YHA (ENGLAND AND WALES)

England & Wales · Charity number 306122

Details

Other names	YHA (ENGLAND AND WALES) LIMITED, YOUTH HOSTEL TRUST OF ENGLAND AND WALES, Y H A
Status	Registered
Legal form	Charitable company
Company number	00282555
Registered	1963-08-13
Register	View on the Charity Commission register

Contact

Address	YHA (England and Wales) Trevelyan House Matlock DE4 3YH
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Website	www.yha.org.uk

Activities

Objects: A) TO HELP ALL, ESPECIALLY YOUNG PEOPLE OF LIMITED MEANS, TO A GREATER KNOWLEDGE, LOVE AND CARE OF THE COUNTRYSIDE, AND APPRECIATION OF THE CULTURAL VALUES OF TOWNS AND CITIES, PARTICULARLY BY PROVIDING YOUTH HOSTELS OR OTHER ACCOMMODATION FOR THEM IN THEIR TRAVELS, AND THUS TO PROMOTE THEIR HEALTH, RECREATION AND EDUCATION;B) SUCH OTHER CHARITABLE PURPOSES AS THE TRUSTEES SHALL IN THEIR ABSOLUTE DISCRETION FROM TIME TO TIME THINK FIT.

Activities: 'TO HELP ALL, ESPECIALLY YOUNG PEOPLE OF LIMITED MEANS, TO A GREATER KNOWLEDGE, LOVE AND CARE OF THE COUNTRYSIDE, AND APPRECIATION OF THE CULTUAL VALUES OF TOWNS AND CITIES, PARTICULARLY BY PROVIDING YOUTH HOSTELS OR OTHER ACCOMMODATION FOR THEM IN THEIR TRAVELS, AND THUS TO PROMOTE THEIR HEALTH, RECREATION AND EDUCATION.'

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Classification

- **How:** Makes Grants To Organisations, Provides Buildings/facilities/open Space, Provides Services
- **What:** General Charitable Purposes, Education/training, Accommodation/housing, Amateur Sport, Environment/conservation/heritage
- **Who:** Children/young People, Elderly/old People, People With Disabilities, People Of A Particular Ethnic Or Racial Origin, Other Charities Or Voluntary Bodies, Other Defined Groups, The General Public/mankind

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-02-28	£66,109,000	£65,612,000	£12,011,000	1110
2024-02-29	£61,186,310	£64,223,730	£12,282,000	1164
2023-02-28	£56,908,000	£59,480,000	£16,808,000	1088
2022-02-28	£35,561,000	£44,897,000	£19,814,000	825
2021-02-28	£26,263,000	£40,625,000	£26,171,000	977

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Trustees

Name	Role	Appointed
Margaret Helen Hart	Chair	2016-07-09
Barney Christopher Brown		2025-11-08
CLARE ELIZABETH HELEN FORDHAM		2020-11-07
Clare Louise Parsons		2023-11-04
Darren Richard Barker		2021-11-13
Graham Turnock		2015-07-11
James Redfearn		2024-11-09
Kathryn Louise Morgan		2025-11-08
MX SARAH CLAIRE BREWIN		2024-11-09
Nisbah Noseef Hussain		2025-11-09
Paula Newton		2023-11-04
Reena O'Neill		2025-11-08
Robert Andrew Varley		2019-06-29
Sarah Lusty		2022-11-05
Simon Gareth Reeve		2018-06-30

Linked charities

- WILDERHOPE MANOR FUND (306122-1)
- MERSEYSIDE YOUTH HOSTELS GOLDEN JUBILEE TRUST FUND (306122-2)

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YHA (ENGLAND AND WALES)

England & Wales - Charity number 306122

Accounts

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Annual report

2024/25

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We are YHA.

We believe in the power of travel and adventure to connect people to each other, nature and heritage. These connections do wonders for wellbeing.

Since 1930, YHA has operated a unique network of hostels throughout England and Wales — a community of shared spaces, open to all and for the benefit of everybody.

We provide inclusive adventures, in extraordinary buildings, in amazing places — yet we offer much more than accommodation.

YHA is a sector-leading education residential provider, a champion of access to the outdoors for all — especially young people, and an Investors in People Gold employer.

We are a large social enterprise leading the way in social tourism and nurturing partnerships that deliver impact across multiple sectors and at every level — in our communities, in our regions, and nationally.

95 years on from our pioneering beginnings, our founding principles and determination to achieve social good remain at the heart of what we do.

With our course set for long-term sustainability, we stride out on the road to our centenary with a refreshed strategy to enable everyone to access adventure, for the first time and a lifetime.

We are YHA.

Because where you go changes who you become.

Public benefit statement

Our Trustees give careful consideration to the Charity Commission's general guidance on public benefit during our planning processes and delivery of our work.

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Foreword

Welcome to YHA's annual report for 2024/25.

We are proud to report a strong year, both in terms of income and — most importantly — social impact. Against a backdrop of continued challenge in the wider economy, we've not only delivered on the ambitious objectives we set out, but in many areas, we've surpassed them.

Over 810,000 guests stayed with us this year. Behind that number are hundreds of thousands of people's stories of discovery, exploration, connection and growth — unforgettable experiences taking place in inspiring landscapes throughout England and Wales.

Central to our impact has been our work with young people, the very core of YHA's mission. This year, through initiatives like Generation Green 2 and No Child Left Behind, we exceeded our target for stays by young people with challenging lives by an incredible 34%. Much more than a mere statistic, these are real opportunities created for those who need them most — the same young people who most often miss out.

This year, the YHA Festival of Walking continued to go from strength to strength, welcoming new audiences and reinforcing our belief in access to the outdoors as a route to better health, improved wellbeing and stronger connections between people, heritage and nature. Alongside this, our Outdoor Citizens community has continued to grow and develop. Working with grassroots groups tackling inequities, YHA is better equipped to support access for all and increase opportunities for under-served communities.

Financially, we've continued our careful stewardship of the charity. Despite external pressures, we ended the year better than budget, with a reduced deficit of just under £3 million. This marks the successful delivery of year two of our three-year Recovery Plan, but remains a significant deficit.

A major enabler of this year's success has been the evolving shape of our hostel network. The transition of several hostels out of YHA ownership and into the hands of committed partners and local entrepreneurs is an important part of our long-term approach. It supports a broader and more resilient network, while allowing us to focus resources on deepening our impact.

And our refreshed strategy focuses on just that — strengthening our foundations to deliver greater impact. Taking forward the achievements and lessons of the last five years, and being realistic about the resources available to us, we have shaped a compelling and targeted plan to take us to 2030. Built on a robust theory of change, it sets out with clarity the difference we aim to make in the world and how we'll do it. It's a confident, forward-looking blueprint that positions YHA not just to recover, but to thrive — with eyes firmly on our centenary and beyond.

Our refreshed strategy is underpinned by an ambitious budget for year three of our Recovery Plan. In an environment of continuing economic and political volatility at both national and global levels, we do not underestimate the uncertainties we will face but, across the organisation, we are united in our wholehearted commitment to achieving the very best possible position in relation to both impact and finance.

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Thank you to all who have supported us in 2024/25 – our customers, members, volunteers, donors and partners – and of course to our exceptionally able and committed staff and Trustees. Together, we are unlocking access to the outdoors for all – but especially young people and those experiencing adventure for the very first time.

Here's to the journey ahead.

Margaret Hart, Chair

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Our year in numbers

Guest figures

812,086

people stayed overnight

That's 2.1% above target for the year

300,834

young people stayed overnight

That's 37% of all guests

This is also up from 35% in 2023/24

17,338

young people with challenging lives stayed overnight

That's 5.8% of young guests

This is also up from 4.6% in 2023/24 and more than 3.5 times the number in 2019/20

Children and young people with challenging lives are those who, due to disadvantage, adversity, or personal circumstances such as care experience, health conditions, SEND, bereavement, displacement, or caring responsibilities, face barriers to opportunities.

Customer satisfaction score of

86.5%

That's against a target of 88%

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Our major impact programmes

Through Generation Green 2

4,073

young people

connected to nature on a residential trip with YHA.

In total, the Access Unlimited coalition brought over 26,000 young people from the most disadvantaged areas into the heart of nature.

No Child Left Behind funded residentials for

7,176

pupils

from schools in areas of high social deprivation who would've otherwise missed out.

During the YHA Festival of Walking

3,375

people participated

People joined guided social events or used YHA hostels as their base for walking.

YHA Breaks Programme funded residentials for

1,237

young people

and

392

adult family members

These trips are targeted at groups of young people and families who are least likely to access time away from home.

Through Outdoor Citizens

2,059

people

served by member groups have benefited from funded opportunities to be active and/or learn new skills to be active in the outdoors.

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Commentary

Overall, we are pleased to report a good performance for the year — with our top level impact and income targets met or exceeded.

Overnights and guest targets

We're delighted to have welcomed over 810,000 guests through our doors in 2024/25. We surpassed our target by 17,000 people. As anticipated, this figure is smaller than last year's total — due to the transition out of YHA ownership and management of hostels as part of a network strategy that's integral to our continued recovery.

Our impact with young people is what drives the charity. It's fantastic to be able to report that not only did we meet our target for the overall number of young people staying, but we exceeded our target for stays by young people with challenging lives by 34%. This is thanks to the Government-funded Generation Green 2 programme (which you can read all about on p. 18) and the delivery of bursary-funded school residentials supported by our No Child Left Behind appeal (p. 25).

Financial performance

We hit and slightly bettered our budget for the 2024/25 financial year. We ended the year with a trading cash deficit of just under £3m — around a quarter of a million pounds better than budget.

This was the second year of our Recovery Plan, agreed in May 2023, to tackle the challenges of the COVID pandemic, inflation and cost pressures, and get us back to a break-even position by 2026.

In terms of trading overall, we have seen the continued impact of the cost-of-living crisis and inflationary pressures on people's finances. With families and individuals, the trend continued for ever-more last-minute bookings and we were troubled by poor weather that dampened demand in spring over the key periods of Easter and the half term holidays. Group stays remain integral to YHA's ability to achieve impact and income and our groups business was solid over the summer with volumes ahead of the same period the prior year.

We recovered well in quarter two and had a good second half of the year. This was supported by guests arriving for our third annual YHA Festival of Walking (p. 36), National Citizens Service (NCS) residentials and Generation Green 2. The latter helped us extend the main season is some hostels, with the delivery of funded stays for over 4,000 young people from the most disadvantaged schools in the country.

In 2024/25 we have continued to closely manage overnight prices, food and beverage margins and labour efficiency. The timing of hostel sales, completed as part of our network strategy, has also helped to deliver our overall financial target this year.

By bettering our budget in 2024/25, we've built a stable base for our next steps and the final year of our Recovery Plan.

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Customer satisfaction

Our customer satisfaction scores have been relatively consistent all year and remain at levels similar to those recorded over the last five years. Guests continue to praise the overall stay experience, hostel cleanliness and our staff teams.

There are always areas for improvement and we ended the year 1.5% below target with a score of 86.5% against a target of 88%. Planned investment in hostel standards and investigations into a new hospitality management system in 2025/26 are expected to help address some of the causes for below-target satisfaction in the immediate future.

We are proud to remain a world-leader for customer satisfaction when benchmarked against other similar scale not-for-profit hostelling organisations – all of whom have experienced dips in scores since the COVID pandemic.

Our newly refreshed strategy (p. 10) has operational standards and customer satisfaction baked into the very foundations of the organisation's strategic priorities for the five years to YHA's centenary. A return to surplus and growth of our reserves will support longer-term investment in our unique and wonderful places.

You can find the full table of KPIs on p. 67, showing our year-on-year performances.

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Our 10-year strategy, refreshed

Over 2024/25 we refreshed of our 10-year strategy, *Adventure. For the first time and a lifetime*. which had been published in 2020.

Responding to a changed financial picture, we reviewed the successes and the lessons learned from the last five years to produce a refreshed strategy that focuses YHA's finite resources on the activities we know make the biggest difference to our beneficiaries.

Previously, we had 10 strategic priorities linked to broad objectives to improve health, wellbeing and life skills. We now have a more focussed set of five (p. 14) that are linked clearly to the specific areas of wellbeing we know we enhance through our work: confidence, connection and belonging. The difference we make as a charity is articulated in our new theory of change (p. 12).

This strategy refresh sets the priorities and framework for all our work until 2030, the year of our centenary.

Dive into the detail of the strategy at yha.org.uk/about-yha/strategy

In the next few pages, we've outlined our refreshed approach followed by details of the programmes that informed the development of our strategy — and through which we turn our theory of change into practice.

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30 April 2025

FEATURE

Parliamentary launch

On 30 April 2025, we launched YHA's refreshed strategy at the Houses of Parliament — bringing together partners, policymakers, young people and supporters to share our mission to connect people with each other, the outdoors, nature and heritage, and improve confidence, connection and sense of belonging with every hostel stay.

We're grateful to Lord John Mann for hosting us in Westminster and to our speakers who helped frame the importance of this work.

Baroness Hayman, Defra Minister for access to nature, spoke about the need for access to special places and adventures away from home — describing the opportunity as genuinely life-changing for young people as it exposes them to things they have never experienced before.

Nisbah Hussain, founder of Equalinks and the Muslim Youth Alliance, reflected on her first night under the stars on a school trip, and the moment that sparked her drive to break down barriers to inclusion in outdoor spaces.

Helena Brothwell, joined by students from Bobby Moore Academy, reminded us why this matters — through the voices of young people themselves. Khalid, Thomas and Jayden spoke with humour and heart about their residential experience post-COVID and explained how those moments shaped their reconnection with their peers and the wider world.

In their speeches Margaret Hart and James Blake explained that, through this refreshed strategy, YHA will focus its activities to deepen its impact — responding to the needs of society and building on successful programmes like Generation Green, Outdoor Citizens and No Child Left Behind to target support to disadvantaged young people and those accessing adventure for the first time.

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Our new theory of change

Need

There are disparities in access to experiences that connect people to nature and heritage. We know that connection with others and adventures away from home involving nature, heritage, and physical activity builds key skills and attributes that contribute towards improved wellbeing.

Vision

Everyone has access to the benefits of adventure, for the first time and a lifetime.

Mission

Enabling everyone, especially young people, to connect with people, nature and heritage through hostels in amazing places.

Impact

Improved access to experiences in nature and heritage contributes towards enhanced wellbeing.*

Outcomes

Improved **confidence** to try something new

Improved **connection** with people, nature and heritage

Improved sense of **belonging** at YHA

*Mental Health Foundation 2021, Historic England 2018

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Our five strategic priorities

In refreshing our strategy, we refined our strategic priorities to a focussed set of five.

Two enabling priorities form the bedrock of our strategy, the foundations and infrastructure through which we will deliver on our purpose.

- We will build a strong base of support for YHA and the hostelling cause through deeper engagement with staff, members, donors, volunteers, partners and funders.
- We will maintain a viable network of quality, affordable and sustainable hostels, supported by an efficient central office, that generates an annual surplus.

Three audience-based impact priorities sit on top.

- We will enable everyone to access our places and use our network to connect our guests to people, nature, heritage and physical activity in and around our hostels.
- We will increase access to overnight stays in hostels, supporting opportunities for anyone who would benefit from the first-time experience and empowering them towards self-led adventures.
- We will subsidise first-time overnight stays for young people least likely to access experiences in nature and heritage, targeting those who stand to benefit the most from an overnight stay.

In delivering our refreshed strategy, we will concentrate first on our enabling priorities to set YHA on a firm footing for the future.

When our Recovery Plan is complete and the charity is back to surplus, we can focus more heavily on our impact priorities to deliver more of the brilliant programmes that have achieved significant impact in 2024/25.

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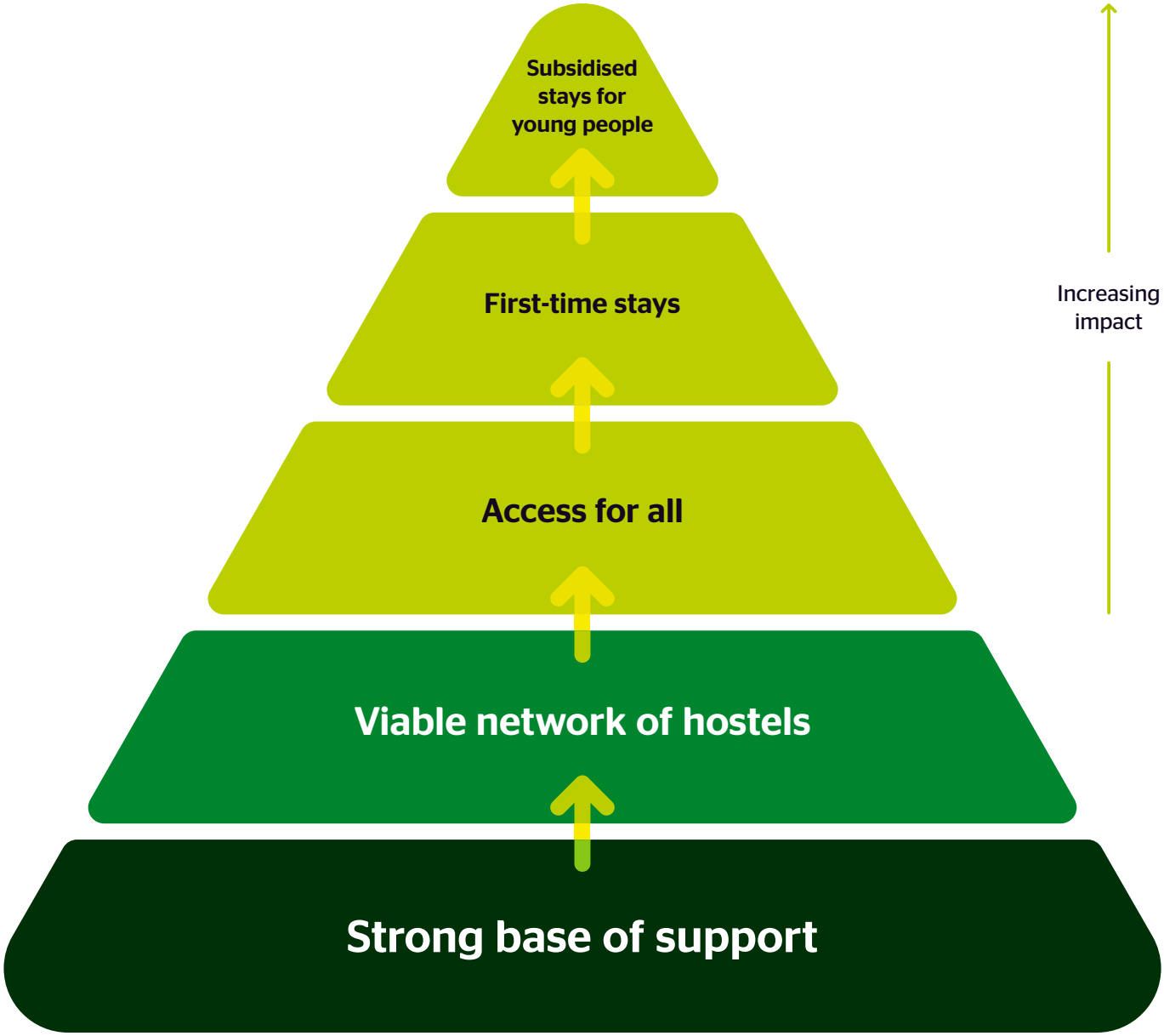

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Measuring impact

The ambition to more clearly show the difference YHA makes in people's lives and in society was a key driver of our strategy refresh. By setting clear, meaningful goals and tracking our progress, we can focus our energy and resources where they have the biggest impact.

This year, YHA has taken a big step forward in understanding our impact. We've introduced a new way of measuring guest feedback that goes well beyond customer satisfaction — capturing how a YHA stay builds confidence, creates connection, and fosters belonging.

These three elements of wellbeing are now at the heart of our guest survey, with carefully worded questions designed to reflect the outcomes of our theory of change. We've taken time to create a survey that works for everyone — from 12-year-olds to 80-year-olds. We now have a strong pilot framework that we'll continue to refine as we gather more data.

Since summer 2024, over 9,000 guests have completed our new surveys, with responses feeding directly into a central dashboard. Even at this early stage, the insights are encouraging and useful.

For example, 97% of first-time group guests said their stay gave them the chance to meet new people, and 67% felt more confident to try new things. Of those surveyed, 32% of guests said they used YHA to connect to nature and 25% said the purpose of their visit was to explore heritage. These are powerful indicators that we're delivering on our mission.

We're also strengthening our survey to understand more about who is staying with us. This will help ensure we diversify our reach to serve the communities previously under-represented in our user base who stand to benefit most from YHA experiences.

We're laying the foundations for a more sophisticated, insight-based approach to impact — one that will allow us to track progress over time, identify where we can do more for people, and confidently demonstrate the social value of a stay with YHA.

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Delivering impact

In the next pages, we celebrate the major initiatives through which YHA is delivering impact for young people and people of all ages from under-served communities. These are the programmes which helped inform the development of our refreshed strategy.

We begin with the headline achievement of 2024/25: the delivery of Generation Green 2 as part of a strategic partnership leading the way in connecting young people with nature.

Generation Green 2

Between September 2024 and March 2025, Generation Green 2 brought over 26,000 young people from the most disadvantaged areas into the heart of nature. Once again funded by Defra, this second programme continued the mission of opening up access for young people who face barriers to getting outdoors. Building on the success of the first landmark Generation Green programme, the Access Unlimited coalition delivered multi-day residentials, farm visits, day trips, and camping under the stars — memorable experiences that build deeper understanding, connection and love for nature.

Through visits to National Parks, National Landscapes, and Sites of Special Scientific Interest, activities sparked curiosity, built confidence, and nurtured stronger bonds with nature — providing opportunities for young people to explore natural and rural environments that they wouldn't otherwise experience.

Young people participating in Generation Green 2 came from geographic locations in England falling into the Index of Multiple Deprivation scale (1-3) and schools where at least 30% of pupils are eligible for Pupil Premium funding. Nearly half of all participating groups surveyed had a higher-than-average proportion of young people from ethnic minority backgrounds (over 20%).

Examples of activities

- Scenic hikes
- Nighttime wildlife walks
- Conservation
- Rock climbing
- Exploring the night sky
- Campfires
- Canyoning
- Team games

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Overall

26,663

young people participated in a nature connection experience

80%

of participants were unlikely or very unlikely to have an experience like this without support from Generation Green 2

38%

of participants hadn't visited the countryside before

57%

had never had an overnight stay in the countryside before

87%

of participants want to visit a protected landscape again

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> **I really enjoy the activities outdoors and working together as a team!**
>
> Participant

Preliminary research results

A study conducted by the University of Derby demonstrates that, as a result of their Generation Green 2 experience, participants:

- felt more connected with nature
- had a greater sense of wellbeing
- felt it was important to look after nature
- felt more connected to the night sky

> **This was an amazing experience; we got to go to one of England's beautiful national parks and take in the wonderful nature that we sometimes overlook.**
>
> Teacher

Learning in nature came alive for participants

Many participants valued the sensory experience of connecting with nature – expressing the importance of sight, sound, smell, taste and touch to appreciate the natural world in ways they hadn't before. They valued the chance to learn new skills in the course of developing their understanding.

Young people pushed their limits, tackled physical challenges, braved the weather, and stepped far outside their comfort zones on Generation Green 2.

> **The excitement on their faces, and hearing them talk about their experiences... it's so satisfying to know we're making a difference to young people.**
>
> YHA activity staff member

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More immersive nature experiences for young people

Generation Green 2 focused on offering residential experiences as a means to experience protected landscapes – targeting deeper connections and longer-lasting impact.

Through Generation Green 2

4,073

young people had a residential trip with YHA

> **“This was the best residential we have ever done!”**
>
> Teacher

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Access Unlimited is a coalition of not-for-profit youth organisations, school residential providers and organisations managing protected landscapes led by YHA (England & Wales) that includes The Outward Bound Trust, Scouts, Girlguiding, Field Studies Council, and the National Parks and National Landscapes of England.

Defra Minister welcomed to Malham

It was our great pleasure to host a celebration of the 75th anniversary of National Parks and 70th anniversary of the Yorkshire Dales National Park at YHA Malham in November 2024.

Colleagues from across the access, countryside, outdoor education and protected landscape movement came together to honour the enduring legacy of John Dower that lives on through organisations such as the National Parks and YHA.

The event gave Baroness Hayman the chance to see Generation Green 2 in action too. A group of pupils from Liverpool were visiting the National Park for the first time and participating in connecting to nature activities — thanks to the Defra-funded programme.

“

Increasing access to the outdoors for children from deprived communities is incredibly important. Getting into nature when you’re young means it becomes part of you. If you don’t ever get to experience the outdoors, then you don’t know what you are missing. The work YHA are doing, and projects like Generation Green 2, are great initiatives to help enable access to National Parks and protected spaces for young people.

”

Baroness Hayman of Ullock, Defra Minister for access to nature

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> **Most of these children wouldn't normally see green space. This is their opportunity to get outdoors and into nature and it's brilliant to share it with children who spend all their time in cities.**
>
> YHA activity staff member

Turning first-time into further adventures

School, community and funded group visits play a vital role in welcoming young people to YHA – often for the very first time.

Through targeted support we create opportunities for young people to take their first step into the outdoors, nature and heritage. And as a result we open the door to a lifetime of YHA adventures.

The success of Generation Green shows how powerful the first visit can be.

While it is disappointing that Defra's funding of Generation Green has not been continued, the programme's impact is proven. The Access Unlimited coalition continues to work together to find new opportunities to take forward Generation Green. And as you will see from the next section, we have used Generation Green to inform our groups packages.

We are also using the connections we've made through Generation Green to build relationships with these new-to-YHA schools – supporting them to access further residentials.

Over 1,000

young people

from schools who took part in Generation Green 2 have already booked a YHA residential in 2025/26.

