended  
31 October 2020**

|                                            | <b>31 October 2020</b> |         | <b>31 October 2019</b> |         |
|--------------------------------------------|------------------------|---------|------------------------|---------|
|                                            | £                      | £       | £                      | £       |
| <b>Incoming resources, brought forward</b> |                        | 223,112 |                        | 372,706 |
| <b>RESOURCES EXPENDED</b>                  |                        |         |                        |         |
| <b>Purchases</b>                           |                        |         |                        |         |
| Food purchases                             | 23,515                 |         | 50,045                 |         |
| Alcohol purchaes                           | 3,228                  |         | 6,950                  |         |
| Soft drink purchases                       | 236                    |         | 668                    |         |
| Merchandising purchases                    | 231                    |         | 712                    |         |
| Activity purchases                         | -                      |         | 2,016                  |         |
| Ticket purchases                           | 72                     |         | 490                    |         |
| Confectionery purchases                    | 263                    |         | 1,300                  |         |
| Commission payable                         | 1,832                  |         | 4,843                  |         |
|                                            |                        | 29,377  |                        | 67,024  |
| <b>Staff costs</b>                         |                        |         |                        |         |
| Wages                                      | 142,984                |         | 144,584                |         |
| Employers NIC                              | 4,582                  |         | 5,354                  |         |
| Staff accomodation deduction               | (11,701)               |         | (13,688)               |         |
| Staff food deduction                       | (8,421)                |         | (6,240)                |         |
| Employer pension                           | 2,329                  |         | 2,174                  |         |
| Travel                                     | 134                    |         | 586                    |         |
| Uniform                                    | -                      |         | 792                    |         |
| Recruitment                                | -                      |         | 316                    |         |
| Staff training                             | -                      |         | 116                    |         |
|                                            |                        | 129,907 |                        | 133,994 |
| <b>Administration</b>                      |                        |         |                        |         |
| Stationery                                 | 484                    |         | 1,207                  |         |
| Postage                                    | 4                      |         | 31                     |         |
| Telephone                                  | 1,250                  |         | 1,194                  |         |
| Computer & website expenses                | 809                    |         | 1,095                  |         |
| Subscriptions                              | 389                    |         | 203                    |         |
| Sundry expenses                            | 371                    |         | 289                    |         |
|                                            |                        | 3,307   |                        | 4,019   |
| <b>Marketing and Advertising</b>           |                        |         |                        |         |
| Advertising                                | 2,752                  |         | 1,806                  |         |
|                                            |                        | 2,752   |                        | 1,806   |
| <b>Resources expended carry forward</b>    |                        | 165,343 |                        | 206,843 |

**Derwentwater Independent Hostel  
Income and Expenditure Account  
for the year ended  
31 October 2020**

|                                             | <b>31 October 2020</b> |                 | <b>31 October 2019</b> |                |
|---------------------------------------------|------------------------|-----------------|------------------------|----------------|
|                                             | £                      | £               | £                      | £              |
| <b>RESOURCES EXPENDED (brought forward)</b> |                        | 165,343         |                        | 206,843        |
| <b>Premises and other costs</b>             |                        |                 |                        |                |
| Rates and water                             | 8,233                  |                 | 10,339                 |                |
| Insurance                                   | 6,731                  |                 | 6,724                  |                |
| Repairs and renewals                        | 12,876                 |                 | 11,471                 |                |
| Laundry and cleaning                        | 6,618                  |                 | 15,146                 |                |
| Trade refuse                                | 5,037                  |                 | 4,709                  |                |
| Light and heat                              | 15,301                 |                 | 18,061                 |                |
| Rent                                        | 48,370                 |                 | 65,400                 |                |
|                                             |                        | 103,166         |                        | 131,850        |
| <b>Interest and charges</b>                 |                        |                 |                        |                |
| Bank charges                                | 1,869                  |                 | 2,407                  |                |
|                                             |                        | 1,869           |                        | 2,407          |
| <b>Depreciation</b>                         |                        |                 |                        |                |
| Equipment                                   | 2,338                  |                 | 2,486                  |                |
|                                             |                        | 2,338           |                        | 2,486          |
| <b>Legal and Professional</b>               |                        |                 |                        |                |
| Accountancy Fee                             | 890                    |                 | 890                    |                |
| Professional fees                           | 2,000                  |                 | -                      |                |
|                                             |                        | 4,210           |                        | 6,240          |
| Total Resources Expended                    |                        | <u>276,926</u>  |                        | <u>349,826</u> |
| <b>Net Incoming / (Outgoing) Resources</b>  |                        | <u>(53,814)</u> |                        | <u>22,880</u>  |