

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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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 Year to 31/10/22	2022/23 Year to 31/10/23	% change on LY
Education & Adventure			
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%
Family			
Wedding	662	414	-37%
Family	1928	2556	33%
Family Group	168	300	79%
Sub-total	2758	3270	19%
Adult			
Adult Group	454	266	-41%
Corporate	28	240	757%
Faith/Church Group	735	630	-14%
Individual	4745	3278	-31%
Sub-total	5962	4414	-26%
Total Overnights	14934	13563	-9%
Sub Group Totals			
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 31st 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**

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

Derwentwater Independent Hostel

Balance Sheet as at 31 October 2023

	Notes	31 October 2023		31 October 2022	
		£	£	£	£
Fixed Assets					
Tangible fixed assets	9		25,133		33,511
			<u>25,133</u>		<u>33,511</u>
Current Assets					
Debtors	10	15,982		11,749	
Cash at bank and in hand		290,052		354,326	
		<u>306,034</u>		<u>366,075</u>	
Creditors: amounts falling due within one year					
Creditors and accruals	11	81,862		109,564	
		<u>81,862</u>		<u>109,564</u>	
Net Current Assets			224,172		256,511
			<u>224,172</u>		<u>256,511</u>
Total Assets less Current Liabilities			249,305		290,022
			<u>249,305</u>		<u>290,022</u>
Creditors: amounts falling due in more than one year					
			29,861		39,996
			<u>29,861</u>		<u>39,996</u>
NET ASSETS	12		219,444		250,026
			<u><u>219,444</u></u>		<u><u>250,026</u></u>
Funds					
Restricted funds	13				
Unrestricted funds			219,444		250,026
Designated funds					
	14		<u>219,444</u>		<u>250,026</u>
			<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 £	Unrestricted £	Designated £	Total £	£
2 Donations and gifts					
Sundry donations	-	4	-	4	5
	-	4	-	4	5
3 Grants receivable					
Allerdale Business Support Gr.	-	-	-	-	4,000
Job Retention Scheme Grant	-	-	-	-	251
	-	-	-	-	4,251
4 Investment income					
Bank interest received	-	1,265	-	1,265	16
	-	1,265	-	1,265	16
5 Hostel income					
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 £	Unrestricted £	Designated £	Total £	£
Purchases	-	75,399	-	75,399	70,880
Staff costs Note 7	-	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
	-	<u>490,350</u>	-	<u>490,350</u>	<u>404,465</u>

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	<u>7</u>	<u>7</u>
	<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 machinery £	Fixtures & Fittings £	Total £
COST			
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>
DEPRECIATION			
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>
NET BOOK VALUE			
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 £	31 October 2022 £
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 £	31 October 2022 £
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 £	31 October 2022 £
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 1 November 2022	Incoming Resources	Outgoing Resources	Transfers	At 31 October 2023
Projects & Restricted fur	£	£	£	£	£
Designated Funds					
Refurbishment Reserve	-	-	-	-	-
	-	-	-	-	-

14 Net Assets by fund	Restricted £	Unrestricted £	Designated £	Total £
Tangible fixed assets	-	25,133	-	25,133
Investments	-	-	-	-
Current assets	-	306,034	-	306,034
Creditors: amounts falling within one year	-	(81,862)	-	(81,862)
Total net assets	-	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.