> **It provided a unique opportunity for students to immerse themselves in a natural environment, which is a stark contrast to their everyday urban surroundings. This experience fosters a sense of adventure and curiosity about the natural world.**
>
> Teacher

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Supporting sector-leading school residentials

A school residential is often a young person's first night away from home and the first taste of adventure. They're developmentally important, bringing benefits that last beyond the trip and complement learning back in the classroom.

A high quality residential can help to close the attainment gap, boost motivation and communication, build confidence, and strengthen young people's connections with their peers and teachers.

YHA is a sector leader and the UK's largest provider of Learning Outside the Classroom (LOtC) accredited sites — with 62.

In 2023/24 we hosted

217,806

overnights in school bookings

In 2024/25 we hosted

213,400

overnights in school bookings

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No Child Left Behind

We champion the right of every child to access nature, connect with heritage, and try activities that grow confidence and curiosity. Yet schools are struggling to resource school trips in this financial climate.

The Sutton Trust report *School Funding and Pupil Premium 2025* revealed that 53% of senior leaders report having to cut spending on trips and outings this year (up from 50% last year). This is the highest level since the question was first asked in 2017.

Knowing how these formative experiences make childhoods richer and teach valuable life skills, we're determined to support more schools to access residentials – especially those in the most socially disadvantaged areas.

Our No Child Left Behind appeal to raise funds for bursaries to support struggling schools was first launched in 2021 and has raised over £400,000 to date. We heartily thank all those who have donated. We continue to fundraise towards our £1 million target.

> **"A lot of our children live in streets with multiple deprivation factors and over 60% of our children are eligible for free school meals. Without the bursary, there is no way the trip could have gone ahead. The children were given the opportunity to experience an environment they had never seen before and take part in some fantastic activities that they would not have the opportunity to do in the classroom. For many of the children it was their first time away from home and it was great to see the independence, confidence and resilience grow whilst they were there."**
>
> Kingsthorne Primary, following a trip to YHA Ravenstor

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> **Thank you so much for an amazing school residential. The children and staff have had the best time and are heading home with memories to cherish. A beautiful setting with truly amazing staff who go the extra mile to ensure our stay was truly outstanding and magical.**

Teacher, St Luke's School, following a trip to YHA Whitby

> **It's great to play even a small part in the work YHA does, ensuring that children get to have new experiences. For many it's the first trip to the countryside or first holiday away from home, which will help shape their future and hopefully set them on the path to success.**

Charlie, group reservations team

In 2024/25, bursaries supported residentials for

204

schools

and

7,176

pupils

A significant increase from the 4,961 young people supported in 2023/24.

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> **We had a wonderful time and this would not have been possible without your team's tremendous effort. The activities that you had set up for us were informative and filled with a variety of different facts about the Vikings. Your magnificent team has made us feel extremely welcome and comfortable.**

Newport School, following a trip to YHA York

> **I love seeing how children respond to the beauty and wonder of the natural environment and the incredible history of Whitby. As a former teacher, I know that school residentials are one of the highlights of their time at school and making them really special is such a privilege.**

Catherine, activity manager

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Give a child the chance to discover nature and discover themselves

A YHA residential means putting down the screens and staring up at the stars.

The sad truth is that the children who need a trip away the most are often those who miss out. With more families living on the breadline and increasing demands on shrinking school budgets, school trips are often cancelled or not even planned. We're determined to change that — but we need your support.

Give the gift of the great outdoors at yha.org.uk/child

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> **“I love making a difference to young people’s lives. It gives a huge amount of fulfilment to see kids experience the outdoors for the first time, and the excitement it sparks.”**
>
> Tom, activity team leader

Working with schools to create new opportunities

We continue to innovate and introduce new ways for young people to connect with nature and heritage through residentials in inspiring places.

As a legacy of Generation Green, we now offer a Connecting to Nature residential package as part of our core offer for schools. With a focus on the restorative benefits of observing and being immersed in nature, pupils participate in activities such as nature art, shelter building, and searching for different species on mini-beast hunts.

Our nature-based activities are proving incredibly popular and, following feedback, our next steps are to deliver bespoke schools and group walking resources – developing our national curriculum-linked packages (Geography and History) and integrating nature and heritage walks into our schools offer.

As you will read in our round-up of the annual YHA Festival of Walking, YHA hostels are located in the most amazing places for exploring protected landscapes. They make ideal bases for groups and schools to use for walking too. Our expert teams are looking forward to extending more opportunities for young people to experience the benefits of walking along iconic routes and trails.

Learn with us

Make YHA your residential provider of choice and bring learning to life in the great outdoors.

We’re experts in delivering hands-on experiences in the most breathtaking locations across England and Wales. Whatever your subject or school’s needs, YHA offers safe, memorable, and meaningful learning opportunities that go far beyond the classroom.

Visit yha.org.uk/group-bookings

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YHA Breaks Programme

This programme is designed to support groups of young people and groups of families facing challenges that make travel and adventure hard to access.

The YHA Breaks Programme gives young people and their families the chance to spend meaningful time away together in inspiring surroundings taking part in tailored activities that build memorable, shared experiences.

Applications often come via partner charities and community organisations who offer additional care and support during these wonderful respite and activity trips.

In 2023/24

the YHA Breaks Programme supported

1,533

young people

360

adult family members

In 2024/25

the YHA Breaks Programme supported

1,237

young people

392

adult family members

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Case study

Basecamp Adventure Trust

Basecamp Adventure Trust is a charity that provides outdoor adventure and social and emotional coaching to 11 to 14-year-olds experiencing difficulties and disadvantage. Through activities and coaching over a two-year period, the trust teaches the importance of self-belief, resilience and the power of passion and purpose.

With shared values and aligned aims, YHA and Basecamp Adventure Trust have established an ongoing partnership for impact. In 2024/25, the charity brought six groups on YHA trips – with YHA Breaks Programme funding supporting 30% of the costs.

> **“We’ve just delivered the first of our back-to-back programmes, working with an additional 30 children from two new schools. The children were absolutely shrieking with delight when they first saw Gordale Scar and Malham Cove. They couldn’t believe that they were in an entirely new place and that they were an hour-and-a-half away from home, spending the entire trip running around like little kids doing roly-polys down the hill!**
>
> **Emily, our Head of Programmes and Development, said she felt like some of the kids had really had their eyes opens to a world they just didn’t know about and some of the conversations they were having with our coaches were amazing, it really feels like our model is starting to work.”**

Mark, Basecamp Adventure Trust, following a trip to YHA Malham in October 2024

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Case study

Community Foundation Birmingham

The grassroots, voluntary not-for-profit works with low-income families and young people facing hardships across Birmingham.

In November 2024, the foundation took a group to YHA Edale Activity Centre for a funded two-night break with a full timetable of adventurous activities.

Many of the group (aged 14 to 25 years) had rarely left Birmingham and the trip to the Peak District was an amazing experience.

“My favourite part was doing all the activities. The staff were really nice and they were very fun. The activities helped me face my fears.”

Member of the group

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Case study

St Andrew's Youth Club

The community-based youth club provides a sense of belonging, fun and informal education to young people – helping them develop self-confidence, respect and abilities that empower them to contribute to society as good citizens.

In April 2024, the youth club took 32 young people (aged nine to 12 years) to YHA St Briavels Castle for a three-night trip with two days of activities, with time split between history and water sports. This was all thanks to funding from the Merrell Foundation.

> **"This was an amazing experience. We had such a wonderful stay filled with learning about the history of the castle, bread-making, storming the castle, archery lessons and more. The staff team did everything to make us feel welcome and comfortable, and fed us with tasty food throughout our stay. This did wonders for our group's personal development, enhanced their social skills and team-working skills too, as well as gave them great memories to reflect on."**

St Andrews Youth Club leader

> **"While I was here I had a lot of fun. I also "made up" with people that I disliked, by being in a room with them. I tried a lot of new things and became a lot more physically active – I enjoyed it a lot!"**

Young participant

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Case study

Blackpool Carers Centre

Blackpool Carers Centre supports young carers, adult carers and families. They provide specialist support, respite and outings for unpaid carers from the age of five and their families. Carers are supported to create friendships, feel less isolated, strengthen their resilience and make happy memories.

In July 2024, the charity took a group of 10 young carers to YHA Buttermere for four nights to experience a full itinerary of adventurous activities with our partner provider Carnegie Great Outdoors.

“These young carers look after someone at home with either terminal illness, substance misuse, mental health [issues], a disability... so having these breaks away is giving them the chance to be just a young person. A lot of the young people we work with have never been outside Blackpool so this is a major learning curve for them. They get to discover what they like, what they don’t like, it challenges them to conquer their own fears and try things they’ve never done before.”

Group leader

From abseiling to ghyll scrambling and canoeing to exploring waterfalls, the group had a fantastic time.

Don’t just take our word for it though. Scan the QR code to watch the video.

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National Citizens Service (NCS)

In partnership with Ingeus, YHA delivered one week NCS residential experiences across England. Young people participated in project-based learning activities over a five day stay away from home.

By taking part in adventurous activities, learning new skills for life, and meeting new people from different backgrounds, young people are encouraged to learn about themselves, develop confidence, and grow into their potential.

In this, our last year of delivering NCS programmes,

2,735

young people

joined us for

10,940

overnights

MoD summer camps

YHA and the Ministry of Defence have a long running partnership. For over 10 years, we have run bespoke summer camps for children from service families. Each year, we work together to devise a four night, five day programme of adventurous activities to suit the particular needs of attendees aged eight to 16.

Returning to summer camp gives these young people the opportunity to reconnect with friends – friends they may not have seen since moving base – and spend time with peers who understand the challenges that come with being a child of a service man or woman.

Summer camps are funded by the Army Benevolent Fund and Army Central Fund.

In summer 2024

400

young people

from the Ministry of Defence attended a bespoke summer camps programme.

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Festival of Walking 2024

YHA guest surveys consistently show that walking is the most popular activity for people staying in our hostels — with 43% of guests stating it as the purpose of their visit.

Building on that, the YHA Festival of Walking has become a powerful way to deliver our mission — and the 2024 festival was our most impactful yet.

Running from 13 September to 13 October, the third edition of the annual festival encouraged more people than ever to get out and join in. Around 40% of those who took part in 2024 were completely new to YHA — a clear indication that it's helping us increase our reach and grow our community.

The Festival of Walking plays a significant role in delivering YHA's strategic priorities. It's designed to intentionally engage first-time guests and under-represented groups. The programme of guided walks is boosting people's confidence, and connecting participants with nature and heritage through enjoyable and sociable physical activity.

Though it is first-and-foremost an impact programme, it's really encouraging to be able to report growth in income too. This year's festival brought in more trading income and overnight stays than previous years. It's helping us grow awareness of YHA's offer and increasing our profile as a provider with new audiences.

Aimed at beginners, the festival's success lies in how it's inspiring more people to get outside, explore landscapes, connect with others, and experience YHA for the first time — as a welcoming gateway to adventure and a safe and supportive environment.

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A four week festival

40

social walks

joined by

623

participants

97%

said it increased their confidence to walk more often

91%

said it had positively affected their mental health and wellbeing

93%

said they wanted more walking activities from hostels

71%

said they were more likely to stay with YHA in the future

3,375 **people**

joined a Festival of Walking event or used YHA as an overnight base for their self-led adventure.

Three core themes

Wellbeing

Healthy walks for everyone.

Confidence

Opportunities to learn new walking skills.

Connections

Opportunities to discover heritage, nature and the outdoors.

16,796

route map downloads

Circular self-led adventures from the hostel door, with options for all levels and abilities.

45 **community groups**

used YHA as their base to run safe and inclusive walks.

These grassroots groups received support to enable under-represented people from their communities to access a first-time experience in the outdoors – thanks to funding from Sport England, Pilgrim Trust and Cotswold Outdoor. For more on this vital area of work, see the Outdoor Citizens section of this report (p. 40).

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> **“It was a beautiful walk on a beautiful day. It was well-organised, with helpful, welcoming and informative walk leaders. It was a super re-introduction to YHA, having not set foot in one since teenage years, many years ago. It was great to see how it has changed, without losing its philosophy.”**
>
> Social walk participant

Expanding opportunities through powerful partnerships

Many third party organisations leading social walks said the festival aligns with their own strategic objectives – from improving health and wellbeing to increasing access the outdoors. This alignment is particularly significant with key sector bodies and funders such as Sport England, who are focused on broadening participation and boosting physical activity levels across under-served communities. The festival has proven to be a natural fit with these aims – offering an inclusive, inspiring, and scalable model for getting more people moving.

As a result, we’re eager to do more in partnership – and respond to third party appetite to co-design a walking offer in spring and winter too, creating new routes to impact and supporting deeper engagement with under-represented audiences.

> **“A really lovely experience. Dawn was a really positive and inspiring guide and I feel I have continued to benefit from the experience in the days since. I go forward with some great memories of the day and feeling significantly more centred and spiritually nurtured. I’ll definitely be back to do another one!”**
>
> Map and navigation social walk participant

> **“I’ve never attended anything like this before. [I] was made to feel very welcome by everyone. I met some amazing people and enjoyed a lovely walk in a beautiful area without the fear of getting lost or having to overcome obstacles on my own. I also learnt what Nordic walking is and the basics, along with other beginners, and we all know how learning a new skill is amazing for your mental health.”**
>
> Nordic walking social walk participant

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> **I think the walking festival is a great idea getting new people introduced to the wonders of YHA and people already acquainted to re-evaluate YHA as it is now, an asset for all. I loved the day. Everything about it was great.**
>
> Map and navigation social walk participant

YHA Festival of Walking 2024 was largely funded by Sport England and Pilgrim Trust. A small number of core partners provided financial and in-kind support: Ordnance Survey, British Mountaineering Council (BMC), Ramblers and Cotswold Outdoor.

In 2023 we established new festival partnerships to deliver social walks: National Parks and National Trails; map and navigation instructors; British Nordic Walking; The British Pilgrimage Trust and accessibility walks organisers.

For the 2024 festival, we continued to develop these relationships – with social walks involving new National Trails (including the North Downs Way), and a new National Park (Pembrokeshire Coast). A new partnership was established with the Canal & River Trust who delivered two social walks (from YHA Liverpool Albert Dock and YHA Manchester).

> **I went on the mindfulness nature walk from YHA London Lee Valley. The whole thing, from being greeted so warmly and actually being guided in mindfulness activities as we walked, was absolutely excellent. I would do it once a month if something similar was offered.**
>
> Mindfulness social walk participant

> **This was my first walk through YHA... it offered the opportunity to meet other people from all walks of life and this specific element helped cover the distance quicker than I had envisaged.**
>
> Social walk participant

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Outdoor Citizens

Outdoor Citizens is a membership network set up to resource, support and connect community groups and organisations who are working to make the outdoors more accessible and more representative of our diverse society.

It was founded in the wake of the pandemic; a time that marked a huge growth in outdoor activity participation but also spotlighted and exacerbated inequalities in access to nature and the outdoors.

Outdoor Citizens plays a key role in delivering YHA's strategic priority to create first-time experiences and open up access to the outdoors for people from under-served communities.

In 2024/25

2,059

people

served by Outdoor Citizens member groups have benefited from funded opportunities to be active and/or learn new skills to be active in the outdoors.

Since inception in 2022

- **134 member groups** and organisations working to tackle inequalities of access have joined
- **9,081 people** served by Outdoor Citizens member groups have benefited from funded opportunities
- **£458,590** of financial support sourced from our funders has been channelled to grassroots organisations to offer participation opportunities for the communities they serve

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7 partners support Outdoor Citizens year-round with funding, expertise and other resources:

- YHA (England & Wales)
- All the Elements
- Natural England
- Sport England
- Pilgrim Trust
- Cotswold Outdoor

The Outdoor Citizens network is made up primarily of not-for-profit volunteer-led groups and organisations who are working at a grassroots level to address the lack of diversity in the UK outdoors. These group support and bring representation from:

- culturally diverse communities
- LGBTQIA+ communities
- people with disabilities
- people experiencing financial disadvantage
- people with long-term health conditions
- women and girls
- children and young people

Outdoor Citizens is about supporting and strengthening the work of its members so that they can continue to offer meaningful and accessible opportunities for the communities they serve.

It's also about fostering new connections and partnerships that can help to bring about lasting change to the picture of diversity in the UK outdoors.

Throughout the year YHA works with resource partners and the Outdoor Citizens community to co-design and co-deliver needs-led online and face-to-face support events; actively seeks out and facilitates cross-sector partnership opportunities; and works year-round to secure funding to directly support not-for-profit members in their work.

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Impact of Outdoor Citizens support in 2024/25

- 95% of funded groups were able to attract more people to their activities
- 41% of funded groups were able to upskill more people to support and sustain their work
- 85% of funded groups were able to create more opportunities for their communities to be active

> **The process was incredibly straight forward and [the team] made it very easy for us — we can't thank them enough. It makes so much difference to our capacity to apply for funding and in turn provide opportunities for our community members that can be truly transformational. This feedback process is brilliant, and the funding application form also works really well.**

Leader of an Outdoor Citizens member organisation

The impact on participants

- 68% said the funded activity has helped them to manage their mental health
- 71% said the funded activity has helped them to manage their physical health
- 64% said they had done more activity than they would normally do as a result of the funded activity
- 49% said they felt more connected to their community as a result of the funded activity

> **Creating opportunities like this is essential to ensure all people especially those that are underrepresented in the outdoor space are included, welcomed and are given autonomy to take up that space themselves, thank you for making it a possibility.**

Participant feedback following a funded hostel experience led by an Outdoor Citizens member organisation

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Case study

Assisters UK

Assisters UK is a women's led community group committed to empowering women and under-represented groups to overcome social, economic and cultural barriers.

A group joined us at YHA Chester Trafford Hall in February 2025 for two nights.

"As the weekend comes to a close, I just wanted to take a moment to express my heartfelt gratitude for the incredible opportunity to be part of this weekend residential. It has been an unforgettable experience, packed with outdoor adventures and enriching activities that have truly made an impact.

Your dedication and support have ensured that the aim of reaching women from BAME backgrounds has been met, creating a space where we could challenge ourselves, connect with nature, and build lasting memories. The encouragement and warmth from the YHA team have made all the difference, and we are deeply appreciative of your efforts.

Thank you once again for making this experience so special. I look forward to staying connected and hopefully being part of more inspiring opportunities in the future."

Nilma, Assisters UK

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Case study

TawakCool Adventures

TawakCool Adventures is a community-driven organisation dedicated to enriching lives through meaningful outdoor experiences.

Through a wide range of inclusive activities — such as women's hikes, family adventures, and children's outdoor sessions — they create safe, inspiring spaces and empower the community to thrive — physically, emotionally, and spiritually — through the beauty and challenge of the natural world.

A group joined us for a four-night residential at YHA Conwy in December 2024.

"On behalf of TawakCool Adventures, I would like to extend our deepest gratitude for your generous support of our recent Wales residential. Thanks to your contribution, we were able to offer a truly enriching experience for participants of all ages, fostering a deep connection with nature and creating lasting memories.

The benefits of this residential were felt across all age groups. For the children, it was an opportunity to embrace the great outdoors through fun, challenging activities, helping to build confidence and teamwork skills. For the families, it provided a much-needed break, offering a chance to bond while engaging in activities that promoted physical wellbeing and emotional rejuvenation.

Your support has made a significant impact, and we cannot thank you enough for making this experience possible."

Sylvia, TawakCool Adventures

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Equitable and sustainable growth in YHA's user base

While Outdoor Citizens members aren't required to use hostels, over 60% of funded projects choose to — whether it's stopping at a YHA café during a day walk, using a meeting room, or staying overnight. Hostels are actively helping new audiences get outdoors and explore new places, thanks to their locations and the infrastructure they provide. There's a clear link between hosting Outdoor Citizens and growing YHA's customer base fairly and sustainably, both now and in the future.

In 2024/25, we hosted 2,464 individual stays and experiences for Outdoor Citizen groups and their communities.

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Supporter engagement

The first of our refreshed strategic priorities is to build on YHA's already strong base of support — through deeper engagement that makes people feel more connected to YHA and inspired by our mission.

In 2024/25, we combined our membership, fundraising, and volunteering efforts into one unified supporter engagement plan. And thanks to our improved Customer Relationship Management (CRM) tools, we are connecting with our supporters in smarter, more meaningful ways.

Customers

Thank you to our 812,086 guests

We strive to make a difference with every stay and we are very grateful for your support over the last 12 months. It's gratifying to see the impact YHA makes on people's access to physical activity and precious places — and how important this is to wellbeing.

A better booking experience

We're always looking at ways to improve user experience. Our biggest and most visible digital transformation project this year has made it easier for customers and members to book online. Each hostel's page now has a clearer calendar showing when beds or rooms are available.

We've added simple explanations to help people understand why a hostel might not be open for certain dates. For example, at some hostels we hold dates for groups who tend to book further in advance, and then open bookings up to families and individuals 90 days before the stay date. This is now clearly shown. Alternatively, if a hostel can only be booked by hiring the whole place (YHA Exclusive Hire), the calendar will now explain that.

Before, it might have looked like a hostel was fully booked when it wasn't. Now, you'll more easily be able to see when you can book dorm beds, private rooms, or camping spots.

It's easier than ever to plan a trip on yha.org.uk.

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> **It has been uplifting to stay here, a ray of sunshine after a long grey winter! Lovely breakfast, met friendly people and thank you for reserving a bottom bunk in a comfy room with a lovely view!**

Guest

> **Had an amazing walk from Boggle Hole YHA to here. My mum's feet hurt so we got matching flip flops (#supercool). Would highly recommend the walk as we saw two pods of dolphins, a golden pheasant and a beautiful sunset. Thank you!**

Young guest

> **Thank you for a lovely break. Well worth what you pay. Near the beach too. Very friendly and helpful staff.**

Guest

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Members

Thank you to our 122,714 members

Membership has remained strong throughout the year with renewal rates at 94.8%. And we're pleased to welcome the 15,567 new members who joined us in 2024/25.

In 2024, we launched a biannual member newsletter which is delivered by post to members who haven't signed up to receive emails from us, and therefore miss out on a lot of information. This is helping to keep our membership community better informed about the latest developments within YHA.

In autumn 2024, we also conducted a member survey which provided valuable insights to help us shape and evolve YHA membership for the future.

- We saw that 86% of our members were keen walkers. We continue to grow our range of route maps and walking events — building on the success of the annual Festival of Walking to create a year-round offer.
- Although 80% of members were happy with the range of discounts available, we are committed to regularly reviewing member benefits, exploring new opportunities to ensure our members receive the best value for money.
- We've undertaken a comprehensive review of our membership offer to ensure it truly meets the needs of our members.
- A message that came through loud and clear from our members: many wanted to see the return of life membership. We listened and life membership relaunched in April 2025. It is now available to purchase online.

Another development in 2024/25 was the reintroduction of youth membership (for people aged 16 to 25), which is now available to purchase via our contact centre for £10.

Looking ahead, we are working on the introduction of a digital variant of both adult and youth membership in autumn 2025.

> **"I took YHA life membership out when I was 19 at the cost of a week's wage. That was nearly 50 years ago and it has been a fantastic way to explore the UK and abroad with friends and family and sometimes solo. Thank you so very much for providing the safe base from which we've had some truly epic adventures."**
>
> Life member

> **"YHA hostels are friendly, welcoming places to stay in some beautiful locations. They also offer good bases for city exploration and stays. Good member benefits and good rates."**
>
> Member

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Become a member for life

Life membership with YHA is more than just a title – it's a lasting commitment to the spirit of exploration, community, and giving back. By joining as a life member, you'll help open the doors to travel, the outdoors, and the magic of nature and heritage for future generations. And, of course, the benefits of being a YHA member are yours to enjoy for life.

To find out more, visit yha.org.uk/membership.

> **"I joined YHA as a single mum of two girls to enable me to treat my girls to holidays, adventure and meeting amazing people, which otherwise we could not have afforded. I forever thank you! X"**
>
> Member

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Donors

Thanks to the generosity of our supporters, in 2024/25 we raised £365,000 from individual donors and regular givers.

Highlights of the fundraising year include our No Child Left Behind appeal to raise money to fund school residentials for children at risk of missing out. The Christmas appeal alone raised over £100,000 — up from £67,000 the year before.

It's been a busy year of events too. It was great to welcome 111 donors, long-time supporters, and life members to our six supporter events held at hostels throughout England and Wales in 2024/25. These events give us the opportunity to bring supporters together with senior leaders at YHA to talk about the importance and impact of our work, the way ahead and the activities through which we raise vital funds to support this unique charity.

Finally, we want to say a massive thank you to the 15 runners who completed the London Marathon for YHA and raised £16,494.

There are so many individuals, partners, trusts, foundations, and supportive bodies to thank this year. On page 72 we recognise their contribution.

Help us connect people to each other, the outdoors, nature and heritage for years to come

With your support, we can keep building on our founders' vision for the next generation of explorers.

To find out more about YHA's latest appeals, make a donation or set up a regular gift to fund the area of work that means the most to you, please visit yha.org.uk/give.

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Volunteers

We are grateful to our amazing volunteers for all they've contributed to the charity in 2024/25.

£1.1m

equivalent value

The value of the work done by YHA volunteers exceeded £1m again this year, with 77,500 hours contributed to YHA.

c. 1,920

active volunteers

In 2024/25, we had 720 more active volunteers than in 2023/24 – a 60% increase. Young people make up 47% of active volunteers. Our volunteer base is diverse, with 21% identified as from Black, Asian and Minority Ethnic backgrounds and 12% identified as having Special Educational Needs and Disabilities.

839

working party volunteers

From painting and decorating to gardening and grounds work, working party volunteers have been improving hostels all over England and Wales.

This is up from 701 last year.

