

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

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REFERENCE AND ADMINISTRATIVE DETAILS

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

DERWENTWATER INDEPENDENT HOSTEL

COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT

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 residentials, 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)

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

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TRUSTEES' REPORT (CONTINUED)

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)

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)

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)

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")

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 funds £	Total 2024 £	Total 2023 £
Income and Endowments from:				
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
Expenditure on:				
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)
Reconciliation of funds				
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 funds £	Total 2023 £
Income and Endowments from:			
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>
Expenditure on:			
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)
Reconciliation of funds			
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**

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

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

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)

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)

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:

Asset class	Depreciation method and rate
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)

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

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

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

	Total 2024 £	Total 2023 £
Donations and legacies;		
Sundry donations	-	4
	-	4

DERWENTWATER INDEPENDENT HOSTEL

COMPANY LIMITED BY GUARANTEE

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

4 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds General £	Total 2024 £	Total 2023 £
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

	Unrestricted funds General £	Total 2024 £	Total 2023 £
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)

6 EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted funds General £	Total 2024 £	Total 2023 £
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 £	2023 £
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)

9 STAFF COSTS

The aggregate payroll costs were as follows:

	2024 £	2023 £
Staff costs during the year were:		
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 No	2023 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 £	2023 £
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)

11 TAXATION

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

12 TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Plant and machinery £	Total £
Cost			
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>
Depreciation			
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>
Net book value			
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)****13 DEBTORS**

	2024	2023
	£	£
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

	2024	2023
	£	£
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>
	2024	2023
	£	£
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

	2024	2023
	£	£
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**

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

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

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds General £	Total funds at 31 October 2024 £
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)

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

	Unrestricted funds General £	Total funds at 31 October 2023 £
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.