40,500 +

hours given via hostel placements

In our second full year back offering hostel placements, 514 volunteers worked alongside hostel teams to deliver great customer service to our users and beneficiaries. This is an increase from 313 volunteers the previous year.

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DofE Gold residentials

YHA is the largest provider of cost-neutral Duke of Edinburgh (DofE) Gold Award residentials. Young people work their magic inside and outside hostels, repainting corridors, pruning pathways, suppressing weeds, repainting fence panels and smartening up grounds. In the evenings, volunteers cook and eat together before taking the opportunity to explore their surroundings.

Working party volunteers are part of the family

“Never underestimate the power of volunteers! Our team grafted away internally and externally to paint and clean 10 rooms over just a few days and crack on with plenty of outdoor jobs in preparation for the new season. Our volunteers are now part of the Manorbier family. They’ve been a delight and we cannot wait to host again.”

Alex, hostel manager at YHA Manorbier, following a winter working party

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Working together to improve landscapes

In 2024/25, volunteers and staff continued their collaboration with landscape bodies to restore and protect nature locally.

Seed planting on the South Downs

Our volunteers joined forces with the South Downs National Park (SDNP) to seed the land behind YHA South Downs.

This ongoing work is part of SDNP's renature project aiming to ensure park habitats are equipped for different species. Aside from planting seeds, our volunteers also removed ragwort and built a hibernaculum for reptiles on the lower meadow.

> **"The day was a big success, and we were rewarded by spotting a common lizard basking on a log pile at the meadow edge."**
>
> Tom, South Downs National Park ranger

Restoring wildlife corridors in Lakeland

Our hostel teams around the Lake District have been working with the Hardknott Forest Restoration Team to develop an area of Hardknott woodland in upper Eskdale.

The team have assisted with biodiversity surveys in the area, managed invasive species, built a leaky dam, and planted over 200 native trees and plenty of wildflowers to create perfect conditions for other native trees, plants and animals to colonise.

The overall vision of the partnership is to connect the small patches of woodland in upper Eskdale and the Duddon Valley, creating wildlife corridors which will eventually wrap around all sides of Harter Fell.

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Our Youth Voice Panel

Starting in August 2024, YHA's Youth Voice Panel provides a unique opportunity for young people aged 18 to 25 to help steer YHA's decision-making and influence key workstreams whilst connecting with other young people.

Our Youth Voice Panel is made up of eight young people from across the country — some existing volunteers, some new to YHA and others members of staff — who play a vital role in testing and improving our offer and services. This group of young people come together regularly to provide their perspectives on YHA plans and initiatives and steer them to help ensure they address the needs and interests of young people at all stages.

So far, they have consulted and influenced decisions in areas such as our strategy refresh, digital and social media approach, membership scheme, and recruitment of staff and Trustees — participating in hands-on workshops and interviews.

“

By joining the Youth Voice Panel, I feel I can gain valuable experience to enhance my skills for future employment prospects by expanding my horizons in a different sector. Growing up I had memorable experiences attending residential trips staying in YHA hostels so to be able to contribute to the charity was a perfect fit.

”

Alexandros

“

I joined YHA's Youth Voice Panel to help more young people access transformational outdoor experiences at a time when it's needed more than ever. I work for a national youth charity with experience of programme design, delivery and on-the-ground facilitation. I am determined to drive systemic change through impactful youth provision.

”

Annie

“

Being part of the Youth Voice Panel gives me the opportunity to advocate for making youth hostels more inclusive for disabled people whilst developing my own independence.

”

Pavan

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A huge thank you

Our thanks to every person who has given their time and energy to support YHA and its communities this year.

If you would like to learn more about our volunteering opportunities, please visit yha.org.uk/volunteer.

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Progress against the Recovery Plan

In May 2023, we set out a three-year recovery and transformation plan which targeted a return to surplus.

Our position at the end of 2024/25, the second year of the plan:

Growth

Target: 30% growth in trading contribution of the strategic network

– a core network of YHA-owned hostels.

27%

Savings

Target: 20% savings in central costs

– facilitated by a smaller network, efficiencies, and a revised central staff structure.

16%

Network strategy

Hostels moved out of direct YHA management and, where possible, into franchise.

12

Converted to franchise

10

Left the network

1

On the market

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Progress with our network strategy

Welcoming new franchise partners

Our new franchise model, launched in 2023, has brought innovative entrepreneurs on board and vital investment into hostel properties. These partners bring a wealth of hospitality experience and a quality offer aligned to our purpose while strengthening hostelling's presence across England and Wales.

In April 2024, YHA Port Eynon became the first property to fall under the new partner agreement.

Over summer 2024, YHA Boswinger, YHA Clun Mill, YHA Dalby Forest, YHA Rowen, YHA Holmbury St Mary and YHA Mankinholes became partner properties.

Through autumn, YHA Haworth, YHA Lands End, YHA Eyam, YHA Cheddar and YHA Hathersage became partner sites.

> **"Since joining the YHA Partner scheme in autumn, Mendip Adventure have thoroughly enjoyed our first six months operating YHA Cheddar. As an independent outdoor activity provider, our vision moving forward is to deliver more group bookings with full activity packages making the most of Somerset's winding rivers, undulating landscape and steep cliffs and caves.**
>
> **We are excited to be working with a national charity with the reputation and grandeur of YHA. Everyone that we've dealt with so far has been supportive and positive, helping us to drive bookings and overcome challenges."**
>
> Mendip Adventure – owners of YHA Cheddar (Partner)

YHA on the BBC

In August 2024, BBC Breakfast visited us at YHA Clun Mill to follow up on the success of the franchise scheme – a year on from the announcement of the sale of hostels. It was a pleasure to welcome them and publicise the opportunities available with YHA as well as the love people have for the charity.

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Hostels leaving the network

Unfortunately it has not been possible to acquire partners for all sites and these hostels have left the network:

YHA Kington, YHA Wells-next-the-Sea, YHA Patterdale, YHA Dufton, YHA Poppit Sands, YHA Llanddeusant and YHA Coverack.

It is, of course, regrettable that many of the hostels leaving the network are small hostels to which many long-standing hostellers have strong attachments. Yet commercial realities mean that hostels large enough to accommodate school groups as well as families and individuals are generally much more financially sustainable.

It's encouraging that half of the hostels leaving the network will continue to provide accommodation in one way or another; three have become independent hostels and one, Patterdale, was acquired by a multi-academy trust for use as a facility for young people.

Since the end of the financial year, YHA Minehead has been converted to a private dwelling and YHA Blaxhall has been acquired for use as a school.

At the end of the summer 2024 season, we ceased trading at YHA Eden Project. The pop-up site we had there was, unfortunately, no longer viable. We continue to work closely with the Eden Project to monitor for future opportunities.

City sites

As part of our city rationalisation programme, in August 2024, we completed the sale of YHA Brighton. It has stayed in use as a hostel, having been acquired by A&O hostels.

The sale of YHA London Oxford Street was completed in July 2025. It was acquired by another hostel provider, Sisulu Group Ltd.

Progress with leasehold properties

Now the majority of the freehold sites have completed, our focus has turned to those leasehold sites which are no longer viable for YHA to run directly. A number of these sites had leases which were expiring so we vacated. With others, we continue to discuss the potential for franchise partners to take on the running of these sites and we expect to make progress in 2025/26.

In July 2024, YHA Newport's lease expired and it was handed back to the landlord.

In March 2025, we decided not to renew the lease at YHA Perranporth and the building was handed back to the parish council. The new operator intends to continue to offer affordable accommodation.

YHA Eastbourne's lease was also surrendered in March 2025.

Sadly, the storms before Christmas 2024 inflicted major damage to YHA Wye Valley. We had initially temporarily closed the hostel until the end of February 2025 whilst we assessed works required. This assessment showed that the costs to repair the site and make it safe were unaffordable. With the lease due to expire in February 2026, we made the decision to permanently close the site.

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In the case of YHA Slaidburn, YHA's lease was due to expire in July 2025. Due to significant water damage to the property, this hostel also had to be permanently closed in February 2025. As we don't own the site it wasn't viable for YHA to bear the cost for repair.

In April 2025, the lease expired at YHA Lulworth Cove and the property was handed back.

Investment in our places

With limited funds available, we have to prioritise investment where it will make the biggest difference to customer experience and a hostel's trading performance. In 2024/25, our focus was on opportunities to convert accommodation and create extra capacity.

In 2024/25, YHA Manchester underwent a £450k investment resulting in 17 additional en-suite bedrooms, a fantastic new bar and welcoming reception area, and inviting social spaces complete with a pool table and shuffleboard. The number of guests visiting the hostel has increased by 10,000 since 2023/24, with customers delighted by the improvements to the site.

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A televised transformation at Windermere

On 10 April 2025, YHA Windermere featured on the popular BBC One makeover show Interior Design Masters with Alan Carr. The first episode of the new series saw 10 budding interior designers transform 10 bunk rooms with their own signature styles.

Filming had taken place in 2024 and the brief was to celebrate the unique Lake District setting by bringing the outdoors in. While styling the rooms of the 90-year-old hostel, designers utilised materials from the hostel grounds and woodland to create decorations, slate bookends and fabric stencils.

This was a fantastic opportunity to introduce the charity to a whole new audience and showcase the special qualities of a YHA stay in inspiring surroundings. The hostel location looked sensational on the small screen and the interest from viewers gave our marketing and trading a boost for the 2025/26 main season.

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Environmental sustainability

Energy efficiency

In 2024/25, YHA made significant strides in enhancing energy efficiency and sustainability across our operations. We successfully met the compliance requirements for Phase 3 of the Energy Savings Opportunity Scheme (ESOS), which included a comprehensive audit of our energy consumption and the identification of actionable energy-saving opportunities. In alignment with the updated ESOS regulations, we developed and submitted a detailed ESOS Management Action Plan, outlining specific initiatives to reduce energy usage over the next four years. This plan was submitted ahead of the extended deadline of 5 March 2025.

Our total energy use decreased by 3.4% compared to the previous year and this is consistent with running a smaller hostel network.

YHA continued to fulfil our obligations under the Streamlined Energy and Carbon Reporting (SECR) framework. Our latest SECR disclosures provide transparent reporting on our energy consumption, greenhouse gas emissions, and the measures we are implementing to improve energy efficiency. These efforts underscore our commitment to environmental stewardship and our proactive approach to achieving net-zero emissions.

Looking ahead, we will submit our first annual progress update on the ESOS Action Plan by 5 December 2025, detailing the implementation status of our energy-saving initiatives and the measurable outcomes achieved. YHA remains dedicated to continuous improvement in energy management, aligning with national sustainability goals and enhancing our operational resilience. Thanks to funding from the National Lottery Heritage Fund, we are working with partners to deliver sustainability messaging to our teams and customers in certain sites, which if successful will be rolled out to the wider network. This includes working with our own energy champions to help spread the message.

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Delivering our people strategy

The challenges of the last few years have led to difficult but necessary choices with the charity's resources. Continuing cost pressures, higher inflation and interest payments, and constrained demand through the cost-of-living crisis have led to significant changes in our teams as we work towards creating a sustainable YHA.

As a result of restructures in our national office teams, these are now 24% smaller than at the start of our Recovery Plan. Network and central teams continue to look for ways to improve efficiency, reduce waste and eliminate duplication.

It is testament to our people and teams that we have delivered on our impact and income targets for 2024/25. As we lift our gaze to the future and to the delivery of our refreshed strategy, we look forward to further empowering, supporting and recognising people's contributions — embedding passion and engagement as a pillar of our plans.

Investors In People

Despite the challenging environment, we were very proud to retain the Investors in People (IIP) gold award this year. We were ahead of IIP averages in seven out of the nine indicators for assessment. We improved in six out of 27 themes since our 2021 assessment. We also increased response rates by 3%.

This is an external accreditation benchmarked against other organisations and demonstrates the impact of our ongoing focus on leading, supporting and improving through our people frameworks.

INVESTORS IN PEOPLE GOLD

Employee engagement

We have achieved a solid performance with our main employee engagement survey again this year — with a 73% engagement score. Though a shortfall on our 75% target for the year, this was a 4% increase on last year's main survey result.

The dip test survey, taken at the end of the financial year, delivered a 72% engagement score.

We will use the insights to deliver improvements where needed and action plans are in place.

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Gender pay gap

Overall, after several years of positive movement, we saw a slight backward movement in the gender pay gap figures for this year. The report is based on a headcount of 906, a slight decrease of 4.6% versus last year.

There is good gender balance across all pay quartiles. However, the main reason for the movement in 2024 is a small increase in the proportion of females at the lowest two pay quartiles. While the percentage of females in the upper quartile has increased to 49%, the higher numbers of employees in the two lower pay quartiles means these small changes have a higher impact on the overall gender pay ratio.

We remain committed to eliminating the gender pay gap entirely. Our recruitment policy is focused on recruiting a diverse workforce and based on assessment of competence, and on personal flexible choices candidates and our people make around work patterns and work-life balance, not on gender.

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We continue to grow and develop our talent from within, wherever possible based on individuals' drive and needs. All roles are subject to pay benchmarking using independent tools and pay is adjusted in line with our pay principles: affordability, simplicity, equality, flexibility, and transparency.

5 April 2024*		5 April 2023**	
Mean	Median	Mean	Median
5.74%	**6.39%**	**3.61%**	**4.41%**
*906 employees		** 949 employees	

Workforce diversity

At YHA, building an inclusive culture is part of who we are and speaks to the very core of our charitable objects and values.

We actively monitor our progress in workforce diversity and 93% of employees have shared their equity, diversity and inclusion (EDI) data with us — which helps us make smarter, more informed decisions in recruitment, training and supporting our people.

The attraction of talent from every background and lived experience is really important. We've grown applications from ethnic minority candidates from just 6% in 2021 to 51% in 2024, well beyond our 35% target. At the end of the 2024/25 financial year, 22% of staff are from ethnic minority backgrounds — up 2% from the prior year.

Applications from disabled candidates have reached 6%, aligning with national benchmarks. And 6.5% of our workforce identify as having a disability.

In this challenging financial environment, our small specialist team uses their limited resources in meaningful ways to drive change and build a more inclusive workplace for all. For example, the team has developed bitesize EDI training for all staff, an EDI Intranet page, and a recognition and awareness calendar to mark key cultural dates. All managers have completed Inclusive Leadership training, and cascade learning through team talks. In 2023/24, we earned an Autism Friendly Award for improvements made to YHA London Thameside and continue to share the lessons of this work across our network. We take part in RACE reporting and continue to build transparency through employee surveys, onboarding, and exit interviews. We are in the process of setting up EDI staff networks to bring lived experience into decision-making, and we're embedding equality impact assessments to ensure inclusion is built into every step we take.

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The wider sector

The unexpected rises to employer National Insurance contributions and the National Living Wage announced in the new Government's first budget present the charity with new challenges and add to existing pressures on us and the wider sector.

In November 2024, the Department for Culture, Media & Sport (DCMS) announced that the Government will wind down National Citizens Service (NCS) and close the Trust in March 2025. The decision has rocked the sector and the loss of NCS is a significant blow to YHA — the scheme was worth up to £1m annually and very helpful in 2024/25 in bolstering autumn/winter trading.

In January 2025, we were sorry to read the news that Kingswood Learning and Leisure Group Ltd had gone into administration with the immediate closure of activity centres across the UK.

It's difficult to see this result for a fellow residential activity provider — just as the role that outdoor residentials play in supporting wellbeing becomes even clearer.

If we want every young person to access life-changing residentials in future, we will need to pull together as a sector as never before and continue to make the case for support.

We are engaging with Government Departments to feed into their strategy development processes — with DCMS for their National Youth Strategy, with Defra for their Access to Nature strategy and with the Department for Education on their strategy for the national curriculum — to advise them of the impactful value of programmes which provide residential stays for young people. This includes working with our Access Unlimited partners and other stakeholders to share insights and influence, and to collaborate on advocacy of solutions.

Hostelling International

This year, YHA deepened its work with Hostelling International (HI), playing an active role in shaping the way we quantify social impact globally — as leaders of a strategic working group uniting the world's leading national not-for-profit hostelling associations.

In September 2024, James Blake and Margaret Hart joined CEOs, chairs and presidents of hostelling associations from 40 countries at the biennial HI conference in Berlin. Discussions were varied and wide-ranging, on topics that included membership; inclusivity; brand and marketing; appealing to Generation Z; the use of AI and digital transformation; and progress in developing common global measures on social value and impact. What came through strongly was the common bond of hostelling that Richard Schirrmann, its founder, had envisaged. After the main conference, the German national association DJH facilitated a study tour for a few delegates that included a visit to Altena Castle to see the very first youth hostel that Schirrmann had established in 1912. After this, there was the chance to meet Richard Schirrmann's daughter and grandson which was a real privilege.

Also over the course of 2024/25, representatives from YHA attended Hostelling International conferences and workshops in Portugal, Switzerland and Belgium to share best practice and learn from others in our turn.

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Summary and look ahead

As we wrap up 2024/25, there's a lot to be proud of — especially given the continued challenges and mixed trading conditions experienced at the start of the year.

Thanks to the hard work of teams, we ended strongly and laid solid foundations for 2025/26. We have refreshed our strategy, budgeting, and planning processes to better support change and growth as we move towards longer-term transformation and sustainability.

Aiming for a break-even budget for 2025/26, we've narrowed our focus to five strategic priorities based on our revised theory of change. We also launched Five to Drive, a new internal approach that's helping us plan and deliver with greater focus and speed.

Five to Drive is doing more than streamlining our work — it's helping shape a stronger, more aligned culture. It brings better coordination, clearer decision-making, and a more efficient way of managing performance.

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Key Performance Indicators (KPIs)

KPI	Delivering YHA's charitable objects	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Actual 2023/24	Target 2024/25	**Actual 2024/25**
Number of people staying at YHA overnight	To help all	1,024,964	N/A	455,515	817,220	857,922	795,000	**812,086**
Those who stay with us, benefiting from our provision and support, our employees and volunteers, reflect the demographics of England and Wales. Percentage of job applications from people from ethnic minority backgrounds.		N/A	N/A	N/A	43%	54%	35%	**51%**
Number of young people staying at YHA overnight	Especially young people	412,652	N/A	114,879	265,207	302,483	295,000	**300,834**
Young people as a % of the total number of people staying at YHA overnight		40%	N/A	25%	32%	35%	37%	**37%**
Number of young people with challenging lives staying at YHA overnight	Of limited means	4,875	N/A	3,346	8,382	13,973	13,000	**17,338**
Young people with challenging lives as % of young people staying at YHA overnight		1.2%	N/A	2.9%	3.2%	4.6%	4.4%	**5.8%**
Number of young people with challenging lives staying overnight, adjusted to include a proportion of young people who come as part of a school residential	To help all	N/A	N/A	N/A	N/A	21,205	19,500	**28,189**

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KPI	Delivering YHA's charitable objects	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Actual 2023/24	Target 2024/25	**Actual 2024/25**
Young people with challenging lives, adjusted to include a proportion of young people who come as part of a school residential, as a percentage of young people staying at YHA overnight	To help all	N/A	N/A	N/A	N/A	7.0%	6.6%	**9.4%**
Customer satisfaction score	Particularly by providing youth hostels or other accommodation for them in their travels	89%	N/A	93%	87%	87%	88%	**86.5%**
Financial performance — annual trading cash surplus/ (deficit) (excluding depreciation, impairment costs, capital grants and profit on asset disposals)*		£1.5m	(£11.0m)	(£6.3m)	(£6.1m)	(£5.5m)	(£3.2m)	**(£3.0m)**
Financial performance — annual net income/ (expenditure) — as per financial statements**		(£1.3m)	(£14.3m)	(£9.3m)	(£2.6m)	(£3.0m)	£5.1m	**£0.6m**

*We use the trading cash deficit position as the key financial measure to monitor our financial performance.

**Our overall financial performance differs against the target due to the varying timescale of our hostel disposal programme and therefore the gains realised in year.

In addition to the above KPIs, the Board and its committees received regular reports covering:

- Environmental sustainability
- Loan covenant compliance
- Reportable incidents
- Employee engagement

Impact KPIs are not available for 2020/21 because the hostel network was closed during the majority of the year due to COVID-19 restrictions.

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Financial performance review

	2025 £ million	2024 £ million	2023 £ million	2022 £ million
Revenue from operating youth hostels	**46.9**	47.1	40.8	21.3
Commercial trading income	**6.4**	6.1	5.1	3.7
Donations, grants and legacies	**4.6**	1.3	2.5	9.2
Membership income	**1.2**	1.1	1.0	1.0
Other income including gains on hostel disposals	**7.0**	5.6	7.5	0.4
Total income	**66.1**	61.2	56.9	35.6
Operating costs from operating youth hostels				
Direct operating costs	**(37.8)**	(35.1)	(32.0)	(21.7)
Maintenance costs	**(4.2)**	(3.7)	(4.4)	(3.8)
Central costs	**(10.0)**	(11.2)	(9.9)	(8.6)
Interest costs	**(3.8)**	(4.4)	(3.1)	(1.7)
Depreciation and impairment costs	**(4.5)**	(4.3)	(5.5)	(5.5)
Total operating costs from operating youth hostels	**(60.3)**	(58.7)	(54.9)	(41.3)
Commercial trading costs				
Direct operating costs	**(3.9)**	(4.2)	(3.5)	(2.6)
Central costs	**(0.8)**	(0.6)	(0.6)	(0.5)
Total commercial trading costs	**(4.7)**	(4.8)	(4.1)	(3.1)
Fundraising costs	**(0.4)**	(0.4)	(0.4)	(0.4)
Governance costs	**(0.2)**	(0.3)	(0.1)	(0.1)
Total expenditure	**(65.6)**	(64.2)	(59.5)	(44.9)
Gains from investments	**0.1**	–	–	–
Net income/(expenditure)*	**0.6**	(3.0)	(2.6)	(9.3)

*Net expenditure is shown before other actuarial gains and losses in respect of our pension schemes.

Restricted Funds	**4.9**	5.0	5.2	5.4
Unrestricted Funds	**7.1**	7.3	11.2	14.4
Total charity funds	**12.0**	12.3	16.4	19.8

We close out 2024/25 having successfully beaten our budget and delivered Year 2 of our Recovery Plan.

Revenues from operating our hostels at £46.9m were relatively flat on those reported in 2023/24 despite the sale of 19 hostels. Once again YHA Camping & Cabins products – cabins, tents, tipis, Landpods, Airstreams and pitch-up camping – proved very popular so too were stays in hostels sold on an Exclusive Hire basis.

In year we reported £7.0m of other income and gains on hostel disposals and this is largely associated with the gain on disposal of the 19 hostels sold as part of our city rationalisation and network

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transition programme and this has really helped to improve our overall income levels in year. The carrying value of these assets was £7.9m.

Donations, grants and legacies continue to play a key part in our in-year performance and our fundraising team worked hard to take advantage of the funding opportunities available. Grants in the year were £3.5m, with monies being received from the Department for Environment, Food and Rural Affairs in respect of the Generation Green programme, Sport England, the UK Youth Fund, Heritage Fund and Pilgrims Trust.

We received £0.35m of legacies during the year and this was supplemented by £0.45m of other donations and gifts. Legacy gifts were significantly down against budget but this is an area of fundraising that's hard to predict.

We work hard to maintain a wide membership base and this helped boost our income levels by £1.1m in the year.

Overall, our total income for the year was £66.1m, £4.9m or 8% above the previous year.

Like other hospitality and charity organisations, 2024/25 has continued to be very challenging from an operating cost perspective although we have made every effort to reduce our operating costs wherever we could.

We carefully managed the maintenance programme but needed to spend £4.2m at our hostels which was £0.5m above the previous year.

We repaid £5.8m of the HSBC loan during the year when we sold the hostels and this along with a 0.75% reduction in interest rates helped to reduce interest payments to £3.8m, £0.6m below those incurred in 2023/24.

Total expenditure from operating our hostels for the year was £60.3m, up £1.6m on the previous year.

Fundraising and governance costs were £0.1m below the previous year.

Our central costs cover a plethora of central and management activities ranging from overseeing our hostel teams and buildings to ensuring we have the infrastructure and systems in place to help to ensure the hostel network runs smoothly. These include our central sales and business development teams, the traditional back office teams, including finance, IT, and people and other costs that deliver our volunteering programme and special projects. Our overall central costs inclusive of both the charity and trading arm came in at £10.8m, and this included some £0.6m of one-off and other costs including redundancy costs associated with the transition programme. Overall this is £1m below the previous year.

Total expenditure amounted to £65.6m, which was a £1.4m increase on the previous year.

The net income position for the year came in at £0.6m, which is £3.6m higher than the previous year but has been flattered by the £7.0m of gains on hostel disposals.

Our restricted funds, including our endowment investments, other funds of a restricted nature, for example our Breaks Programme, No Child Left Behind campaigns and small hostel investment fund have seen a small, £0.1m, reduction in the year. Further information on these restricted funds can be found in note 25 on page 130.

The balance of our unrestricted funds has reduced by £0.2m with the impact of the challenging financial environment being compensated by the sale of the hostels.

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Going concern

Despite the challenging market conditions encountered during the year, our cashflows have remained strong throughout the period, significantly helped by the progress made on our hostel transition programme specifically with the sale of 19 hostels.

Back in May 2023 the Trustees approved our three-year Recovery Plan. This included a concentrated focus on a smaller number of strategic hostels which would also help us to reduce our central overheads.

As part of this plan, we identified a number of hostels that would move away from being directly operated by YHA by being transferred to an alternative model operated by a franchise operator, or other independent party or be sold. Significant progress has been made on delivering this plan during the period with 19 hostels being sold.

Since the end of the financial year a further three hostels have been sold — YHA London Oxford Street, YHA Minehead and YHA Blaxhall. The sales proceeds from all the hostel sales have been used to repay some of our outstanding loans with HSBC with the remaining balances bolstering our cash reserves.

HSBC has continued to support YHA over the last year and we have now put in place a longer-term arrangement that takes us to 31 August 2027.

The Trustees have reviewed our reserves policy and agreed that given the current market conditions and to ensure there are sufficient cash balances to meet our ongoing liabilities and unforeseen financial difficulties that the charity would endeavour to maintain cash reserves of between £6.75m and £7.5m during the year.

The Trustees have also assessed our ability to continue as a going concern. The Trustees have considered several factors when forming their conclusion including a review of updated forecasts to 31 October 2026, a consideration of key risks, including the appropriateness of the hostel disposal programme, the ability to secure the required reductions in our central services cost base and the impact of changing economic factors such as inflation and interest rates that could impact the charity and the latest management information available. This included a number of downside financial sensitivities, incorporating reduced trading, incremental costs, and delays to the hostel transition programme. A more extreme worse case scenario, sometimes referred to as a reverse stress test, was also produced, and this removed some of the higher value hostel sales proceeds from the cash forecasts and assumed no reductions in interest rates over the forecast period.

The Trustees have concluded that the charity will be able to meet its liabilities for a period of at least 12 months as they fall due and have plans and resources to manage its business risks successfully and consider it is appropriate for the financial statements to be prepared using a going concern basis.

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Thank you

We would like to thank Natural England, Sport England, Pilgrim Trust and Cotswold Outdoor for funding the work of Outdoor Citizens to date; All The Elements as our valued design and delivery partner; and all the Outdoor Citizens members for their work in removing barriers to the outdoors in their local communities and for their role and expertise in making Outdoor Citizens a vibrant and impactful force for change.

Department for Digital, Culture, Media & Sport

UK YOUTH

Adventures Away from Home

Department for Digital, Culture, Media & Sport

Adventures Away from Home administered by UK Youth

SPORT ENGLAND

Sport England

HELP US TO #RENATURE
SOUTH DOWNS NATIONAL PARK TRUST

South Downs National Park Trust

ReNature project

NATURAL ENGLAND

Natural England

Department for Environment, Food & Rural Affairs

Department for Environment, Food & Rural Affairs

Funding awarded to deliver Generation Green 2

Gwnaed yn bosibl gan | Made possible with
Cronfa Treftadaeth
Heritage Fund

National Lottery Heritage Fund

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Trusts and foundations

- Charles Brotherton Trust
- The C.B & H.H. Taylor 1984 Trust
- Friends of the South Downs
- The Privy Purse Charitable Trust
- Fisherbeck Trust
- Joseph Strong Frazer Trust
- The Percy Hedley 1990 Charitable Trust
- The Pilgrim Trust
- The Muriel and Gershon Coren Charitable Foundation
- The James Tysoe Trust
- Churchhouse Family Charitable Trust
- Warwickshire County Council

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Gifts in wills and in memory donations

- William Alexander
- John Anderton
- John Benford
- Fred Bloore
- John Christian
- John Colebourne
- Christina Cuthbert
- Lynn Daley
- Richard Darlington
- Margery Elliott
- Ian Goldthorpe
- John Harris
- Jill Hughes
- Patricia Hutton
- Aidan Jones
- Marjorie Lewis
- Marian Millington
- Diane Nightingale MBE
- Donald Perriam
- Anthony Pratt
- Gwen Puremont
- Joyce Roake
- Kenneth Samels
- Brian Seaton
- Keith Stewart
- John Taylor
- Donald Wase
- Pat White
- Brenda Williams

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Risk review

YHA seeks to embed risk management into day-to-day working practices. Leading this is the identification and treatment of the key organisational risks, which comes to the Board for formal review once a year and is tabled at each meeting of the Audit and Risk Committee. More detailed risk registers are also prepared for more specific risks facing individual departments or in respect of significant projects.

The key organisational risks are reported to the February Board meeting. This year, the report identified a total of 13 key risks. Post mitigation, there are three very high risks, one high risk, eight medium risks and one low risks.

Very high risk

1.

YHA becomes liable for significant increased pension liabilities affecting the financial position of the charity.

2.

Financial challenges lead to an inability to fund long-term capital needs.

3.

YHA is unable to return to a cash surplus position due to reduced trading levels and increasing cost pressures.

High risks

4.

Major external disruption or material global shock (e.g. pandemic, natural/climate disaster, geopolitical event) severely impacts our ability to trade and financial viability.

Medium risks

5.

Recruitment, engagement and retention challenges affect our ability to service customers, provide central support and deliver YHA's objectives.

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6.

Failure to deliver network transformation and unable to realise sales, terminate leases and transition hostels to franchise in a timely manner.

7.

Lack of investment in the hostel network impacts on ability to operate, generate revenue, secure repeat business and customer satisfaction levels.

8.

Failure to prevent, respond to, or recover from a major cyber security attack.

9.

Regulatory breach and reputational damage due to inadequate data protection and poor data governance practice.

10.

The pace of IT and Digital Transformation is insufficient to meet the needs of the organisation.

11.

Risk of inappropriate use or governance of emerging technologies leads to regulatory non-compliance, copyright infringement or bias.

12.

Inadequate or ineffective safeguarding policy or practice resulting in (or contributing to) serious harm to a child or adult at risk.

Low risks

13.

Failure to meet Health and Safety, Food Safety and Hygiene, Building Safety and other related regulations.

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Streamlined energy and carbon reporting ('SECR')

We are committed to developing policies and initiatives to support the reduction of greenhouse gas emissions. Energy efficiency and environmental sustainability are considered in all our activities and sustainability is a key part of our 10-year strategy. We have a specific project in the 2025-26 Business Plan to develop our work in this area.

We have set out our commitment and progress towards environmental sustainability on page 61.

We have also published our carbon reduction plan which confirms our commitment to achieving Net Zero emissions by 2050 at the latest and sets out some of the measures that we hope to implement in the future.

We have set up a cross organisational energy management group, which meets on a monthly basis, with the key focus on reducing our energy consumption levels across the network. We will work closely with our energy consultants to implement behavioural focus techniques and processes to reduce our consumption levels. We also have an energy consumption KPI in our key KPIs reported to Board.

Read our renewed commitment to sustainability document at yha.org.uk/environment-policy.

Methodology

This report (including the Scope 1, 2 and 3 consumption and CO2e emissions data) have been developed and calculated using the GHG Protocol — A Corporate Accounting and Reporting Standard (World Business Council for Sustainable Development and World Resources Institute, 2004); Greenhouse Gas Protocol - Scope 2 Guidance (World Resources Institute, 2015); ISO 14064-1 and ISO 14064-2 (ISO, 2018; ISO, 2019a); Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting Guidance (HM Government, 2019).

Government Emissions Factor Database 2022 version 1 has been used, utilising the published kWh gross calorific value (CV) and kgCO2e emissions factors relevant for reporting period 01/03/2024-28/02/2025.

The figures below detail the regulated SECR energy and emission sources from the current reporting period as compared to the previous year.

We have seen a 3.4% decrease in the total KWh consumed but this in part reflects the reduction in size of the hostel network following the sale of a number of hostels in the year.

Overall we have reported a 4% reduction in the intensity ratio reflecting the lower consumption levels and slightly higher turnover year on year.

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	2025 energy kWh	**2025 emissions tCO2**	2024 emissions kWh	2024 emissions tCO2
Scope 1				
Gaseous and other fuels	**17,031,702**	**3,534**	17,617,470	3,662
Transportation	**215,535**	**51**	231,923	55
Total scope 1	**17,247,237**	**3,585**	17,849,393	3,717
Scope 2				
Grid-supplied electricity	**6,931,504**	**1,436**	7,236,241	1,498
Scope 3				
Transportation	**538,778**	**120**	467,259	113
Total energy and SECR emissions	**24,717,519**	**5,141**	25,552,893	5,328
Intensity ratio: tCO2e per £m of income from charitable and trading activities	**94**		98	

Scope 1 consumption and emissions include direct combustion of natural gas, and fuels utilised for transportation operations, for example, company vehicle fleets.

Scope 2 consumption and emissions refer to indirect emissions related to the consumption of purchased electricity in day-to-day business operations.

Scope 3 consumption and emissions cover emissions resulting from sources not directly owned by us. This relates to grey fleet (business travel undertaken in employee-owned vehicles) only.

Energy efficiency improvements

We are committed to year-on-year improvements in our operational energy efficiency. A register of energy efficiency measures has been compiled, with a view to implementing these measures in the next five years.

Measures undertaken in 2024-25

Heating controls upgrade

We have upgraded the heating control at YHA Stratford-upon-Avon, this has significantly improved the site's energy efficiency optimisation and how heat is delivered.

Measures to be addressed in 2025-26

Energy champions

We are planning to appoint an energy champion at each site. These individuals will promote energy awareness across their respective locations, thereby supporting efforts to improve overall energy efficiency.

Thermostatic radiator valves

We will install TRVs (thermostatic radiator valves) at five sites within the portfolio. This will allow control over individual radiators and, therefore, increase energy efficiency at those sites.

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Circuit-level monitoring

We plan to install CLM (circuit-level monitoring) at five sites. A CLM will capture real-time energy data for each meter. This is a cost-effective approach to monitoring consumption, reducing energy waste, and improving operational efficiency.

Governance and administration

Board of Trustees

Organisation

The Board of Trustees has overall responsibility for the work of YHA, setting strategy, direction and targets. All Trustees are responsible for the decisions of the Board.

The YHA Articles of Association, the governing document, govern the Board's conduct.

During 2024/25 the Board met eight times. The Board has appointed a number of committees consisting of certain Trustees. As at the date of this report, the following are the principal committees: the Audit and Risk Committee ("ARC"); the Finance Committee ("FC"); the People, Remuneration, Impact and Engagement Committee ("PrieCo"); and, the Board Recruitment Committee ("BRC"). The responsibilities of a task and finish Network Transition Committee, established to oversee the implementation of the agreed hostel network and capital strategy, had been assumed by ARC.

The Board delegates day-to-day management to the chief executive and executive team.

The Board of Trustees has up to 15 members and may co-opt a further two. None of the executive, including the chief executive, is a member of the Board. The tenure on the Board is a maximum of two, four-year terms. This may be extended if taking up a National Officer position. All the Trustees are unpaid volunteers recruited from the wider YHA membership.

Simon Reeve was appointed as Vice Chair with effect from the conclusion of the AGM on 9 November 2024.

The vote for the election of the Trustees was held online in advance of the 2024 AGM with the result announced at the meeting.

Clare Fordham was re-elected to the Board for a further term and Sarah Brewin and James Redfearn were appointed as Trustees for an initial term of four years at the AGM on 9 November 2024. Philip Henderson and Barbara Kasumu stood down as members of the Board and Marcus Holburn stood down as a member of the Board and Vice Chair at the end of the 2024 AGM.

Rej Bhumbra was co-opted as a member of the Board from the conclusion of the 2024 AGM for a term of one year.

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Principles of governance

With regard to governance, YHA supports the principles of good governance set out in the Charity Governance Code for larger charities and the continuous improvement model that it promotes. During 2024/25, YHA continued to progress actions to enhance compliance with the provisions of the Code. In addition, Russell-Cooke Solicitors undertook an external governance review in 2021 which focused on two key sections of the Code for larger charities: Integrity; and, Equality, Diversity and Inclusion. The results of the review were positive, and action is ongoing in those areas identified for improvement.

The Charity Governance Code recommends that a governance review is undertaken every three years. In view of the YHA strategy refresh 2025, and an impending review of the Code, the next governance review had been deferred until after the publication of the updated Code which is expected to be available in autumn 2025.

During the year the Chair and the Vice Chair held annual Trustee reviews to discuss the Board's own performance and that of individual Trustees. The Vice-Chair held a performance review of the Chair.

Training

All new Trustees attend an appropriate virtual induction course. The training is based on the guidelines set down by the National Council for Voluntary Organisations (NCVO) and covers:

- Governance — the role and responsibility of Trustees, governance structure and reform, Articles of Association, and key YHA governance documents.
- Briefings on key issues currently being discussed by the Board. Meetings with each member of the executive team and their support staff to gain an insight into the operational areas of the organisation.
- Trustees are supplied with a comprehensive manual containing key policies and documents and papers from recent and relevant Board meetings.
- Trustees complete cyber security, data protection and safeguarding training annually and upon induction.

In addition, Board workshops are held after Board meetings focusing on key themes to support Trustees in their role, as well as study visits to a range of hostels. The key workshop in 2024/25 focused on finance.

Elections to the Board

Candidates to fill vacancies on the Board in 2024 were proposed by the Board Recruitment Committee (BRC) — previously known as the Nominations Committee.

The Board advised the BRC of the skills, knowledge and experience desirable among new Trustees in order to achieve a balance of skills and experience in the Board of Trustees.

The BRC was tasked with advertising for and interviewing potential Trustees with the requirement to draft a shortlist of suitable individuals to be included in a vote bearing in mind the skill gaps identified by the Board.

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There were three Board Trustee vacancies in 2024. Fifty nine people applied to become Trustees in 2024 from whom the Nominations Committee nominated five candidates, including two existing Trustees.

Members of the Board of Trustees at 28 February 2025

Margaret Hart, Chair

Margaret first went hostelling in the Lake District as a girl guide, aged 13. That laid the foundations for a lifetime love of mountains and hillwalking, enhanced by conversations and shared experiences with others staying in the hostel network around the UK and, later in life, in New Zealand. With her husband, a school teacher, she regularly took her own children hostelling and introduced groups of young people to hostelling and the outdoors.

Margaret studied geography at university, then went on to become a social worker, a manager in the voluntary sector and a university professional. This diversity of roles, combined with involvement in a range of local community organisations, was underpinned by a commitment to creating opportunities for young people, especially those from disadvantaged backgrounds — in education and in relation to their health, wellbeing and life skills more widely. Her career progressed to director-level roles, both in national children's charities and higher education, bringing experience in strategic leadership and the full range of organisational responsibilities.

Following her retirement from full-time work, Margaret became a Trustee of YHA in 2016, attracted by the opportunity to combine her professional experience with her lifetime passion, to support and guide an organisation which had done so much to shape her own life as a young person, and which continues to offer life-changing experiences for young people today.

Margaret was elected as Vice Chair in 2017 and as Chair in 2019. She feels privileged to lead a highly professional organisation and national charity which is also exceptionally friendly and committed to becoming ever more inclusive and accessible. Alongside contributing her professional experience from a long and varied career, and her life experience as a parent and grandparent, she continues to learn from her talented and able colleagues and finds this both stimulating and enriching.

Simon Reeve, Vice Chair

Simon is a father of three young adults in their twenties. As a family, they have always spent weekends and holidays in the great outdoors, exploring all corners of the UK and further afield. Simon especially enjoys cycling, hill-walking, canoeing, sailing and surfing, frequently staying in youth hostels as part of these activities. He is a certified kayak coach with Paddle UK and a committee member of his local canoe club. Throughout his life he has been an active supporter of a wide range of youth and community organisations including leading team fundraising events.

In business, Simon has significant international experience leading teams and driving change, in technology-related industries and in charities. He now works as an independent director advising businesses of all sizes, especially in the fields of technology, environment and sustainability. Current roles include chairing the advisory board of a robotics start-up in Edinburgh, and being a non-exec director for CEFAS, the UK government's Centre for Environment, Fisheries and Aquaculture Science.

Simon gets a real buzz working with the YHA team, supporting its mission to equip young people with new skills and experiences to develop their confidence and transform their opportunities within our diverse and exciting world.

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Graham Turnock, Treasurer

Graham has been a member of the Board since 2015 and the Treasurer from the end of 2019. He has been member of YHA since childhood, continues to enjoy hostelling in the UK and Europe, and is active in spreading the hostelling bug to others most directly through the leadership of youth hostelling weekends for members of his cycling club.

Graham is an experienced senior leader in the public sector. He currently works for the European Space Agency having previously served as Chief Executive of the UK Space Agency, a role for which he was awarded the Royal Aeronautical Society's Geoffrey Pardoe Award in 2021, and as a career civil servant for almost 30 years across a wide range of UK Government departments beginning his career at HM Treasury and including a period as Finance Director at the Department of Culture Media and Sport.

He is a keen cyclist, having occupied at various times the positions of membership, road racing secretary and road racing and time trials event organiser in his club. In 2021 he was silver medallist in the British Masters National Criterium Championship.

Darren Barker

Darren trained in Business Management and then qualified as a chartered management accountant, spending the early years of his career in finance roles specialising in decision support and investment appraisal. He has broad sector knowledge spanning retail, telecoms and travel. He is currently working as a commercial consultant across those sectors.

Prior to that, Darren spent 12 years in the hospitality and travel industry in general management roles and served for six years as CEO of the charity 'Hostelling International', working closely with member YHAs from all around the globe which gave him an excellent understanding of non-profit governance best practice.

Darren loves travel and hostelled both at home in the UK and internationally. He is passionate about young people having previously served as a Scout leader and worked in partnership with the likes of the International Duke of Edinburgh Award and World Association of Girl Guides. Darren is partially sighted and also serves as a Trustee for Fight for Sight.

Rej Bhumbra

Rej has been involved in the outdoors since school, with both the Scouts and the Combined Cadet Force and continues to enjoy hiking and camping with his family and friends both in the UK and overseas.

Professionally Rej has been working as an NHS Consultant Orthopaedic and Trauma Surgeon in London since 2012. He trained at St. Mary's Hospital medical school (now Imperial College) and has undergone orthopaedic surgical training both domestically and abroad. He has authored multiple papers and books in the field of Global Health, Orthopaedics and Trauma. He also represents the Greater London Lieutenancy as a Deputy Lieutenant.

He has completed an MA in International Relations and Affairs and is passionate about philanthropy and education. From a leadership perspective he has previously worked as the Orthopaedic Clinical Network Director in the Northeast London Region and is the Chair of Governors at an independent school in East London.

As well as hiking, Rej also enjoys road cycling, golf and skiing.

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Sarah Brewin

Born in the North East, Sarah went to school in Oxford, before attending Durham University to study Geography. Not really fancying a '9 to 5' job, she then joined the Royal Air Force.

A chartered management accountant and certified project and programme manager, she has primarily worked in facilities management, project management and capital investment roles, across the UK and internationally, including Ascension Island in the South Atlantic and all across the Broader Middle East.

Most recently, she ran the Royal Air Force's property and infrastructure management team, responsible for supporting over 29 sites and 35 runways. She now commands Royal Air Force Lossiemouth, one of the Royal Air Force's busiest and largest main operating bases, which is responsible for securing the seas and the skies of the United Kingdom and partners.

Outside of work, Sarah is a keen mountaineer having spent over 15 years as part of the Royal Air Force's Mountain Rescue Service and is also fond of fell and trail running, wild swimming and general travelling. So much so, that she has relocated to the Lake District, so that she's never more than 30 mins from the fells! Nieces and nephews keep her on her toes, and she's lucky that her partner is equally into the great outdoors.

Clare Fordham

YHA has been central to some of the great experiences of Clare's life. She's stayed in the cities and the country, in dorms, family rooms, pods and camping. She's hired whole hostels or bunked in with everyone else. She's had moments of wonder at YHA Black Sail and moments of embarrassment at YHA National Forest when she set off the smoke alarm with a pizza and the whole place had to evacuate.

Clare is married with three almost-grown-up daughters. She's a keen walker, and a slow but enthusiastic trail runner. She is often to be found on the moors near her home in Ramsbottom, failing to focus her binoculars in time, and missing yet another bird.

Clare has worked in both television and radio news for over 25 years, enjoying time in both commercial and BBC newsrooms. She spent eight years travelling across Britain, Northern Ireland and further afield at ITV News, before moving across to the BBC. After many years at BBC Radio 5 Live, she now makes documentaries and podcasts for BBC Radio 4, BBC Sounds and BBC World Service.

Clare is passionate about finding and celebrating unheard voices and hearing untold stories. She takes great pride in her involvement with efforts to reach diverse audiences and bring a far broader range of perspectives to programmes.

Cathryn Hayhurst

Cathryn is a qualified chartered accountant and insolvency practitioner with a BSc in Environmental Sciences. She is head of finance for sustainability and property at the Co-op. She leads the financial planning across retail and life services for our c4,000 properties; alongside developing a common currency for sustainability to embed in decision making frameworks.

She has worked at the National Trust where she was commercial lead for the Renewable Energy Programme to generate 50% of energy from renewable sources including hydro schemes. She developed her finance skills at KPMG and funding strategy at Barclays.

Cathryn loves staying at our diversity of hostels with her family; especially appreciating the uniqueness

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of our shared spaces. When she was younger YHA gave her the opportunity of travelling across the UK and to European cities and she wants to ensure amazing opportunities are available for young people today and future generations.

Sarah Lusty

Time in nature is where Sarah finds peace and purpose. Sarah is passionate about removing the barriers which prevent everyone from experiencing the joy of adventures in the outdoors.

Whether it was her first residential or first solo hike, adventures in nature are the reason Sarah now believes she can do hard things — like being the youngest Trustee in YHA's history! Sarah cares deeply about empowering the voices of young people, particularly those who are more likely to be marginalised and less likely to be listened to. She advocates for inclusion and has extensive voluntary experience with a diverse range of communities, including people with disabilities, young people, sex workers, and isolated older people.

Sarah's belief in positive change is why she is a civil servant. To date, she has had a short, but busy, Civil Service career, gaining experience in Welsh Government Social Care Policy, Protected Landscapes Policy, and intergenerational communities work; she currently works for the Ministry for Housing Communities and Local Government.

Paula Newton

Paula stayed at her first YHA hostel at the tender age of nine years old, enjoying a life-changing experience that has shaped her travels ever since. She has hostelled extensively in both the UK and abroad to support her hiking adventures. More recently she has led groups of hikers on weekend trips staying at YHA hostels, opening up countless others to the benefits of the YHA experience.

Paula's early career included stints at the BBC and BSkyB in operations management and leadership roles. She was part of the team that first brought interactive television to the world in 1999. She was awarded her Master of Business Administration in 2005. She lived abroad for the best part of 10 years, first in Ecuador as an operations director/editor-in-chief for a small start-up publishing company and later pioneering a digital nomad lifestyle running her own businesses. She travelled South America, Australia and South East Asia while serving her clients online.

An entrepreneur by nature, Paula has built her successful business advisory firms that provide specialised tax consulting services to established SMEs, and business plan development and writing for businesses of all shapes and sizes.

Paula has served on Boards and committees of several membership organisations, including Chairing South Downs Leisure Trust and serving as a co-opted NED for Brighton Energy Ltd. She brings a range of non-executive and Trustee experience to YHA including strategic oversight, commercial and financial acumen, and risk management capabilities.

In her spare time you'll find generally find her outdoors either hiking or cycling.

Clare Parsons

An experienced environmental manager, Clare works as a lead specialist advisor for Natural Resources Wales. She has worked in protected landscapes and environmental NGOs in Wales for over 20 years. And has extensive rural development and sustainable tourism experience in Wales, including chairing the Powys LEADER local action group, and as senior management lead for Bannau Brycheiniog

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National Park Authority's sustainable development, inclusion, economic and social wellbeing work.

Working in partnership with YHA has been part of this, enabling a wider range of people to access nature, landscapes and heritage.

Clare contributed to Welsh Government workstreams developing the Well-being of Future Generations (Wales) Act and has wide experience of embedding wellbeing and the Sustainable Management of Natural Resources (SMNR) in policy and developing programmes.

Whilst now working largely from home, earlier in her career Clare commuted by boat to warden jobs on Blakeney Point National Nature Reserve, and an island on the Norfolk Broads.

Living in the Bannau Brycheiniog National Park, Clare enjoys walking, wild swimming and running (slowly) in the stunning landscape.

James Redfearn

James has worked in the outdoor education industry for nearly 12 years including for a small social enterprise connecting universities' environmental education to schools plus delivering training and supervising Duke of Edinburgh's Award expeditions. He currently manages an Outdoor Activity Centre in the New Forest which caters for around 20,000 young people annually. James also volunteers with the Scouts, taking young people for often their first experiences of hill walking and mountaineering.

With experience working within Higher Education and as a Governor of a Primary School, James is passionate about the power of education in all its forms to transform lives for the better. In particular, James has seen first-hand the benefits of outdoor education as one of the most transformative and impactful forms of education possible and believes that every young person should benefit from at least one residential outdoor education experience in their early lives.

Hostelling with YHA and internationally gave James affordable access to some of his early travels, in particular to the Lake District and Eryri (Snowdonia), enabling growth in his passion for hill walking, mountaineering and travel. He is passionate about working with YHA to widen access to the outdoors for all, in particular young people.

Robert Varley

Robert has been a keen hosteller since his youth. He has a passion for the outdoors and loves exploring Britain's wild country and coastline on foot. A family man, a dad and a grandad, he has been volunteering in children's and youth work for over 50 years. He has a passion for everything YHA stands for and is keen to see it make a real difference to even more young lives in the years ahead. "Because where you go changes who you become."

A meteorologist by profession, Robert worked for 35 years at the Met Office. He has served on numerous Boards and Councils at national and international level — as chief executive of the Met Office, non-executive Director of Ordnance Survey, president of Eumetnet, vice president of the Royal Met Society and vice president of the World Meteorological Organisation.

In 2012 Robert was named as the Institute of Directors' Director of the Year (Public/Third Sectors), and in 2016 he was awarded an honorary degree of Doctor of Science from the University of East Anglia. He now works as a strategic consultant to leaders of weather services around the world.

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Anna Welsh

Anna is a qualified children's social worker currently working for Bolton Council. They have a BSc in Mathematics from Manchester Metropolitan University and an MSc in Advanced Relationship Based Social Work Practice with Children and Families at Lancaster University. Anna discovered that whilst they had an affinity with numbers, their real passion was to work with others and help young people who might be struggling or in need.

Anna was a student officer at The Union MMU. They were the first ever societies and development officer for the period 2018/19 and then went on to be the president in 2019/20. As part of their role, they were a voice for students and brought their views and opinions to high level meetings, such as Academic Board, Board of Governors and the Union's Trustee Board. In their childhood, Anna was a keen member of the Air Cadets and spent much of their weekends and school holidays away with them. This gave Anna a taste for the outdoors and the adventures possible there. They completed the Duke of Edinburgh's Award and achieved their gold level badge for doing so. Using this as their driving force, Anna hopes that their time with YHA will engage more young people to have the opportunity to explore away from home and give them memories that will last a lifetime.

	Board meetings attended	Term of office
Darren Barker	6 of 8	Ends 2025*
Sarah Brewin	1 of 1	Ends 2028
Rej Bhumbra	1 of 1	Ends 2025
Clare Fordham	8 of 8	Ends 2028
Margaret Hart	8 of 8	Ends 2026
Cathryn Hayhurst	4 of 8	Ends 2025
Philip Henderson	6 of 7	Ended 2024
Marcus Holburn	5 of 7	Ended 2024
Barbara Kasumu	2 of 7	Ended 2024
Sarah Lusty	8 of 8	Ends 2026
Paula Newton	8 of 8	Ends 2027
Clare Parsons	8 of 8	Ends 2027
James Redfearn	0 of 1	Ends 2028
Simon Reeve	6 of 8	Ends 2029
Caleb Stevens	6 of 8	Resigned 12th May 2025
Graham Turnock	8 of 8	Ends 2028
Robert Varley	8 of 8	Ends 2027
Anna Welsh	5 of 8	Ends 2025*

*Eligible for re-election for a four-year term

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Disclosures of interest

No Trustee had, during or at the end of the year, any interest in contracts that are significant in relation to YHA's business other than as disclosed above or in note 10 of the financial statements. For the purposes of company law, the Trustees listed above are also the Directors of YHA.

Executive team

Chief Executive

James Blake

Other senior executives

Julie Lane

Finance Director

James MacColl

(appointed on 29/07/2024)

Director of External Affairs

Louise Platt

Executive Director of Resources and Transformation

Jane Price

Executive Director of Income, Impact, Operations and People

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Employees

YHA is an Investors in People Gold organisation and is committed to employment policies which follow best practice based on equal opportunities for all employees irrespective of age, sex, sexual orientation, race, colour, disability, marital status, religion or belief.

Employees are kept informed of plans, receive regular updates on performance against the plans, and are encouraged to attend or feed into regular listening groups.

Other means to engage with our staff team include regular all staff emails from the chief executive and monthly all staff webinars led by the chief executive and the executive team.

Committees

Audit and Risk Committee ("ARC")

The ARC is a committee of the Board of Trustees. The committee met four times during the year and is currently composed of:

- Simon Reeve who acts as the Chair of this committee
- four Trustees: Cathryn Hayhurst (for financial reporting matters only), Paula Newton, Rob Varley and Anna Welsh

The committee agrees the programme for internal and external audits; considers reports from the auditors; considers the annual financial statements before submission to the Board; reviews the performance of the internal and external auditors; advises the Board regarding the adequacy of its risk register, policy, and management of risk; reviews the full risk register on an annual basis and every quarter reviews the high level significant risks and any changes to the full risk register; and, devises and tests key measures against which the performance of the organisation can be judged.

The committee is also responsible for the oversight of the disposal of the Transition network disposals.

Finance Committee ("FC")

The FC is a committee of the Board of Trustees. The committee met five times during the year and is currently composed of:

- the Treasurer Graham Turnock who acts as the Chair of this committee
- three Trustees: Darren Barker, Sarah Brewin and Cathryn Hayhurst

The committee supports the Board in ensuring the effective financial management of the Company; provides opinion on the financial sustainability of YHA's strategic plans; advises on funding strategies and risks; provides appropriate scrutiny of finance related strategic KPIs; ensures effective financial planning, budgeting and treasury management; reviews and is consulted regarding capital and other investments; and, works with the Audit and Risk Committee regarding financial risk management.

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People, Remuneration, Impact and Engagement Committee ("PrieCo")

PrieCo is a committee of the Board of Trustees. The committee met four times during the year and is currently composed of:

- Clare Fordham who acts as Chair of this committee
- three Trustees: Rej Bhumbra, Clare Parsons, and James Redfearn

The committee agrees the remuneration policy, determines the remuneration of the executive directors, and the remuneration of the chief executive in consultation with the Chair; determines the terms and conditions of employment of the executive directors; and, determines the terms and conditions of employment of the chief executive in consultation with the Chair.

In setting the organisations remuneration policy, the committee makes such external consultations and comparisons as may be necessary to ensure that the pay and emoluments of YHA staff are fair in value to those having similar responsibilities and circumstances in organisations within the not-for-profit and commercial sectors (excluding financial).

The committee also consider strategic HR matters which impact on our financial position or our position as an employer, e.g. pensions, performance management. This year that has included oversight of the people strategy and oversight of YHA's gender pay reporting which is available on our website. The committee is also responsible for people risk.

In addition, PrieCo supports the Board in maximising the impact and effectiveness of YHA's work as a charity, and its member and stakeholder engagement, through ensuring effective management of these areas. This includes oversight of impact related KPIs; the design, delivery and evaluation of youth, education and activity programmes; and, YHA's engagement strategy with members, volunteers, donors and partners.

Board Recruitment Committee ("BRC")

BRC is a committee of the Board of Trustees. The committee met four times last year and is currently composed of:

- Sarah Lusty, who acts as Chair of this committee
- one Trustee: Robert Varley
- two Association Members: Paul Harding and Barbara Kasumu
- one co-opted youth member: Emily Palmer

The committee acts in an advisory capacity in assisting in identifying a diverse range of candidates with suitable skills and experience to become Trustees.

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Financial control and risk management

Trustee responsibilities statement

The Trustees (who are also directors of YHA (England & Wales) for the purposes of company law) are responsible for preparing the Report of the Trustees incorporating the Strategic Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 YHA and the group and of the incoming resources and application of resources, including the income and expenditure of YHA and the group for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP (FRS 102)
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that YHA and the group will continue in business

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 YHA and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that:

- so far as each Trustee is aware, there is no relevant audit information of which the YHA auditors are unaware; and
- the Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

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Section 172(1) Statement

Section 172 of the Companies Act 2006 requires a Director of a company to act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole. In doing this, section 172 requires a Director to have regard, among other matters, to: the likely consequences of any decision in the long term; the interests of the company's employees; the need to foster the company's business relationships with suppliers, customers and others; the impact of the company's operations on the community and the environment; the desirability of the company maintaining a reputation for high standards of business conduct; and the need to act fairly with members of the company.

YHA is a leading national charity which depends on the trust and confidence of its members and beneficiaries to operate sustainably in the long term. YHA seeks to put its beneficiaries' best interests first, invests in its employees, supports the communities in which it operates and strives to generate sustainable surpluses to be reinvested into the charity.

The Trustees have acted in accordance with their duties codified in law, which include their duty to act in the way in which they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, having regard to the matters set out in section 172(1) of the Companies Act 2006.

The Board recognises that building strong relationships with our members and beneficiaries will help us deliver our strategy in line with our long-term values and operate the business in a sustainable way.

Reserves policy

As a charity, YHA is obliged by the Charity Commission to set a policy on reserves which establishes a level appropriate for YHA.

YHA's reserves policy is set to manage unforeseen financial difficulties, and not to fund its future capital strategy. The level of reserves is set based on forecast income and expenditure and the likelihood of material risks crystallising which would not be covered by future income or insurance.

The reserves policy is set with regard to the:

- strategic capital strategy — set by the Board within the context of a five-year time frame
- annual budget — set to ensure our future expenditure levels are matched to the income we receive from operating youth hostels
- risk management process — assesses the impact and likelihood of all risks to YHA and the appropriate level of short-term reserves to be held

YHA has implemented an active reserve monitoring process managed by the Audit & Risk Committee (ARC) and governed by the Trustees. The ARC assesses the impact and likelihood of uninsured risks to create an expected value, which is reduced by the assessment of mitigating controls to set the appropriate level of short-term reserves to be held. This value is formally reviewed on an annual basis with opportunity for any material changes to be picked up within YHA's quarterly risk review process.

The ARC will report if these reserves have been used and the consequent impact on the long-term strategy. In the event of a movement beyond the reserves limit the ARC would report immediately to the Board with recommendations for action.

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The Trustees have recently reviewed the reserves policy and have agreed, that given the current market conditions and to ensure that there is sufficient cash balances to meet our ongoing liabilities and unforeseen or uninsured financial losses that the charity would endeavour to maintain minimum cash reserves of between £6.75m and £7.5m for the foreseeable future. The charity's cash reserves at 28 February 2025 amounted to £12.0m which, helped by the sales proceeds from the hostel sales, was above the agreed reserves level.

The executive and Board continue to monitor the cash flow forecasts to ensure that there is sufficient headroom in the cash reserves to ensure commitments can be met when due and identifying assets which could be disposed of to provide enough scope to match the impact of any further unseen risk.

Fundraising policy

It is always our aim to provide the best possible donor experience and deliver the highest possible standards of donor care. We are registered with the Fundraising Regulator to demonstrate our commitment to achieving the highest standards in fundraising and we strive at all times to comply with the Fundraising Regulator's Code of Fundraising Practice.

We are committed to undertake our fundraising in a legal, open, honest and respectful manner by following the standards for fundraising set out in the Fundraising Regulator's Fundraising Promise. We therefore use the Fundraising Regulator logo on our fundraising materials to show that we are following these standards.

We are always committed to uphold the highest standards of practice in our fundraising and will:

- comply with all relevant law and regulation including the Charities Act 2022, the Charities (Protection and Social Investment) Act 2016, the Data Protection Act 2018, and the Fundraising Regulator's Code of Fundraising Practice and where relevant the Gambling Act 2005
- treat the information that supporters provide to YHA in line with our Privacy Policy and never share or sell their personal information to third parties for the purpose of marketing or fundraising
- ensure clear governance and management controls for the legal, safe and transparent raising of funds from a diverse range of sources
- operate policy and guidance for working with supporters who are in vulnerable circumstances
- have clear rules for when donations may be returned to donors
- report regularly to the Trustees of YHA regarding fundraising activity, including an annual summary of complaints and action taken to address these

Protecting vulnerable people

We recognise that some people we engage with through our fundraising activity may not have the capacity, at the point of the interaction, to fully understand the nature of the donation they are being asked to give, or the consequences of making that donation. People in vulnerable circumstances may need further support before deciding whether or not to make a donation.

Whenever we suspect that someone we engage with is lacking capacity or is in vulnerable circumstances, we will take steps to terminate the contact in a way which seeks to protect that person while protecting their dignity and any desire they have expressed to support YHA.

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Despite our efforts to protect those in vulnerable circumstances, YHA may receive a donation where there may be a question over the donor's mental capacity to make that donation. In this circumstance, YHA may return the donation to the donor or — under certain circumstances — to a family member or designated person.

Fundraising complaints policy

We welcome all comments and feedback about the way we work. We invite anyone with a complaint or problem about our fundraising activity to report it via our customer care team, who will deal with it in a personal, fair and confidential way. We aim to resolve all complaints as efficiently as possible — committing to acknowledgement in two working days and providing feedback within 15 working days.

In 2024/25 YHA received zero complaints about fundraising activity.

Investment policy

Investments acquired in accordance with the powers of the Trustees, primarily in respect of endowment funds, total £1.1 million at the end of this financial year. TrinityBridge and Rathbone Investment Management manage the assets on YHA's behalf, with an investment strategy aimed at maximising income at an acceptable level of risk including growth of asset values.

Borrowing and financial instruments policy

YHA uses financial instruments, comprising borrowings secured against property. The main purpose of these financial instruments is to finance the working capital cycle of YHA and to finance longer-term capital needs.

The policies for managing the risks open to YHA are summarised below:

- YHA's financing and treasury policy governs the way that YHA borrows money and how it manages its interest risk.
- Working capital requirements are managed through the cash reserves holding or where available a Revolving Credit Facility with a bank.
- Other borrowings are designed to be appropriate for the type of asset being financed. Thus, IT equipment and software are likely to be financed over no more than five years, equipment no more than 10 years and property will be financed over 20 years.

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Legal and administrative details

Bankers

HSBC Bank plc

Level 6
71 Queen Victoria Street
LONDON
EC4V 4AY

Solicitors

Browne-Jacobson

3rd Floor, No 1 Spinningfields
1 Hardman Square
Spinningfields
MANCHESTER
M3 3EB

Russell Cooke

2 Putney Hill
LONDON
SW15 6AB

Pinsent Masons LLP

55 Colmore Row
BIRMINGHAM
B3 2FG

Auditor

Grant Thornton UK LLP

Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
1 Holly Street
Sheffield
S1 2GT

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Investment fund managers

TrinityBridge

10 Crown Place
Clifton Street
LONDON
EC2A 4FT

Rathbones Investment Management

George House
50 George Square
GLASGOW
G2 1EH

Internal auditors

KPMG are the internal auditors for YHA and act as an assurance function to provide an independent and objective opinion to YHA on the design and operation of the internal control environment.

External auditors

Pursuant to Section 487(2) of the Companies Act 2006, the Auditors will be deemed reappointed and therefore Grant Thornton will continue in office.

In approving the Report of the Trustees, the Trustees are also approving the Strategic Report in their capacity as company directors.

ON BEHALF OF THE TRUSTEES

Margaret Hart

Margaret Hart
Chair
5th October 2025

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Independent auditor's report to the members of YHA (England and Wales)

Opinion

We have audited the financial statements of YHA (England and Wales) (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 28 February 2025, which comprise the Consolidated Statement of Financial Activities, Group and Parent Charitable Company balance sheets, Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 28 February 2025 and of the group's and the parent charitable company's incoming resources and application of resources including, the group's and the parent charitable company's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Statement of Recommended Practice: Accounting and Reporting by Charities, 2019 Edition; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We have been appointed as auditor under the Companies Act 2006 and report in accordance with regulations made under that Act. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report.

We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.

In our evaluation of the trustees' conclusions, we considered the inherent risks associated with the group's and parent charitable company's business model including effects arising from macro-economic uncertainties such as cost of living and interest rates, we assessed and challenged the reasonableness of estimates made by the trustees and the related disclosures and analysed how those risks might affect the group's and parent charitable company's financial resources or ability to continue operations over the going concern period.

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

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Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' report, prepared for the purposes of company law, included in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' Report included in the Report of the Trustees have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included in the Report of the Trustees.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent charitable company, or
- returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 90, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either

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intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the parent charitable company and the sector in which it operates. We determined that the following laws and regulations were most significant: the Charities SORP (FRS 102), The Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102), Charities Act 2011, Charities (Accounts and Reports) Regulations 2008 and the Companies Act 2006;
- We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement, including how fraud might occur and the risk of management override of controls. Audit procedures performed by the engagement team included:
  - Identifying and assessing the design and implementation of controls management has in place to prevent and detect fraud;
  - Challenging assumptions and judgements made by management in its significant accounting estimates; and
  - Identifying and testing journal entries, in particular manual journal entries to revenue and to fixed tangible assets.
- We enquired of management, and the audit and risk committee, concerning the group's policies and procedures relating to:
  - the identification, evaluation and compliance with laws and regulations;
  - the detection and response to the risks of fraud; and
  - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations.

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Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;

- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - Understanding of, and practical experience with, audit engagements of a similar nature and complexity, through appropriate training and participation; and
  - Knowledge of the industry and sector in which the company operates.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Gillian Hobbs BA FCCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Sheffield
5th October 2025

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Consolidated statement of financial activities

(incorporating the consolidated income and expenditure account)

	Note	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2025 £'000	Total 2024 £'000
Income						
Income from charitable activities	6	**48,106**	**—**	**—**	**48,106**	48,189
Income from trading activities (YHA Trading Limited)	14	**6,400**	**—**	**—**	**6,400**	6,063
Donations, gifts and legacies		**730**	**402**	**—**	**1,132**	796
Grants receivable	5	**—**	**3,468**	**—**	**3,468**	463
Investment and similar income	7	**151**	**19**	**—**	**170**	163
Total income before net gain on disposal of tangible fixed assets		**55,387**	**3,889**	**—**	**59,276**	55,674
Net gain on disposal of tangible fixed assets		**6,833**	**—**	**—**	**6,833**	5,512
Total income		**62,220**	**3,889**	**—**	**66,109**	61,186
Expenditure						
Costs of charitable activities	9	**56,267**	**3,994**	**—**	**60,261**	58,728
Costs of trading activities (YHA Trading Limited)	9	**4,740**	**—**	**—**	**4,740**	4,814
Fundraising	9	**404**	**—**	**—**	**404**	412
Governance	9	**207**	**—**	**—**	**207**	269
Total expenditure		**61,618**	**3,994**	**—**	**65,612**	64,223
Unrealised gains/(losses) on investments	24	**—**	**—**	**17**	**17**	(18)
Realised gains in investments	24	**—**	**—**	**50**	**50**	34
Net income/(expenditure) before tax and refinancing costs		**602**	**(105)**	**67**	**564**	(3,021)
Transfer between funds	25	**4**	**(4)**	**—**	—	—
Net income/(expenditure) after transfers*		**606**	**(109)**	**67**	**564**	(3,021)
Other recognised losses						
Actuarial loss on defined benefit pension scheme	23	**(568)**	**—**	**—**	**(568)**	(1,054)
Actuarial loss on multi-employer pension scheme	23	**(267)**	**—**	**—**	**(267)**	—
Net movement in funds		**(229)**	**(109)**	**67**	**(271)**	(4,075)
Fund balances brought forward at 1 March 2024		**7,323**	**3,923**	**1,036**	**12,282**	16,357
Fund balances carried forward at 28 February 2025	26	**7,094**	**3,814**	**1,103**	**12,011**	12,282

All income was from continuing operations.
*Information up to and including net income/expenditure represents the information required by the Companies Act 2006.
The accompanying accounting policies and notes form an integral part of these financial statements.

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Balance sheets

		Group		Company	
	Note	**2025 £'000**	2024 £'000	**2025 £'000**	2024 £'000
Fixed assets					
Tangible assets	12	**61,403**	71,271	**61,403**	71,271
Intangible fixed assets	13	**692**	545	**692**	545
Investments	14	**1,103**	1,036	**1,104**	1,037
		63,198	72,852	**63,199**	72,853
Current assets					
Stocks	15	**293**	293	**293**	293
Debtors	16	**3,250**	3,124	**3,249**	3,124
Cash at bank and in hand	28	**11,973**	9,108	**11,973**	9,108
		15,516	12,525	**15,515**	15,525
Creditors: amounts falling due within one year	17	**(60,125)**	(66,788)	**(61,573)**	(67,854)
Net current liabilities		**(44,609)**	(54,263)	**(46,058)**	(55,329)
Total assets less current liabilities		**18,589**	18,589	**17,141**	17,524
Creditors: amounts falling due after more than one year	19	**(710)**	(929)	**(710)**	(929)
Provisions for liabilities	20	**(1,676)**	(1,554)	**(1,676)**	(1,554)
Net assets excluding pension liability		**16,203**	16,106	**14,755**	15,041
Multi-employer pension scheme liability	23	**(268)**	(120)	**(268)**	(120)
Defined benefit pension scheme liability	23	**(3,924)**	(3,704)	**(3,924)**	(3,704)
Net assets/liabilities including pension liabilities		**12,011**	12,282	**10,563**	11,217
Funds					
Endowments	24	**1,103**	1,036	**1,104**	1,037
Restricted funds	25	**3,814**	3,923	**3,814**	3,923
		4,917	4,959	**4,918**	4,960
Unrestricted funds					
Unrestricted funds excluding pension liability		**(7,165)**	(9,644)	**(8,614)**	(10,710)
Revaluation reserve		**18,451**	20,791	**18,451**	20,791
Pension reserve		**(4,192)**	(3,824)	**(4,192)**	(3,824)
Total unrestricted funds		**7,094**	7,323	**5,645**	6,257
Total charity funds	26	**12,011**	12,282	**10,563**	11,217

The financial statements were approved by the Board of Trustees on 5th October 2025.

Trustees

Margaret Hart

M Hart

Graham Turnock

G Turnock

Company registration number: 00282555.

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

Docusign Envelope ID: 8B315DF0-B5B4-4F44-A502-193EC919D8C0

Consolidated statement of cash flows

	Note	2025 £'000	2024 £'000
Cash flows from operating activities			
Net cash provided by operating activities	27	**98**	648
Cash flows from investing activities			
Investment income (including interest received)	7	**170**	163
Proceeds from sale of tangible fixed assets		**14,778**	16,903
Purchase of tangible fixed assets	12	**(2,354)**	(4,877)
Purchase of intangible fixed assets	13	**(354)**	(195)
Net cash provided by investing activities		**12,240**	11,994
Cash flows from financing activities			
Repayment of borrowings		**(5,832)**	(10,632)
Capital element of finance lease rentals	30	**—**	(130)
Interest paid	8	**(3,641)**	(4,210)
Net cash used by financing activities		**(9,473)**	(14,972)
Change in cash and cash equivalents in the reporting period		**2,865**	(2,330)
Cash and cash equivalents at the beginning of the reporting period		**9,108**	11,438
Cash and cash equivalents at the end of the reporting period	28	**11,973**	9,108

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

Docusign Envelope ID: 8B315DF0-B5B4-4F44-A502-193EC919D8C0

Notes to the financial statements

1. Company information

YHA is a company limited by Guarantee (company number 00282555). The registered office is Trevelyan House, Dimple Road, Matlock, Derbyshire DE4 3YH.

2. Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards including 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) and the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

YHA (England and Wales) meets the definition of a public benefit entity under FRS 102 and applied the sections in FRS 102 as applicable.

The financial statements are presented in Sterling £'000.

Going concern

Despite the challenging market conditions encountered during the year, our cashflows have remained strong throughout the period, significantly helped by the progress made on our hostel transition programme specifically with the sale of 19 hostels.

Back in May 2023 the Trustees approved our three-year Recovery Plan. This involves a concentrated focus on a smaller number of strategic hostels which will also help us to reduce our central overheads.

As part of this plan, we identified a number of hostels that would move away from being directly operated by YHA by being transferred to an alternative model operated by a franchise operator, or other independent party or be sold. Significant progress has been made on delivering this plan during the period with 19 hostels being sold.

Since the end of the financial year a further three hostels have been sold — YHA London Oxford Street, YHA Minehead and YHA Blaxhall. The sales proceeds from all the hostel sales have been used to repay some of our outstanding loans with HSBC with the remaining balances bolstering our cash reserves.

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2. Basis of preparation (continued)

Going concern (continued)

HSBC has continued to support YHA over the last year and we have now put in place a further extension to the loan that takes us to 31 August 2027.

The Trustees have reviewed our reserves policy and agreed that given the current market conditions and to ensure there are sufficient cash balances to meet our ongoing liabilities and unforeseen financial difficulties that the charity would endeavour to maintain cash reserves of between £6.75m and £7.5m during the year.

The Trustees have also assessed our ability to continue as a going concern. The Trustees have considered several factors when forming their conclusion including a review of updated forecasts to 31 October 2026, a consideration of key risks, including the appropriateness of the hostel disposal programme, the ability to secure the required reductions in our central services cost base and the impact of changing economic factors such as inflation and interest rates that could impact the charity and the latest management information available. This included a number of downside financial sensitivities, incorporating reduced trading, incremental costs, and delays to the hostel transition programme. A more extreme worse case scenario, sometimes referred to as a reverse stress test, was also produced, and this removed some of the higher value hostel sales proceeds from the cash forecasts and assumed no reductions in interest rates over the forecast period.

The Trustees have concluded that the charity will be able to meet its liabilities for a period of at least 12 months as they fall due and have plans and resources to manage its business risks successfully and consider it is appropriate for the financial statements to be prepared using a going concern basis.

Basis of consolidation

The group financial statements consolidate those of YHA and of its subsidiary undertaking (see note 14). Subsidiaries are defined as entities where the parent charity has control and derives financial benefit and are consolidated on a line-by-line basis.

3. Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Items in the financial statements where these judgements, estimates and assumptions have been made include:

Retirement benefit schemes

The determination of the pension cost and defined benefit obligation of the Group's defined benefit pension schemes depends on the selection of certain assumptions which include the discount rate, inflation rate, salary growth and mortality. Differences arising from actual experience or future changes in assumptions will be reflected in subsequent periods.

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3. Significant judgements and estimates (continued)

Retirement benefit schemes (continued)

Note 23 provides information on the assumptions used in these financial statements.

The Group also participates in a multi-employer defined benefit scheme, which is accounted for as a defined contribution scheme, administered by The Pensions Trust, who are responsible for the above assumptions in relation to determining the total liability of the overall scheme. As a participating employer, the YHA's share and contribution to the liabilities of the scheme is reviewed and agreed by the Trustees every three years. Under the provisions of FRS 102 this liability is included in these statements on a discounted net present value basis. Further details on the accounting policies relating to the multi-employer defined benefit scheme are provided in notes 4 and 23.

Provisions

These financial statements include provisions for liabilities as at 28 February 2025 that have arisen as a result of a past event, and that are judged probable to materialise at a future date. Where precise factual valuations of the liability are not available, judgement has been used to estimate the size and probability of the liability. Specifically, these provisions include estimates of dilapidation liabilities under property leasehold contracts and are stated on a net present value basis.

Assets under construction

These represent spend and work-in-progress on partially complete assets that are not in productive use in the business. This will principally be (but not exclusively) major refurbishment and development projects in YHA's estate portfolio and business systems/ IT infrastructure projects. Where projects stretch over more than one year the values are reviewed to ensure that the spend still represents a tangible or intangible asset.

Grants

The recognition of grants and capital contributions in these financial statements involves judgements as to whether performance or other relevant entitlement conditions have been met. The recognition of grants in restricted funds involves a judgement as to the Useful Economic Life of the asset to which it relates.

4. Principal accounting policies

Income

Income generated from the operation of youth hostels represents the fair value of the amount receivable by YHA for goods supplied and services provided, excluding value added tax and net of trade discounts. Consequently, the income due from a particular guest is recognised when that guest stays with YHA. Payment received from guests in advance of their stay is recorded as deferred income (see note 18).

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4. Principal accounting policies (continued)

Income (continued)

Membership income is recognised over the life of the membership.

Where hostels have been leased to organisations to provide accommodation for charitable purpose these amounts have been recognised as income.

Income from YHA Trading Limited represents commercial goods supplied and services provided by that YHA company to its customers and income is recognised when the goods or services are delivered. Donations, gifts and legacies are recognised in the statement of financial activities when it is probable that the income will be received, and all entitlement conditions will be met.

The Charity carries out work for government bodies and income under these contracts is recognised once milestones attached to income have been met. Incoming resources on government contracts are included in the statement of financial activities when the Charity is entitled to the income and the amount can be quantified with reasonable accuracy.

In accordance with the Charities SORP (FRS 102), the value of services provided by volunteers is not recognised within these accounts. Information about the valued contribution made by volunteers to the organisation is provided elsewhere in the annual report.

Grants

Revenue grants are credited as incoming resources when they are receivable provided conditions for receipt have been complied with, unless they relate to a specified future period, in which case they are deferred.

Grants for the purchase of fixed assets are credited to restricted incoming resources when receivable.

Income from investments

Investment income is recognised when receivable.

Endowments

Endowment income is credited to the income and expenditure account on a receivable basis. Income from restricted endowments not expended in accordance with the restrictions of the endowment, is transferred from the income and expenditure account to restricted endowments. Any realised gains and losses are retained within the endowment in the balance sheet.

Restricted permanent endowment

This relates to funds where the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

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4. Principal accounting policies (continued)

Endowments (continued)

Restricted expendable endowment

This relates to funds which were permanent endowments but given the small scale of the specific individual funds, agreement was received from the Charities Commission that these could be spent in line with the original objective of each fund.

Fund accounting

Restricted funds are those for which specified purposes were laid down by the donor or grant-giving body. Expenditure for those purposes is charged to the appropriate fund.

Unrestricted funds are donations and other income received or generated for expenditure on the general objectives of YHA.

When grants and donations are received for a specific purpose involving capital investment, the cash will be recorded against a restricted fund. When the investment has been made, the relevant capital asset will be recorded against the relevant fund, and depreciation of the asset charged against the fund. Once any restrictions on the use of the asset have expired, the asset will be transferred from the restricted fund to YHA's unrestricted funds.

Tangible and intangible fixed assets

Fixed asset accounting policy

Tangible and intangible fixed assets are stated at cost, net of depreciation. No depreciation is charged during the period of development or construction.

Depreciation is calculated to write down the cost or estimated residual value of all tangible fixed assets over their expected useful lives. All depreciation is on a straight-line basis, and assets are amortised as follows:

Freehold properties	:	land not amortised
Freehold properties	:	buildings superstructure up to 50 years
Freehold properties	:	buildings sub-structure / other between 10 and 30 years
Leasehold properties	:	long term leases: market value over length of lease
Leasehold properties	:	building shorter of economic life or length of lease
Fixtures & Fittings	:	between 3 and 15 years
Intangible assets	:	up to 4 years

Assets under construction represent spend and work-in-progress on partially complete assets that are not in productive use in the business. This will principally be (but not exclusively) major refurbishment and development projects in YHA's estate portfolio and business systems/ IT infrastructure projects.

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4. Principal accounting policies (continued)

Tangible and intangible fixed assets (continued)

Fixed asset accounting policy (continued)

Assets under construction are carried at cost and are not depreciated until they come into use and are capitalised in the asset register. Where the date of capitalisation is later than the date of productive use, a retrospective depreciation adjustment is made to correct Net Book Value (NBV).

Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss.

Investment in subsidiaries

The consolidated financial statements incorporate the financial statements of the company and entities controlled by the group (its subsidiaries). Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

Investments

Assets held for investment purposes are measured at fair value. Changes in fair value are recognised in the income and expenditure accounts. Fair value is estimated using value at the balance sheet date.

Net gains and losses on revaluations and disposals during the year are included in the statement of financial activities.

Expenditure

Expenditure, which is charged on an accruals basis, is allocated between:

- Expenditure incurred directly in the fulfilment of YHA's objectives (direct charitable). This includes head office support costs which are directly attributed to the operation of youth hostels.
- Expenditure incurred directly in the effort to raise voluntary contributions (membership, fundraising and publicity).
- Expenditure incurred in the governance of YHA. This includes internal and external audit costs, chief executive costs and similar governance costs.

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4. Principal accounting policies (continued)

Staff costs

A range of benefits are provided to employees, including paid holiday arrangements and defined benefit and or defined contribution pension plans. Short term benefits including holiday pay and other similar costs are recognised as an expense in the period in which the service is received.

Redundancy and termination payments

All redundancy and termination payments, including ex-gratia payments and amounts in lieu of notice are charged or accrued as incurred.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions.

Provisions for liabilities

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in the SOFA in the period it arises.

The group recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employers are entitled to carry forward and use within the next 12 months. The provision is measured at the salary cost payable for the period of absence.

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4. Principal accounting policies (continued)

Financial instruments

Financial liabilities are classified according to the substance of their governing contractual arrangements.

Where the contractual obligations of financial instruments are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the statement of financial activities. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability. Financial liabilities are initially recognised at fair value then subsequently at amortised cost using the effective interest method.

Stocks

Stocks are stated at the lower of cost using the first in, first out method and net realisable value.

Leases

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

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

Rentals payable under operating leases are charged to the SOFA on a straight-line basis over the lease term, unless the rental payments are structure to increase in line with expected general inflation, in which case the group recognises annual rent expense equal to amounts owed to the lessor.

The aggregate benefit of lease incentives is recognised as a reduction to the expense recognised over the lease term on a straight-line basis.

Retirement benefits

Defined contribution group personal pension schemes

Contributions payable to the schemes in respect of each accounting period are included in the statement of financial activities in that period.

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4. Principal accounting policies (continued)

Retirement benefits (continued)

Defined benefit pension scheme (closed)

The scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the attained age method on the basis of triennial valuations and are discounted at appropriate high-quality corporate bond rates. The net surplus or deficit is presented separately from other net assets on the balance sheet. A net surplus would only be recognised to the extent that it is recoverable by the group.

The current service cost and costs from settlements and curtailments are included in the statement of financial activities. Past service costs are spread over the period until the benefit increases vest. The difference between interest on the scheme liabilities and the expected return on scheme assets is included in interest payable or investment income as appropriate. Actuarial gains and losses are reported in the consolidated statement of financial activities.

Multi-employer defined benefit scheme

YHA participates in a multi-employer scheme, administered by The Pensions Trust, which provides benefits for 650 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for YHA to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, YHA accounts for the scheme as a defined contribution scheme. The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a “last person” standing arrangement. Therefore, the company is potentially liable for other participating employers’ obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

Where the scheme is in deficit and where YHA has agreed to a deficit funding arrangement, YHA recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Gift aid payment to parent charity

The trading company pays all its taxable profits for the year to its parent charity under the gift aid scheme. These gift aid payments are recognised as distributions to owners in equity within retained earnings.

At the reporting date the Board had indicated its intention to pay the taxable profits to the parent charity in respect of the reporting period. The payment is expected to be made within nine months of the end of the reporting date.

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5. Grants and contracts

	2025 restricted funds (capital) £'000	2025 restricted funds (other) £'000	Total 2025 £'000	Total 2024 £'000
Other grants	**159**	**3,309**	**3,468**	972
Grants receivable in the year	**159**	**3,309**	**3,468**	972

All grants receivable in the year related to restricted funds (see note 25).

Other grants totalling £3,308,619 were received from a range of organisations including the Department for Environment, Food and Rural Affairs for the Generation Green programme (£2,984,363), Sport England (£138,160), the UK Youth Fund (£42,977), Heritage Fund (£41,862) and Pilgrims Trust (£35,674).

6. Charitable income

	2025 £'000	2024 £'000
Income from operating youth hostels	**46,890**	47,119
Membership income received directly by the group	**1,216**	1,070
Total income from operating youth hostels	**48,106**	48,189

7. Investment income

	2025 £'000	2024 £'000
Listed stocks and shares	**19**	25
Cash and deposits	**151**	138
	170	163

8. Interest and financing costs

	2025 £'000	2024 £'000
Net pension cost	**179**	142
On bank loans, overdrafts and other loans	**3,641**	4,111
Financing costs amortised	**—**	99
	3,820	4,352

Interest payable is included within other direct costs (see note 9).

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9. Total expenditure

Due to the structure of YHA it is considered that any allocation of support costs from costs of operating youth hostels would be immaterial.

	Direct staff costs £'000	Other direct costs £'000	Depreciation £'000	Total 2025 £'000	Total 2024 £'000
Costs of operating youth hostels	**24,923**	**30,854**	**4,484**	**60,261**	58,728
Costs of operating YHA Trading Ltd	**2,703**	**2,037**	**–**	**4,740**	4,814
Other fundraising costs	**379**	**25**	**–**	**404**	412
Other costs – governance costs	**–**	**207**	**–**	**207**	269
Total expenditure	**28,005**	**33,123**	**4,484**	**65,612**	64,223

	Total 2025 £'000	Total 2024 £'000
Depreciation comprises:		
Depreciation on owned tangible assets	**3,951**	4,056
Depreciation on owned intangible assets	**207**	218
Depreciation on tangible assets held under finance lease	**–**	15
Impairment on owned tangible assets	**326**	–
	4,484	4,289
Other direct costs comprise:		
Repairs and maintenance of buildings – ongoing	**4,061**	3,680
Repairs and maintenance of buildings – dilapidation provision	**92**	64
Fuel, heat and light	**3,344**	4,122
Food and beverage costs	**5,443**	5,633
Activity and transport providers	**770**	769
Restructuring costs (including redundancy)	**286**	257
Travel	**658**	723
Communication costs	**502**	528
Cleaning and laundry	**2,899**	3,070
Interest payable	**3,820**	4,352
Marketing and publications	**784**	645
Insurance	**740**	691
Auditors' remuneration – audit for the year	**104**	110
Auditors' remuneration – audit for prior year recognised in the current year	**8**	31
Auditors' remuneration – non-audit services taxation (inc.IXBRL)	**8**	8
Auditors' remuneration – non-audit services grant assurance work	**9**	–
Operating lease rentals – land and buildings	**2,420**	2,280
Operating lease rentals – fixtures & fittings	**899**	1,123
Other direct costs	**6,275**	4,340
	33,122	32,426

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10. Trustees and employees

All Directors are Trustees and all Trustees are Directors.

	Group	
	2025	2024
	£'000	£'000
Staff costs during the year were as follows:		
Wages and salaries	**24,161**	23,551
Social security costs	**1,861**	1,774
Other pension costs	**858**	840
Redundancy costs	**126**	266
	27,006	26,431

The average number of employees of YHA during the year was 1,110 (2024: 1,164). The full-time equivalent number of employees was 636 (2024: 669).

The annual salary of the Chief Executive in 2024/25 was £134,918 per annum (2024: £133,397). The Chief Executive is not a Trustee of the charity. The Chief Executive used payroll giving to make charitable donations to YHA totalling £5,658 in the year.

The Board of Trustees neither received nor waived any emoluments during the year (2024: £nil).

Total redundancy and termination payments during the year were recognised as an expense. Included in the redundancy costs are compensation payments of £52,388 (2024: £92,860) made to six employees. Where redundancy, termination and compensation payments were made they were managed in line with policy and authorised appropriately.

The number of other staff whose total emoluments, including termination payments, for the year exceeded £60,000 was as follows:

	2025	2024
£60,000 - £69,999	**11**	10
£70,000 - £79,999	**3**	4
£80,000 - £89,999	**2**	4
£90,000 - £99,999	**—**	1
£100,000 - £109,999	**1**	—
£110,000 - £119,999	**1**	2
£120,000 - £129,999	**—**	—
£130,000 - £139,999	**1**	1
£140,000 - £149,999	**—**	—
£150,000 - £159,999	**—**	—
£160,000 - £169,999	**—**	—
£170,000 - £179,999	**—**	1

During the year YHA awarded a pay review to staff of 3%. Overall, the size of the Executive and the senior leadership team reduced in the year as part of wider changes.

YHA made payments totalling £320,027 (2024: £46,730) into defined contribution schemes for 17 (2024: 17) of these employees.

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10. Trustees and employees (continued)

The key management personnel of the parent charity, the Trust, comprised the Trustees, the Chief Executive, two Executive Directors and the Finance Director. The total earnings, including benefits and employer pension contributions, of these key management personnel of YHA were £513,146 (2024: £633,688).

Out of pocket expenses were reimbursed to Trustees as follows:

	2025 number	2024 number	**2025 £'000**	2024 £'000
Travel and attendance at meetings	**23**	13	**2**	2

During the year no goods were purchased from companies in which Trustees held an interest. No amounts were owing to such companies at the end of the financial year.

The remuneration of the key management personal is determined by the Board's Remunerations Committee. In determining this, the Committee makes use of external consultations and comparisons to ensure that the pay and emoluments of YHA staff are fair in value to those having similar responsibilities and circumstances in organisations in the not for profit and commercial sectors. Salaries are set at the lower quartile of recognised industry wide benchmark surveys.

11. Charitable company results

The charitable company has taken advantage of Section 408 of the Companies Act 2006 and has not included its own income and expenditure account in these financial statements. The results of YHA are summarised below:

	2025 £'000	2024 £'000
Total income	**59,709**	55,123
Total expenditure:	**(60,871)**	(59,409)
Net (expenditure)	**(1,162)**	(4,286)
Net investments gains	**67**	16
Net (expenditure)	**(1,095)**	(4,270)

During the year the charitable company received a gift aid donation amounting to £1,276,961 (2024: £1,010,000) from its trading subsidiary.

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12. Tangible fixed assets (group and company)

	Freehold L&B £'000	Long leasehold L&B £'000	Short leasehold L&B £'000	Fixtures, fitting & equipment £'000	Assets under construction £'000	Total £'000
Cost						
At 1 March 2024	77,100	22,405	22,575	19,735	1,021	142,836
Transfers	662	—	22	103	(787)	—
Additions	1,511	244	248	178	173	2,354
Disposals	(7,331)	(5,225)	(413)	(7,231)	—	(20,200)
At 28 February 2025	71,942	17,424	22,432	12,785	407	124,990
Depreciation						
At 1 March 2024	28,644	9,244	16,372	17,305	—	71,565
Transfers	(4)	4	—	—	—	—
Provided in the year	2,032	640	675	604	—	3,951
Impairment	—	144	153	29	—	326
Disposals	(3,916)	(899)	(411)	(7,029)	—	(12,255)
At 28 February 2025	26,756	9,133	16,789	10,909	—	63,587
Net book amount						
At 28 February 2025	**45,186**	**8,291**	**5,643**	**1,876**	**407**	**61,403**
At 29 February 2024	48,456	13,161	6,203	2,430	1,021	71,271

All tangible fixed assets were used for charitable purposes.

Tangible fixed assets with a carrying value of £52,050,000 (2024: £59,726,000) (corresponding to freehold land and buildings) are charged as security for the charity's bank loan.

The net book amounts stated above include freehold property held under finance leases and similar hire purchase contracts of £925,000 (2024: £925,000).

Depreciation of assets held under finance leases and similar hire purchase contracts was £nil (2024: £15,000) on freehold property.

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13. Intangible fixed assets (group and company)

	Software £'000	Assets under construction	Total £'000
Cost			
At 1 March 2024	1,863	90	1,953
Transfer	90	(90)	–
Additions	309	45	354
At 28 February 2025	2,262	45	2,307
Depreciation			
At 1 March 2024	1,408	–	1,408
Provided in the year	207	–	207
At 28 February 2025	1,615	–	1,615
Net book amount			
At 28 February 2025	**647**	**45**	**692**
At 29 February 2024	455	90	545

The depreciation for the above is reported under depreciation on owned intangible assets under note 9.

14. Fixed asset investments

Total fixed asset investments comprise:

	Group		Company	
	2025 £'000	2024 £'000	**2025 £'000**	2024 £'000
Interest in group undertakings	**–**	–	**1**	1
Other fixed asset investments	**1,103**	1,036	**1,103**	1,036
Market value	**1,103**	1,036	**1,104**	1,037

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14. Fixed asset investments (continued)

Interests in group undertaking

At 28 February 2025 the charitable company held 100% of the allotted share capital of the following:

	Country of incorporation	Class of share capital held	Company number	Capital and reserves £	Result for the financial period £
YHA Trading Limited	England and Wales	Ordinary shares	05373368	100	1,276,961

	£'000
YHA Trading Limited	
Turnover	6,400
Expenditure	(4,740)
Result for the period before tax	**1,660**

Other fixed asset investments

Group and company

	£'000
Market value as at 1 March 2024	1,036
Additions	271
Disposals	(295)
Realised loss	16
Unrealised gain	75
Market value at 28 February 2025	**1,103**

At 28 February 2025 the other fixed asset investments were held as follows:

	2025 £'000	2024 £'000
Listed stocks and shares	**1,085**	1,030
Cash	**18**	6
Market value at 28 February 2025	**1,103**	1,036

There were no specific investments that represented more than 5% of the portfolio by market value.

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15. Stocks

Group and company

	2025 £'000	2024 £'000
Goods for resale	**293**	293

16. Debtors

Group and company

	2025 £'000	2024 £'000
Trade debtors	**658**	441
Prepayments and accrued income	**974**	1,327
Other debtors	**1,618**	1,356
	3,250	3,124

17. Creditors: amounts falling due within one year

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Bank loans	**42,737**	48,569	**42,737**	48,569
Trade creditors	**1,752**	2,153	**1,752**	2,153
Amounts due to group undertakings	**—**	—	**1,449**	1,066
Social security and other taxes	**1,938**	2,100	**1,938**	2,100
Other creditors	**238**	209	**238**	717
Accruals	**2,708**	2,780	**2,707**	2,780
Deferred income (note 18)	**10,752**	10,977	**10,752**	10,469
	60,125	66,788	**61,573**	67,854

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18. Deferred income

Group and company

	2025 £'000	2024 £'000
At 1 March 2024	**11,848**	10,120
Released during year	**(11,848)**	(10,120)
Deferred during year	**11,408**	11,848
At 28 February 2025	**11,408**	11,848
The deferred income consists of:		
Advance bookings	**11,364**	11,630
Un-allocated cash receipts	**44**	218
	11,408	11,848
Creditors: amounts falling due within one year	**10,752**	10,977
Creditors: amounts falling due after more than one year	**656**	871
	11,408	11,848

19. Creditors: amounts falling due after more than one year

Group and company

	2025 £'000	2024 £'000
Deferred income	**656**	871
Other amounts	**54**	58
	710	929

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20. Provision for liabilities

	General provisions £'000	Dilapidation provision £'000	Total provisions £'000
Balance at 1 March 2024	49	1,505	1,554
Released during the year	(49)	—	(49)
Arising in the year	79	92	171
Balance at 28 February 2025	**79**	**1,597**	**1,676**

The general provision includes the holiday balances accrued as a result of services rendered in the current period and which employees are entitled to carry forward.

The dilapidations provision represents obligations for rented properties, assessed at the time of the lease in accordance with FRS 102 and reviewed by the director of property to determine whether there should be an increase to the provision for each lease each year.

21. Bank loans

Bank loans are repayable as follows:

Group and company 2025

	Within one year £'000	After one year and within two years £'000	After two years and within five years £'000	After five years £'000	Total £'000
Bank loans	42,737	—	—	—	**42,737**
Other loans	—	—	—	—	**—**
Finance leases	—	—	—	—	**—**
Total borrowing	42,737	—	—	—	**42,737**

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21. Bank loans (continued)

Group and company 2025

	Within one year £'000	After one year and within two years £'000	After two years and within five years £'000	After five years £'000	Total £'000
Bank loans	48,569	–	–	–	**48,569**
Other loans	–	–	–	–	**–**
Finance leases	–	–	–	–	**–**
Total borrowing	48,569	–	–	–	**48,569**

The bank loans are secured by fixed charges over certain properties of YHA and a floating charge over all the assets of YHA. Interest (excluding margin) is charged at variable rates.

The loan with HSBC matures on 31 December 2025.

22. Financial instruments

Group

	2025 £'000	2024 £'000
Financial assets measured at amortised cost		
Trade debtors	**658**	441
Other debtors	**1,618**	1,356
Cash	**11,973**	9,108
	14,249	10,905

	2025 £'000	2024 £'000
Financial liabilities measured at amortised cost		
Bank loans	**42,737**	48,569
Trade creditors	**1,752**	2,153
Accruals	**2,707**	2,780
	47,196	53,502

Docusign Envelope ID: 8B315DF0-B5B4-4F44-A502-193EC919D8C0

23. Retirement benefits

Group and company

Historically YHA has operated a number of different Pensions Schemes:

A final salary defined benefit scheme administered by the Pensions Trust. This scheme is now closed but the residual liabilities of this scheme are disclosed within our accounts in line with FRS 102 Section 28 definitions.

YHA employees also had the opportunity to join the Pensions Trust Growth Plan. This is a multi-employer scheme which has progressed through four versions (or Series).

Although set up as defined contribution schemes, because of the guaranteed benefits they offered, Series 1 & 2 have subsequently been deemed to be defined benefit schemes. Series 3 which carried a guarantee that the value of investments would not fall, has also now be re-classified as a defined benefit scheme. Only Series 4 can be classified as a defined contribution scheme. Although Series 1 to 3 are defined benefit schemes as defined within FRS 102 Section 28, YHA is unable to identify its share of the underlying assets and liabilities of the schemes. Accordingly, the contributions have been accounted for as if they were defined contribution schemes.

YHA operates a defined contribution scheme administered by Scottish Widows as well as the auto enrolment pension scheme for all new employees (and for those existing employees who were not members of either the Growth Plan or the defined contribution scheme). All auto enrolment contributions are paid into the People's Pension administered by People's Partnership.

Defined benefit pension scheme

YHA operated a defined benefit pension scheme for the benefit of staff. The assets of the scheme are administered by Trustees in funds independent from those of YHA and its subsidiary undertaking.

Pension costs are assessed, on a triennial basis and in accordance with the advice of a qualified actuary using the projected unit method. The assumptions, which have had the most significant effect on the results of this year's valuation are those relating to the assumed discount rate used to value the scheme's liabilities, the rate of return on investments and the rates of increase in salaries and pensions.

In order to minimise future liabilities, the scheme was closed to new entrants at 31 December 2002, and to future accrual from 31 December 2011.

A full actuarial valuation was carried out at September 2023, which showed that the value of those assets was sufficient to cover 75% of the benefits that had accrued to members, after allowing for expected future increases in earnings.

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23. Retirement benefits (continued)

Pension cost

The charge for the year was as follows:

	2025 £'000	2024 £'000
Defined benefit scheme — expenses	**88**	88
Defined contribution pension schemes	**561**	548
Multi-employer defined benefit scheme	**297**	292
Net (expenditure)	**946**	928

Included within the multi-employer defined benefit scheme contributions above are amounts of £601,774 (2024: £576,087) relating to additional contributions as part of the recovery plan agreed with the Pension Trust.

The above charge is exclusive of top up contributions for the final salary pension scheme of £291,060 (2024: £286,466).

In accordance with FRS 102 the net pension liability of the defined benefit scheme is included on the balance sheet of YHA. The most recent actuarial valuation of the scheme has been updated by an independent qualified actuary, taking account of the requirements of FRS 102 to assess the liabilities of the scheme at 28 February 2025. Scheme assets are stated at their market value.

The principal assumptions used by the actuary were:

	2025	2024	2023	2022
Inflation CPI	**2.8%**	2.8%	2.9%	3.3%
Rate of increase in salaries	**3.0%**	4.0%	5.0%	3.6%
Rate of increase of pensions	**2.7%**	2.7%	2.8%	3.1%
Rate of increase for deferred pensions	**3.1%**	3.2%	3.2%	3.6%
Discount rate	**5.5%**	5.2%	5.1%	2.6%

The post-retirement mortality assumptions used to value the liability at 28 February 2025 is based on the SAPS table S3PXA (all pensioners – Pensions Amounts) with a scaling factor of 0% (pre-retirement) and 116% (post-retirement) projected using CMI-2023 improvements with a 1.5% pa long term improvement rate for males and a 1.25% long term improvement rate for females.

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23. Retirement benefits (continued)

The split of assets in the scheme and the expected long-term rates of return were:

	2025 value £'000	2024 value £'000	2023 value £'000	2022 value £'000
Equities	**474**	1,232	456	2,656
Bonds	**5,583**	1,673	1,730	4,945
Property	**766**	1,426	1,683	1,977
LDI	**4,476**	6,852	6,615	8,312
Other	**3,994**	4,788	5,835	7,170
Total market value of assets	**15,293**	15,971	16,319	25,060
Present value of scheme liabilities	**(19,217)**	(19,675)	(19,378)	(28,166)
Net pension liability	**(3,924)**	(3,704)	(3,059)	(3,106)

The movement in the deficit in the year, included in the financial statements, was as follows:

	2025 £'000	2024 £'000
Contributions	**88**	88
Additional contributions	**602**	576
	690	664
Net contributions less expenses of the scheme	**(164)**	(113)
Expected return on pension scheme assets	**822**	827
Interest on pension scheme liability	**(1,001)**	(969)
	347	409
Actuarial loss (see below)	**(568)**	(1,054)
	(221)	(645)
Deficit in scheme at beginning of year	**(3,704)**	(3,059)
Deficit in scheme at end of year	**(3,924)**	(3,704)
Actual return less expected return on pension scheme assets	**(1,165)**	(1,001)
Experience gains and losses arising on the scheme liabilities	**(41)**	(982)
Changes in the assumptions underlying the present value of the scheme liabilities	**638**	929
Actuarial (losses)/gains	**(568)**	(1,054)

The net of the expected returns on pension scheme assets and interest on pension scheme liabilities of £179,000 (2024: £142,000) is shown in interest payable. Changes in the present value of the defined benefit obligation are as follows:

	2025 £'000	2024 £'000
Opening defined benefit obligation at 1 March	**19,675**	19,378
Interest cost	**1,001**	969
Actuarial (gains)/losses	**(597)**	53
Benefits paid	**(862)**	(725)
Closing defined benefit obligation at 28 February	**19,217**	19,675

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23. Retirement benefits (continued)

Changes in the fair value of plan assets are as follows:

	2025 £'000	2024 £'000
Opening fair value of scheme assets at 1 March	**15,971**	16,319
Expected return	**822**	827
Expenses	**(164)**	(113)
Actuarial losses	**(1,165)**	(1,001)
Employer contributions	**690**	664
Benefits paid	**(862)**	(725)
Closing fair value of scheme assets at 28 February	**15,292**	15,971

	2025 £'000	2024 £'000	2023 £'000	2022 £'000
Fair value of scheme assets at 28 February	**15,292**	15,971	16,319	25,060
Present value of defined benefit obligation at 28 February	**(19,217)**	(19,675)	(19,378)	(28,166)
Deficit in the scheme	**(3,924)**	(3,704)	(3,059)	(3,106)
Experience adjustments on scheme assets	**(1,165)**	(1,001)	(9,310)	1,641
Experience adjustments on scheme liabilities	**(41)**	(982)	(1,504)	(150)

Multi-employer defined benefit scheme

Under the definition set out in FRS 102, the Pensions Trust Growth Plan Series 1, 2 and 3 are multi-employer pension schemes. YHA is unable to identify its share of the underlying assets and liabilities of the schemes. Accordingly, the contributions have been accounted for as if they were defined contribution schemes.

Schemes 1 and 2 closed to new members in 2001, members of scheme 3 have the opportunity to remain in the scheme or join the Scottish Widows defined contribution scheme. The last actuarial valuation concluded and published by the Pensions Trust was at 30 September 2023. The assets and liabilities and comparison to the previous triennial valuation in September 2020 were as follows:

	30 September 2023 £ million	30 September 2020 £ million
Assets	**515.0**	800.3
Present value of liabilities	**(531.0)**	(831.9)
Deficit	**(16.0)**	(31.6)

As part of the 2023 valuation, the Pension Trustee agreed a change to the scheme's investment strategy. The expected investment return is based on Gilt yields plus 1.35% per annum, up from Gilt yields plus 1.05%.

The liabilities of £531.0m include an amount of £19.0m to fund a reserve for future scheme expenses.

The deficit of £16.0 million represents a funding level of 97%.

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23. Retirement benefits (continued)

Multi-employer defined benefit scheme (continued)

As part of the 2023 valuation a new recovery plan has been agreed to remove the scheme's deficit of £16.0m. This will take effect from 1 April 2025 and the new recovery plan end date is 31 March 2028.

Multi-employer Pension Scheme movements

	2025 £'000	2024 £'000
Balance at 1 March	**120**	244
Paid in the year	**(122)**	(133)
Interest expense	**3**	9
Decrease in liability	**267**	–
Balance at 28 February	**268**	120

In May 2022 we were notified by the Trustee of our Schemes that it has performed a review of the changes made to the benefits of both the defined benefit and multi-employer defined benefit schemes over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. This process is ongoing, and the matter is unlikely to be resolved before late 2025 at the earliest. It is recognised that this could potentially impact the value of Scheme's liabilities, but until Court directions are received, it is not possible to calculate the impact of this issue with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.

24. Endowments

Permanent endowments

Group

	At 1 March 2024 £'000	Realised gain £'000	Unrealised gain £'000	**At 28 February 2025 £'000**
Wilderhope Funds	138	2	8	**148**
Richards Bequest	427	8	24	**459**
Peter Grant Fund	84	2	4	**90**
Peter Grant Endowment Fund	106	2	5	**113**
Merseyside YH Golden Jubilee Trust	136	–	1	**137**
	891	14	42	**947**
Expendable endowments	145	3	8	**156**
	1,036	17	50	**1,103**

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24. Endowments (continued)

Permanent endowments (continued)

The Wilderhope Manor Fund and the Wilderhope Fund were created to provide financial support for the continuing use of Wilderhope Manor as a youth hostel.

The Richards Bequest generates income to pay for providing "various equipment for inside and outside sports & games, and material for handicrafts".

The Peter Grant funds were given to generate income for the maintenance of our hostels, (the endowment fund) and to give disadvantaged youngsters the opportunity to experience YHA.

The Merseyside Youth Hostel Golden Jubilee Trust endowment provides assistance, financial or otherwise to "enable needy or disabled young persons to enjoy the benefits of youth hostelling activities".

Also included in the company are investments in YHA Trading Limited of £100.

25. Restricted funds

Group and company

	At 1 March 2024 £'000	Incoming resources £'000	Expenditure £'000	Transfers to/from unrestricted fund £'000	**At 28 February 2025 £'000**
Breaks 4 Kids/No Child Left Behind	293	396	(466)	—	**223**
Small hostels fund	387	6	(50)	—	**343**
Capital grants and donations	3,065	159	(118)	—	**3,106**
Revenue grants and donations	15	3,309	(3,310)	—	**14**
Other	163	20	(50)	(4)	**128**
	3,923	3,889	(3,994)	(4)	**3,814**

	2025 £'000	2024 £'000
Restricted funds (capital)	**3,106**	3,065
Restricted funds (other)	**708**	858
	3,814	3,923

The Breaks fund has been a long-standing fundraising appeal designed to give financial support to groups of disadvantaged youngsters and provide the opportunity of a stay with YHA. Over the last few years we extended this project for our No Child Left Behind appeal.

The Small Hostels Fund is supplemented by donations and legacies from people wishing to support the maintenance and development of YHA's small rural hostels. Donations of £6,000 (2024: £67,000) were gratefully received in the year with £50,000 being spent from the fund this year to support the refurbishment of a number of hostels throughout the network.

During the year capital grants of £159,000 (2024: £102,000) were received.

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26. Analysis of net assets between funds

Group

	Unrestricted funds £'000	Realised funds £'000	Endowment funds £'000	Total £'000
Tangible fixed assets	58,297	3,106	—	**61,403**
Intangible fixed assets	692	—	—	**692**
Investments	—	—	1,103	**1,103**
Current assets	14,808	708	—	**15,516**
Current liabilities	(60,125)	—	—	**(60,125)**
Long term liabilities	(2,386)	—	—	**(2,386)**
Pension liability — Defined benefit	(3,924)	—	—	**(3,924)**
— Multi-employer	(268)	—	—	**(268)**
	7,094	3,814	1,103	**12,011**

Company

	Unrestricted funds £'000	Realised funds £'000	Endowment funds £'000	Total £'000
Tangible fixed assets	58,297	3,106	—	**61,403**
Intangible fixed assets	692	—	—	**692**
Investments	—	—	1,104	**1,104**
Current assets	14,808	708	—	**15,515**
Current liabilities	(61,573)	—	—	**(61,573)**
Long term liabilities	(2,386)	—	—	**(2,386)**
Pension liability — Defined benefit	(3,924)	—	—	**(3,924)**
— Multi-employer	(268)	—	—	**(268)**
	5,646	3,814	1,104	**10,563**

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27. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2025 £'000	2024 £'000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	**565**	(3,021)
Adjustments for:		
Depreciation	**4,158**	4,289
Impairment losses	**326**	—
Pension contributions to reduce liabilities	**(892)**	—
Pension cost expenses non cash	**164**	113
Pension net interest non cash	**179**	142
Borrowings — non cash items (amortisation)	**—**	99
Gains on investments	**(67)**	(16)
Gains on sale of tangible fixed assets	**(6,833)**	(5,512)
Interest charge	**3,641**	4,210
Investment income — cash element	**(170)**	(163)
Increase in stock	**—**	(13)
Increase in debtors	**(125)**	(485)
(Decrease)/increase in creditors	**(970)**	984
Increase in provisions	**122**	21
Net cash provided by operating activities	**98**	648

28. Analysis of cash and cash equivalents

	2025 £'000	2024 £'000
Cash in hand	**11,973**	9,108

29. Reconciliation of net cash outflow to movement in net debt

	Group	
	2025 £'000	2024 £'000
Increase/(decrease) in cash	**2,865**	(2,330)
Cash inflow from movement in debt and lease financing	**5,832**	10,663
Change in net debt resulting from cashflows	**8,697**	8,333
Non cash changes	**—**	—
Movement in net debt	**8,697**	8,333
Net debt at 1 March	**(39,461)**	(47,794)
Net debt at 28 February	**(30,764)**	(39,461)

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30. Analysis of changes in net debt

	At 1 March 2024 £'000	Cash flows £'000	Non-cash changes £'000	**At 28 February 2025 £'000**
Cash in hand and at bank	9,108	2,865	—	**11,973**
Debt due within one year	(48,569)	5,832	—	**(42,737)**
Debt after more than one year	—	—	—	**—**
Finance leases	—	—	—	**—**
	(39,461)	8,697	—	**(30,764)**
Cash in hand and at bank	9,108	2,865	—	**11,973**
Total borrowing & finance leases	(48,569)	5,832	—	**(42,737)**
	(39,461)	8,697	—	**(30,764)**

31. Capital commitments

	2025 £'000	2024 £'000
Contracted for but not provided for in these financial statements	**149**	251

Capital commitments are included for any remaining expenditure required to complete major projects. This is intended to reflect YHA's commercial intent and any material commitments to full completion of these projects and may be in excess of the contractually binding liability as at 28 February 2025.

32. Leasing commitments

Operating lease and rental payments fall due as follows:

Group and company

	2025		2024	
	Land and buildings £'000	**Other £'000**	Land and buildings £'000	Other £'000
In one year or less	**2,277**	**102**	2,367	816
Between one and five years	**9,464**	**175**	9,502	121
Between five and twenty-five years	**58,352**	**—**	58,363	—
Twenty-five years or more	**96,874**	**—**	100,881	—
	166,967	**277**	171,113	937

YHA holds leases on 7 properties beyond 25 years giving rise to a £167m FRS 102 calculated commitment.

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33. Transactions with Trustees and other related parties

There were no transactions with Trustees other than those disclosed in note 10.

As YHA Trading Limited is a wholly owned subsidiary of YHA, YHA is exempt from the requirements of FRS 102 Section 33 to disclose transactions with this company.

34. Post balance sheet events

Since the year end, and as part of the plan to focus efforts on a smaller number of core strategic hostels, we have completed the sale of three hostels to third parties.

The combined sales value of these transactions was £6.0m, with an associated net asset value including disposal costs of £1.3m. Upon completion of the sales, £3.5m of the HSBC loan was repaid.

A further 6 hostels remain on the market with a potential sales value of around £3.0m.

On 9 September 2025 a loan extension to 31 August 2027 was put in place with HSBC, this included a term loan of £34.4m and a Revolving Credit Facility of £5m.

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35. Consolidated statement of financial activities for the year ended 29 February 2024

	Note	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2024 £'000	Total 2023 £'000
Income						
Income from charitable activities	6	**48,189**	**—**	**—**	**48,189**	41,746
Income from trading activities (YHA Trading Limited)	14	**6,063**	**—**	**—**	**6,063**	5,068
Donations, gifts and legacies		**453**	**343**	**—**	**796**	1,512
Grants receivable	5	**—**	**463**	**—**	**463**	972
Investment and similar income	7	**138**	**25**	**—**	**163**	33
Total income before net gain on disposal of tangible fixed assets		**54,843**	**831**	**—**	**55,674**	49,331
Net gain on disposal of tangible fixed assets		**5,512**	**—**	**—**	**5,512**	7,555
Total income		**60,355**	**831**	**—**	**61,186**	56,886
Expenditure						
Costs of charitable activities	9	**57,969**	**1,028**	**—**	**58,997**	55,069
Costs of trading activities (YHA Trading Limited)	9	**4,814**	**—**	**—**	**4,814**	4,058
Fundraising	9	**412**	**—**	**—**	**412**	353
Total expenditure		**63,195**	**1,208**	**—**	**64,223**	59,480
Unrealised (losses)/gains on investments	24	**—**	**—**	**(18)**	**(18)**	26
Realised gains/(losses) in investments	24	**—**	**—**	**34**	**34**	(81)
Net (expenditure)/income before tax and refinancing costs		**(2,840)**	**(197)**	**16**	**(3,021)**	(2,649)
Transfer between funds	25	**7**	**(7)**	—	**—**	—
Net (expenditure)/income after transfers*		**(2,833)**	**(204)**	**16**	**(3,021)**	(2,649)
Other recognised gains and losses						
Actuarial loss on defined benefit pension scheme	23	**(1,054)**	**—**	**—**	**(1,054)**	(386)
Actuarial gain on multi-employer pension scheme	23	**—**	**—**	**—**	**—**	7
Net movement in funds		**(3,887)**	**(204)**	**16**	**(4,075)**	(3,028)
Fund balances brought forward at 1 March 2023		**11,210**	**4,127**	**1,020**	**16,357**	19,385
Fund balances carried forward at 29 February 2024	26	**7,323**	**3,923**	**1,036**	**12,282**	16,357

All income was from continuing operations.
*Information up to and including net income/expenditure represents the information required by the Companies Act 2006.
The accompanying accounting policies and notes form an integral part of these financial statements.

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We are YHA.

We transform young lives forever through travel and real adventure.

Because where you go changes who you become

stay | join | give | volunteer yha.org.uk

YHA (England & Wales), Trevelyan House, Dimple Road, Matlock, Derbyshire DE4 3YH Company No. 00282555 Reg. Charity No. 306122

YHA (ENGLAND AND WALES)

England & Wales - Charity number 306122

Accounts

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Annual report

2023 / 2024

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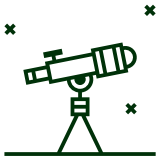
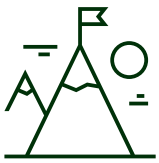


Vision

Everyone has access to the benefits of adventure, for the first time and a lifetime.

By 2030, every child is able to stay away from home, travel, experience adventure and access the outdoors, nature, culture and heritage. YHA will work with others to end the inequity that means some children have never been to a beach, visited a museum or rolled down a hill.



Mission

To enrich the lives of all, especially young people, by providing brilliant hostel stays and experiences that improve physical health, mental wellbeing and life skills.

Charitable objects

To help all, especially young people of limited means, to a greater knowledge, love and care of the countryside, and appreciation of the cultural values of towns and cities, particularly by providing youth hostels or other accommodation for them in their travels, and thus to promote health, recreation and education.

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We are YHA.

We believe in the power of travel and adventure. To connect people to each other, to nature and the outdoors, to culture and to heritage.

Since 1930, YHA has operated a unique network of hostels throughout England and Wales – a community of shared spaces, open to all and for the benefit of everybody.

We provide inclusive adventures, in extraordinary buildings, in amazing places – welcoming over a million people each year. Yet we offer much more than accommodation.

YHA is a sector-leading residential provider, a champion of inclusive volunteering and work experience, and an Investors in People Gold employer.

We are a large social enterprise leading the way in sustainable social tourism and nurturing partnerships that deliver impact across multiple sectors and at every level – in our communities, in our regions, and nationally.

Over 90 years on from our pioneering beginnings, our founding principles and determination to achieve social good remain at the heart of what we do.

We are YHA.

Because where you go changes who you become.

Public benefit statement

Our Trustees give careful consideration to the Charity Commission's general guidance on public benefit during our planning processes and delivery of our work.

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Foreword

Welcome to YHA's annual report for 2023/24.

It has been yet another challenging year for our beneficiaries, our supporters and our charity, with the cost-of-living crisis and steep inflation compounding the lasting damage of COVID-19.

Mounting costs and financial shocks have devastated the hospitality sector, caused considerable challenges for schools and the wider youth sector, and left people much less able to afford travel and adventure.

In this context, to mitigate the impact on our charity, in May 2023, YHA's Board of Trustees agreed a recovery and transformation plan focussed on taking the necessary steps in growth, cost savings and network changes to secure YHA's long term financial security. Despite the significant rise in our cost base and the pinch to consumer purses, I am glad to report that we have successfully delivered Year 1 of our Recovery Plan which sets us on the path back to surplus by the end of 2025/26.

Throughout 2023/24 we have made savings in central and network costs and made significant headway in delivering the network strategy. We are in the process of concluding our programme of rationalisation of city sites and have transitioned a number of hostels out of the strategic network this year. Happily, our new franchise operating model has proved attractive to a number of entrepreneurs and we look forward to working in partnership to offer quality hostel experiences at these new franchised sites.

Though decisions around savings and network changes are tough, they are necessary and mean we end the year with greater stability. Yet we know the hard work must continue to maintain tight control over our cost base to keep us on track for recovery.

There is much to be proud of in this report. Despite the external challenges, guided by our 2020 strategy and thanks to the energy and commitment of our people — both staff and volunteers — we are very pleased to have delivered the majority of our impact targets this year.

In 2023/24, we have made strident steps forward in diversifying access and reached more young people with challenging lives. For example, through No Child Left Behind funding we've made sure more young people can access the rite of passage that is the first night away from home on a school residential; through our second annual Festival of Walking we've bolstered the confidence of beginners, helping newcomers to reap the benefits of time outdoors; with our Outdoor Citizens programme we're tackling inequalities in access by distributing funding to grassroots organisations; and with the YHA Breaks Programme we've funded respite stays for groups of young people coping with challenges that make travel hard to access.

We couldn't do this alone. This year can be characterised as one in which we've demonstrated the power of partnerships to deliver impact at scale. In the following pages we pay tribute to the organisations, community groups and strategic partners enabling us to make such a big difference to our beneficiaries.

Hostelling has long been a model for sustainable tourism. This year, our green credentials and energy saving measures continued to blossom with significant progress against our environmental plan. We are proud of the work we're doing to increase access to National Parks, National Landscapes and the cultural hubs of towns and cities — sustainably and for everybody.

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Affordable access to adventure is crucially important to the health and wellbeing of the nation – particularly after the damage, disruption and dismay of recent years. YHA brings people together in spaces designed to encourage social interaction and nurture friendships new and old. Through these amazing places, we connect people to each other, to nature and to heritage. This is a vital service to individuals, communities and society at large. I am inspired every day by the unique ability of YHA to enhance and change lives – especially those of young people.

As we approach the mid-point of our 2020-2030 strategy, and as we continue our journey to recovery, we must make best use of our limited resources and maximise our impact. In the following pages, as well as looking back over the challenges and achievements of the last 12 months, we look forward too – and outline the work we're doing to set out a new roadmap for impact so we can better measure the difference we make.

Before you delve into the detail of the report, I'd like to take this opportunity to thank you for supporting YHA. With your continuing support, we aim to achieve even more in the year ahead.

Margaret Hart, Chair

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Key Performance Indicators (KPIs)

KPI	Delivering YHA's charitable objects	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Target 2023/24	**Actual 2023/24**
Number of people staying at YHA overnight	To help all	1,024,964	N/A	455,515	817,220	885,000	**857,922**
Those who stay with us, benefit from our provision and support, our employees and volunteers, reflect the demographics of England and Wales. Percentage of job applications from people from ethnic minority backgrounds.		N/A	N/A	N/A	43%	35%	**55%**
Number of young people staying at YHA overnight	Especially young people	412,652	N/A	114,879	265,207	310,000	**302,483**
Young people as a % of the total number of people staying at YHA overnight		40%	N/A	25%	32%	35%	**35%**
Number of young people with challenging lives staying at YHA overnight	Of limited means	4,875	N/A	3,346	8,382	11,000	**13,973**

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KPI	Delivering YHA's charitable objects	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Target 2023/24	**Actual 2023/24**
Young people with challenging lives as % of young people staying at YHA overnight	Of limited means	1.2%	N/A	2.9%	3.2%	3.5%	**4.6%**
Number of young people with challenging lives staying overnight, adjusted to include a proportion of young people who come as part of a school residential		N/A	N/A	N/A	N/A	18,600	**21,205**
Young people with challenging lives, adjusted to include a proportion of young people who come as part of a school residential, as % of young people staying at YHA overnight		N/A	N/A	N/A	N/A	6%	**7%**
Customer satisfaction score	Particularly by providing youth hostels or other accommodation for them in their travels	89%	N/A	93%	87%	88%	**87%**

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KPI	Delivering YHA's charitable objects	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Target 2023/24	**Actual 2023/24**
Financial performance – annual trading cash surplus/ (deficit) (excluding depreciation, impairment costs, capital grants and profit on asset disposals)		£1.5m	(£11m)	(£6.3m)	(£6.1m)	(£5.6m)	**(£5.5m)**
Financial performance – annual net income/ (expenditure) – as per financial statements		(£1.3m)	(£14.3m)	(£9.3m)	(£2.6m)	(£3.6m)	**(£3m)**

We use the trading cash deficit position as the key financial measure to monitor our financial performance.

In addition to the above KPIs, from a governance and compliance perspective, the Board and its committees received regular reports covering the following key areas:

- Environmental sustainability
- Loan covenant compliance
- Reportable incidents
- Employee engagement

Impact KPIs are not available for 2020/21 as the hostel network was closed during the majority of the year due to COVID-19 restrictions.

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Commentary

Overnights

Overall, we met the majority of our targets, with 5% more people and 14% more young people staying than the year before. We were particularly pleased to see a 66% increase in the number of young people with challenging lives staying with us. This reflects our work to improve the targeting of support through programmes such as No Child Left Behind which funds residentials for pupils at risk of missing out (see page 40) and the Breaks Programme which supports trips for groups of young people and groups of families (see page 24).

The targets we narrowly missed were the total number of people staying with us and the total number of young people staying with us.

Whilst the total number of overnights came in above target, the total number of people staying with us is slightly (3%) below target. This is a reflection of longer stays driven by a higher proportion of group bookings.

The total number of young people staying at YHA overnight is below target due, in the main, to the loss of almost 5,000 National Citizen Service (NCS) participant numbers over Q2 and Q3. However, 35% of guests were young people which is up from 32% the year before.

Measuring our impact on young people with challenging lives

This year, we have improved our accuracy in reporting the number of young people with challenging lives staying with us.

As you can see from the KPIs, we have given two figures to demonstrate our impact. The first is young people who have had a directly funded stay — through YHA's Breaks Programme, a proportion of NCS participants, young people from Alternative Provision, and young people from special schools. The second gives a truer picture as we have added young people with challenging lives who stay with YHA through education residentials.

This second, more reflective total, means that the percentage of young people with challenging lives staying with YHA as a proportion of the total number of young people staying with us reached 7.1% last year. This puts us well on the road to reaching our longer-term target of 10%.

Customer satisfaction

Despite financial challenges limiting the amount we can spend on the fabric and furnishings of our buildings, we are pleased to report that we have maintained customer satisfaction levels, producing another strong performance this year. This performance is reflective of the commitment and dedication of our friendly, helpful teams who are often recognised by guests in positive feedback.

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Three-year Recovery Plan

Our three-year plan for recovery aims to return YHA to surplus by the end of 2025/26.

The plan has three key elements:

- 30% growth in trading contribution of the strategic network — a core network of YHA-owned hostels
- 20% savings in central costs — facilitated by a smaller network, efficiencies and a revised central staff structure
- hostel network strategy and the delivery of transition — moving some hostels out of direct YHA management and, where possible, into franchise

Delivery of the Recovery Plan began in 2023/24 and the objectives of Year 1 were achieved.

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2023/24 Operating Plan projects

Ensuring financial sustainability

Educational groups growth

Delivering growth of income and impact

Central services optimisation

IT and Digital transformation

Evolving the strategic network

Transition network

Foundations and underpinning priorities

Equity, diversity and inclusion

Environmental sustainability

People strategy

Membership and supporter engagement

Key

- ■ Primary focus
- □ Priority project
- ⁚⁚ Supporting project

The 2023/24 Operating Plan came out of the major piece of work to map YHA's three-year journey to recovery (shown opposite), with the three key elements of growth, savings and network transition. The Board agreed the Recovery Plan in May 2023 and it is guiding our pathway back to financial sustainability.

The diagram above shows the 11 priority projects of the 2023/24 Operating Plan. These bring together our income, impact and educational groups growth plans; our focus on maximising opportunities within our strategic network of hostels; delivery of change of ownership and operation of hostels transitioning out of the YHA-owned network; our plans for IT and digital transformation; the optimisation of our central services; and underpinning projects which support our recovery and enable our long-term strategy.

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Ensuring financial sustainability

"Doing good requires doing well." The words of YHA's first Chair in 1930 are as true today as 94 years ago. Our primary focus is on ensuring financial sustainability. Without this, we cannot deliver our impact. After the challenges of recent years, our task is to maintain stability in the short term and achieve sustainability for the longer term.

In February the Board set a budget for 2023/24 of a deficit of £5.6m (before accounting for depreciation, impairment costs and other adjustments). This reflected expectations of continued post-COVID trading recovery to nearer 90% of pre-COVID levels, but also the reality of a full year of significantly higher costs which cannot be covered by price increases. A combination of higher prices in energy, laundry and food, plus higher interest rates increased costs by c.£2.5m over 2022/23's already high levels. The Government's 9.7% increase in the National Living Wage, while very welcome to team members, added another c.£1.75m to our annual cost base.

In May the Board approved longer term plans to support YHA's recovery in this very challenging financial context, agreeing a five-year financial plan which will provide the basis for discussions on extending YHA's loan financing arrangements with our bank, HSBC. The Board also approved a recovery and transformation plan which focussed on taking the necessary steps to secure YHA's long term financial security, while ensuring we continue to drive forward our impact as a national charity and increase the number of people, especially young people, who benefit from a stay with us. KPMG completed a high-level review of our plans and provided assurance that our approach was robust and appropriately balanced ambition with caution.

As the year progressed, though our trading revenues were up on budget, significant and long-lasting inflationary pressures across our cost base and interest rates rising above Bank of England projections saw us fall behind budget mid-year. By the end of the summer season, we were facing a significant shortfall. This forced us to make tough but necessary decisions, reducing costs wherever possible in both the network and our central services.

Thankfully the combination of a strong trading performance and an energetic drive to economise meant we finished the year slightly better than budget and we achieved Year 1 of our Recovery Plan.

Delivering growth of income and impact

Growth of income and impact are fundamental to financial sustainability and to our vision and mission. In 2023/24 we sought to achieve optimal trading and pricing of our products to maximise growth opportunities and diversifying those who pay to stay, are funded to stay, and those who access YHA in other ways.

Over the year, we completed a comprehensive review of opening patterns; reviewed our Book Direct strategy; further integrated our sales, marketing and digital strategies; strengthened our partnerships; developed our fundraising streams; and revisited our Theory of Change as part of a project to review and prioritise activities against a refreshed impact framework.

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Book Direct for the best price guaranteed – now with improved Ts and Cs

In September 2023 we delivered a significant step change in support of our Book Direct strategy for family and individual bookings by revising the terms and conditions we offer to customers booking through online travel agents (OTAs). This, along with a revision of refund terms and conditions on yha.org.uk, has helped us optimise our online trading.

OTAs help us bolster our exposure to the hospitality market and attract new customers. However, this comes with the payment of commission. To bring as many bookings as possible directly through yha.org.uk, we manage the use of OTAs carefully – ensuring that the best price, product availability and member discounts are available only via our own website.

Previously, some OTAs have been able to offer more favourable cancellation terms than yha.org.uk, specifically in the offer of book now, pay later. With a booking administered by a third party, it is difficult for us to communicate with customers and – on encountering no shows – challenging to recoup the cost of the stay if customer card details are inaccurate.

This year, in our efforts to reduce YHA's reliance on OTAs and boost direct bookings, we made a strategic decision to roll out non-refundable terms and conditions to OTAs. In December 2023, we introduced simpler refund terms and conditions to yha.org.uk bookings for families and individuals – moving to an 80% refund if bookers cancel before noon on the day prior to arrival, with no refund available after this cut off.

Taken together, these two changes mean we can offer more favourable terms to customers booking direct while simplifying the process for YHA. As a result, we have seen an uplift in the proportion of customers booking direct with YHA.

Overall, a +19% increase in traffic to yha.org.uk and a 13% uplift in online revenue has been achieved in 2023/24. Our search engine optimisation efforts are driving user engagement and conversions, with 41% of our online revenue attributed to Organic Search.

Diversifying our user base to broaden our impact

In pursuit of our strategic priority to ensure that YHA is for everyone, we have delivered projects and programmes to increase the scale and breadth of our reach. Diversification of our user base is important to the growth of both income and impact. We've achieved this through targeted support alongside the provision of outdoor activities designed to encourage new people across our hostel thresholds. Acting together with like-minded charities and other organisations has enabled us to attract a more diverse range of people to join those already engaged in our universal offer of brilliant hostel experiences in amazing places.

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YHA Festival of Walking 2023

In autumn we held the second annual YHA Festival of Walking. Established the previous year, the six-week festival aims to encourage more people from more walks of life to go walking. And, through the programme of events and offers, we hope to increase YHA's profile as a resource for walkers so that even more people understand the opportunities our places and spaces offer them – whether as a place to pick up a route map and local advice, or a destination to refuel at the end of a hike.

The 2023 festival performed really well – with almost all objectives met and targets achieved or exceeded. This year's programme engaged more people, involved more hostels, and delivered a wider variety of walking opportunities.

The YHA Festival of Walking is an impact programme that helps us build new partnerships and serve new beneficiaries. We are fortunate to have attracted some great partners in Sport England, The Pilgrim Trust and Cotswold Outdoor who have helped seed fund the festival. They provide ongoing funding to support its annual delivery costs and activation bursaries that help grassroots organisations engage a broader range of people in walking.

Social walks

34 guided walks with **607** participants

20 organisations led walks with **12** doing so for the first time

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Feedback from participants was overwhelmingly positive. Here are the results of the YHA/BMC-led social walks post-walk survey:

100%

of participants said the walks were well organised and they'd take part again

90%

said it boosted their confidence and desire to walk more often

80%

said the walks improved their health

16%

had never visited or stayed at a YHA hostel before

94%

said they were now more likely to stay at a YHA hostel

97%

said they were now more likely to stop off at a YHA café

88

equivalent net promoter score, with most people saying that they would recommend the YHA festival to others

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Main motivations for joining in:

1. the confidence of walking with a professional guide
2. meeting new people
3. feeling safe walking with other people
4. wanting to explore a new area

Feedback

from BMC-led walk participants feedback

“

I wanted to write to say how much I enjoyed the social walk today from YHA The Sill [at Hadrian’s Wall]. The event was very well organised, the group were really friendly, and it has given me the confidence to attend more of these events and even plan my own walk. I will also consider staying at a YHA site in future too.

”

“

Me and my sisters came from Coventry today. You don’t see many people like us walking. We shouldn’t have been so nervous; everyone was brilliant, so welcoming. We loved the coffee and cake at the end and thanks for the new walker’s booklet. Can you keep it going?

”

from the accessibility walk from YHA Malham

“

An excellent welcome from the YHA staff again and the cake was magnificent! Thank you to YHA for providing a ‘RevoLOOtion UK Vehicle for Change’ for people to use on our walk.

”

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from the Brecon Beacons National Park walk from YHA Brecon Beacons

“

What a fantastic time we had. The weather was perfect, the route was amazing, and both Alan and Ben were brilliant guides. In particular, Alan’s knowledge of the geology, which he was so keen to pass on, was fascinating. Even the cakes at the end were superb. Please pass on our thanks to everyone involved. We will definitely be looking out for any more YHA walks in the future.

”

from the Navigation Skills walk from YHA South Downs

“

I saw the day advertised on a YHA email and thought it would just be a walk with a bit of map reading. How wonderfully surprised I was. Cathy was brilliant. Clear and informative and included everyone. I had previously carried out my bronze, silver and gold navigation skills courses at YHA Edale but had forgotten, through lack of use, much of it and found the day an excellent refresher. You covered everything that I’d probably done incredibly clearly making sure that the whole group understood. You included all sorts of useful information, but I thought at the right level. I am now completely inspired to take my map out and reinforce all that I learnt.

”

from the National Trust

“

It was great to be working with YHA — it feels like such a mutually beneficial partnership which can grow from the festival to include more day-to-day working.

”

Abby Chillingworth, National Trust volunteering and communities manager for the Peak District

YHA is now a national delivery partner in a National Trust-led walk leadership initiative called ‘Walk Together: The Community Walk Leaders Pathway’ which aims to develop walk leaders from under-represented ethnic minority groups. Many of the leading partners and external steering group members are Outdoor Citizens groups who enjoyed bursary funded day walks and residential stays during the festival. (See page 51 for more on the Outdoor Citizens community for practitioners.)

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Self-guided walks with our maps

By the start of the 2023 festival, 185 route maps had been produced. They feature circular walking routes from over 60 hostels and empower people to undertake self-led adventures. Routes included a number of accessible options and ranged in difficulty from easy, through moderate, to severe or challenging. They're free to use and can be downloaded from YHA's website, accessed via the OS Maps App, or people can pick up a paper copy in participating hostels.

Acclaimed by industry experts for their clarity, precision and innovation, the maps have been enthusiastically received by walkers, partners and staff.

21,379

map downloads between festival launch and close — a fourfold increase on 2022 downloads

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Engaging a broader range of people in walking

Our target was to activate a minimum of 30 diverse community groups to run safe space walks using a YHA hostel as their base, and to receive positive feedback for these residential and day events.

We exceeded our target and garnered great feedback from groups who valued the events' accessibility and the opportunity to enjoy the outdoors, sense of social cohesion, friendships made and the health benefits of walks.

44
funded group walks

comprised of

15
walks

and

29
residential walking breaks

"I am writing on behalf of our group, Deaf Rhinos, to express our sincere gratitude for the fantastic weekend we recently spent at your hostel. Our stay was filled with memorable experiences, beautiful walks, and valuable team bonding moments. We would like to commend your staff for their exceptional hospitality and assistance throughout our stay. They were consistently friendly, helpful, and understanding of our unique needs as a deaf group. This made us feel incredibly welcome and ensured our stay was enjoyable from start to finish."

Samantha Reid, Year 6 teacher, Representative from Deaf Rhinos, a sports and social club for the deaf and hearing-impaired community — and a member of the Outdoor Citizens community of practice (see page 51 for further information)

"It has helped me to manage my mental health. It has helped me to manage my physical health. It has helped me to build new friendships. It has helped me to feel more connected to my local community. I have been able to try new activities. It has helped me to do more activity than I would have done without the project. I have enjoyed participating in activity as part of this project. The project has given me more confidence to be active."

A participant at Wanderers of Colour's Dorset Community Retreat at YHA Lulworth Cove

"It was great to host a retreat for queer women in Dartmoor. As part of the YHA Festival of Walking we took over a whole hostel and had 30 attendees. Mental health and loneliness can be real challenges in the LGBTQIA community. Yet there are so few permanent spaces designed for LGBTQIA women and those who are non-binary. And most of these revolve around drinking. Having a weekend of walking, yoga and gong baths brought people together and supported wellbeing. Thanks to YHA for supporting this from their great Outdoor Citizens programme."

Representative from out&about, an LGBTQIA group for women and non-binary people

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> “I just wanted to say a massive thank you. We had an incredible time at YHA Edale. The funding supported 14 women to get outdoors. Most of the women had never stayed in a YHA before and for some this was their first time in the hills. It was a very successful event, so thank you.”

Representative from Love Her Wild Manchester, a women’s adventure community

The future of the project

Given its success and with external funding now secured from Sport England, we look forward to a third Festival of Walking in autumn 2024. It will again feature a programme of guided social walks, bursary-funded community group walks and mapped self-led walking routes from hostels for independent adventures. The core themes of the festival are promoting health and wellbeing, learning new walking skills, and making connections with nature and the outdoors. The event is the flagship for our wider YHA Walks aspirations which seek to embed walking as an activity synonymous with YHA year-round.

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YHA Breaks Programme

The YHA Breaks Programme helps young people and families in the greatest need to go on residential trips — usually for two nights. Often the children and young people most likely to benefit from time away are the least likely to access travel and adventure. Through the Breaks Programme, YHA supports those whose life experiences may make things more difficult for them.

In 2023/24, YHA's Breaks Programme supported

1,533 young people

and

360

family members

Targeted support to those who need it most

Charities, community groups and home education network groups based in England and Wales can apply for support to fund a break to a YHA hostel.

We invite applications for groups of young people (26 years and under) or families.

So far, we have supported groups of:

- young carers
- young people with disabilities and/or health conditions
- young people with additional needs
- refugee and migrant groups
- young people and families at risk of being homeless
- young people and families from deprived areas
- young people in the care system or care leavers
- ethnically diverse communities
- LGBTQ+ people

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The Breaks Programme gives children and young people opportunities to make friends, create bonds with others who have similar life experiences, develop life skills, improve mental wellbeing and increase their levels of physical activity.

In many cases, connections made between parents, guardians and carers, through YHA Breaks Programme stays, become longer term associations as they form friendships and support networks. For example, parents of young people with additional needs have gone on to organise their own coffee mornings and day trips to share experiences and advice with one another.

Helping Kids Achieve Community Interest Company Nottingham

This Nottingham not-for-profit focuses on empowering disadvantaged young people at risk of engaging in anti-social behaviour by offering activities and mentoring.

A group of 23 young people stayed at YHA Edale Activity Centre in February 2024 for two nights and completed a full timetable of adventurous activities, including abseiling, Jacob's Ladder and bushcraft as well as many team building activities.

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Evolve Nottingham CIC

Based in the outer estates in the north of the city of Nottingham, in an area of high deprivation, Evolve delivers activities and services to support the local community and to try and mitigate against the impact of deprivation. A core part of their work is to raise aspirations and provide opportunities for young people.

In August 2023, Evolve brought 30 young people and five leaders for a two-night stay at YHA National Forest. As part of the trip, young people built rafts and went canoeing – enjoying a full day of activities at Carsington Water.

“I liked the canoeing. My break here was amazing!”

“I liked it all, apart from the walk!”

“I enjoyed going on the hike and the boats.”

“I’ve tried things that I would never have done before! All the staff are amazing”

“I liked going on the boats. I also liked caving because it made me feel happy in the dark.”

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InterAct Essex

The charity works with young people living with additional needs, physical disabilities and/or long-term health conditions. InterAct Essex is focussed on helping its beneficiaries make informed decisions about their lives, enabling them to fully participate in their community and empowering them to reach their full potential.

In April 2023, a group of families – 23 young people and 16 adults – joined us for an activity break at YHA Holmbury St Mary Surrey Hills. Activities included shelter building, storytelling in the woods around the hostel, a guided walk to Holmbury Hill, a nature scavenger hunt, nature arts and crafts, and bushcraft.

“

[One of the children's] mum passed away in January, and it's really helped [her] to reconnect with her sister and also to meet and make new friends and try new things. It has been the perfect break to take her mind off things and to try new activities. It has been really good for all of us.

”

“

[I] enjoyed walking up Holmbury Hill. Doing the team challenges, especially shelter building. Good wholesome food at YHA. Lovely hosts. Great evening wildlife talk and campfire. Good to talk to other parents in a safe environment.

”

“

I loved watching all of the adults and children working together in small teams and watching all the children making small friendship groups. We have really enjoyed our time here.

”

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Venus Women's Centre

Venus Women's Centre is a charity based in Liverpool in an area of high deprivation that works with an ethnically diverse community, including migrant and refugee families. The charity offers services including counselling, advice on finance and health, and support. Their mission is to empower, promote and support women, young women and their children in developing their potential, recognising their choices, achieving their goals and challenging injustice.

They are a longstanding partner who part fund their trips with us.

In July 2023, Venus brought a group of 70 young people and parents to YHA Edale Activity Centre. They took on the high ropes course, abseiled and enjoyed a number of lower-level confidence-building team activities.

"

[I enjoyed] spending time with my son, seeing him happy. Experiencing new things and meeting amazing people. Thank you so much.

"

"

My children enjoy activities they would never usually have the opportunity to do. Connecting with others and having a great time.

"

"

My favourite part was the hiking it made me feel better and I enjoyed it and the abseiling was amazing because I was scared and then encouraged to do it help me overcome my fear.

"

"

My fav was crate and climbing cos it was really fun and builds me confidence.

"

"

More sheep!

"

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Llamau

Llamau is a registered charity working to eradicate homelessness for young people and vulnerable women.

Founded 30 years ago, the charity has helped over 67,000 people by supporting individuals to recognise their own strengths and by helping them to rebuild their futures. A pilot trip in September 2022 provided the supporting evidence for YHA and Llamau to secure funding from the Police Commissioner of Wales which will provide five trips over two years.

In October 2023, 10 young people joined us for a two-night stay at YHA Brecon Beacons Danywenallt enjoying adventurous activities include kayaking and archery.

> “Greatly enjoyed all aspects, particularly archery.”

> “My favourite thing was everything!”

> “It was a fabulous stay; everything was on point!”

Llamau are also exploring other YHA opportunities for their beneficiaries, including volunteering and work placements.

The gift of a break

The YHA Breaks Programme is wholly funded by fundraised income.

Show your support with a donation and we will turn your gift into a confidence-boosting, hope-inspiring adventure.

yha.org.uk/yha-breaks-programmes

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Looking ahead

Refining our social purpose and impact

Our strategy *Adventure. For the first time and a lifetime.* was published in 2020. The strategy remains our North Star, setting our direction of travel and ultimate aim of increasing access for all.

In 2025 we will reach the mid-point of the strategy. We face a more challenging financial context than in 2019/20 when the strategy was developed — a year in which we recorded record income and impact. In 2024/25 we'll refine our strategic priorities and will mobilise our resources behind the activities that deliver the greatest impact.

To lay the foundations for this process, we revised our Theory of Change in 2023/24.

Theory of Change

Sounds grand. But what does it mean?

- A Theory of Change explains how a given intervention or set of interventions is expected to lead to a particular change.
- It's a specific and measurable description of social change that forms the basis for planning, ongoing decision-making and evaluation.
- It's an interpretation of what we believe based on evidence and experience.

Put simply, it's a roadmap for impact.

Cross-organisational workshops involving Trustees and colleagues from all areas of the charity began in May 2023 and concluded work on the Theory of Change in March 2024. In these workshops, we:

1. discussed the societal need that drives our purpose
2. explored the unique qualities of hostelling, the key components of YHA's impact, and the special nature of what we do as a charity
3. identified our targets for impact, thinking about how we might structure our interventions and activities according to the level of need of our target beneficiaries

From this we have been able to review and reduce the number of strategic priorities. With renewed clarity on how we intentionally deliver impact through our hostel activities, we are now in the process of setting meaningful measures to track our impact. In 2025, we look forward to sharing our revitalised strategy and demonstrating how we'll embed our new Theory of Change into business planning in the short, medium and long term.

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Building on the success of Generation Green

Access Unlimited is a coalition of not-for-profit school residential and outdoor sector providers. It is led by YHA and includes The Outward Bound Trust, Scouts, Girlguiding, Field Studies Council, the English National Parks, and National Landscapes.

Since 2019, the YHA-led Access Unlimited coalition has actively campaigned for funding to provide opportunities for young people to connect to nature and the outdoors to support their wellbeing, careers and learning.

Between spring 2021 and autumn 2022, a landmark project called Generation Green was funded by the Government's Green Recovery Challenge Fund and delivered by The National Lottery Heritage Fund in partnership with Natural England and the Environment Agency.

The 16-month project connected 115,000 young people to nature, created and saved jobs, and helped build an aspirant workforce for a green recovery.

In November 2023, Defra announced that they would dedicate more funding to connect more children with nature, building on the success of the Generation Green project.

YHA is once again able to offer residential places to young people in protected landscapes in England through this funding. YHA will provide over 4,000 fully funded one and two-night Connecting to Nature residentials at youth hostels in England to young people aged 7 to 15 from areas of social disadvantage in England, with the first guests joining us in September 2024. We're delighted to host the project and can't wait to get started!

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Educational groups growth

The picture for schools has been challenging once again. The pandemic is having an ongoing detrimental impact on the attainment gap as pupils struggle with the effects of lost education. The cost of living means schools are having to make budgets stretch further with reduced spending in certain areas. Absenteeism rates and pupil mental health continue to be of concern.

The benefits of school residentials are myriad – in reducing the attainment gap; improving motivation, communication and confidence; and strengthening relationships between pupils and their peers. (For evidence, visit learningaway.org.uk/impact)

YHA is a sector leader and the UK's largest provider of Learning Outside the Classroom (LOtC) accredited sites. We have ambitions for educational groups growth, with the aim of delivering the benefits of residentials to even more young people – quality experiences that teach essential skills and connect pupils with nature and heritage.

To grow, we must look after existing customers and support those who have previously booked with us to continue to do so – particularly considering the challenges schools are facing. Recognising that squeezed budgets at school and at home were putting residentials at risk for some pupils, in 2023/24, we continued to offer funding to struggling schools through No Child Left Behind bursaries.

Looking ahead, to set YHA on the path to growth, we have undertaken significant research and discovery in 2023/24. We reviewed our performance in the previous academic year, analysed our competitors, and achieved a step change in our understanding of our user base through customer insight work.

In 2022/23

we hosted

202,107

overnights in schools bookings

In 2023/24

we hosted

217,806

overnights in schools bookings

an increase of

7.8%

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Fantastic feedback

“

The stay was brilliant. The children had a great time with all the new experiences. There was a good variety of activities to choose from which brought new skills for the children to learn. The staff were extremely welcoming and were all too happy to help with anything.

It was great how the accommodation housed us all in one place which helped the children be settled knowing that we were all together. The use of the games room and the lounge area was a real hit where the children enjoyed some down time with their friends.

The activities were really well organised, and the staff were really clear with their instructions. They got to know the children very quickly and were very encouraging with those who were nervous with some of the activities.

This residential was a valuable and important visit for all of the children. It allowed them to form closer relationships with their peers and build on teamwork skills. They had to step out of their comfort zone and really be brave and trusting of others. This will have had an impact on the children as they move on to high school and equipped them with confidence to tackle new things.

It was imperative that all children had the opportunity to go – no matter their financial circumstances. The bursary funding allowed this to happen and ensure no child was left out of this valuable experience.

”

Samantha Reid, Year 6 teacher, The Cathedral School, Salford, following a residential at YHA Edale, March 2023

Improved groups retention

In 2023/24 we focussed on groups retention by improving our reporting and communications, strengthening our offer by implementing a hostel action plan, and using discounts and bursary funding to assist schools struggling to afford residentials in the current financial context.

The year can be characterised as one in which we have re-established the norms and implemented best practices to ensure our customers feel supported after a difficult three years of change and uncertainty.

We are proactively providing easier routes to rebooking. Our communications continue to improve with the introduction of post-stay follow up with group leaders to remind customers of the benefits of booking early to get the best rate, preferred dates and favourite place. Our combined efforts have contributed to an uplift in retention that we will build on in 2024/25. We are pleased to report that, based on 350 interviews, our education groups guest satisfaction score for 2023/24 was 92.6.

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No Child Left Behind

Launched at Christmas 2021, our No Child Left Behind appeal is raising vital funds to support bursary places for pupils who would otherwise miss out on their school residential.

No Child Left Behind has been generously supported by donors. We thank everyone who has contributed to the £310,000 raised so far.

In 2023/24 we were delighted that the appeal attracted the attention of TV star Larry Lamb who agreed to be the face of the campaign. This brought us much needed engagement on social media and press attention. Our fundraising efforts will continue throughout 2024/25.

Thanks to the money raised, bursary funding continues to be distributed to schools in areas of high social deprivation and to those with high numbers of children in receipt of pupil premium.

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During the 2023/24 financial year NCLB supported

138 schools

and

4,961 children

To date, bursaries have supported 366 schools

The difference support has made

“

Our school is in a deprived area of Derby, with just under 50% of our students eligible for Free School Meals. For this reason, we are even more determined to provide students with a broader education experience and so have developed a ‘Learner Journey,’ in which students in Year 8 experience a residential.

In 2023, we chose to visit Edale as we were aware that, due to our school demographic, we were eligible for a bursary. This was hugely important in determining whether the trip could go ahead, as it meant that we could request a smaller (voluntary) contribution from parents.

In terms of the students, we had a real mix from across the year group, in terms of ethnicity, gender and Special Educational Needs and Disability (SEND). For many of our students, it was the first time they had stayed away from home and the first time they had been out of Derby. Some had never been to the countryside or experienced the wildlife on their doorstep! For this reason, it was incredibly important in terms of developing their ‘Cultural Capital’ and giving them experiences many of us take for granted; again, made possible by the bursary we received.

Whilst at Edale, due to the superb skills of the YHA staff, all students were supported to challenge themselves and push themselves beyond their comfort zone. They developed resilience, communication, team ethos and confidence to be the best they can be. The students had an amazing time at Edale and continually talk about their time there, desperate to know when we can go back!

”

Tracey White, assistant headteacher KS3, The Bemrose School, Derby, following a residential at YHA Edale, April 2023

“

I can’t thank YHA enough for enabling us to take our Year 6 pupils on such a fantastic trip which was thoroughly enjoyed by both pupils and staff. The bursary awarded to us by YHA enabled all of our pupils to take part. Without this the trip would not have been possible. Our school is situated in an area of high deprivation with the majority of pupils living in high rise flats. For many this trip was the first time they had seen the sea and stayed away from home.

”

Caroline McKay, headteacher, Ivybridge Primary School, London, following a residential at YHA Lulworth Cove in September 2023

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“I just wanted to reach out to you and your team to say a huge thank you for the £600 you have so kindly donated towards our school trip. We are always so reluctant to organise trips of this type because we know the limitations some of our families have, now more so than ever, and we never want to be the cause of any kind of stress in our little ones’ lives. However, the funding you have provided for us will really make a difference to some of our children and I just wanted to say a huge thank you for that.”

Chris England, deputy headteacher, Knotty Ash Primary School, Merseyside. The school stayed at YHA Chester Trafford Hall in June 2023

“Our children really enjoyed their trip to Ravenstor. They experienced being out in nature, some, for the first time. They got the chance to be independent, resourceful and resilient. The activities were engaging and productive. Without the bursary we would not have been able to afford to run this trip and the children would have missed this valuable opportunity. Thank you.”

Cathy Foster, deputy headteacher, St Andrew Primary School, Warrington, following a residential at YHA Ravenstor, September 2023

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Hostel network strategy — evolving the strategic network and delivering transition

In the knowledge that 90% of our income and impact comes from 60% of our hostels, yet costs are spread evenly across the network, prior to COVID-19 we embarked on a network strategy aimed at achieving long-term financial sustainability and growing our impact.

The pandemic expedited this thinking. With further financial pressures hitting the charity in recent years, growing volumes and increasing occupancy in this core group of strategic hostels will be fundamental to the charity's future. So too will be the model for changing the shape of the network, as we seek to optimise our operations and rationalise our resources.

In 2022/23, as part of the network strategy, we reviewed the sustainability of our network. In 2023/24 we evolved our franchise offering and identified hostels to transition out of direct YHA ownership. Since 1931, the hostel network has included hostels run by private owners or in partnership with other organisations. In 2023/24, we went to market with a new franchise model — seeking new partners to inject innovation and entrepreneurialism into our unique network by acquiring hostels, taking over their running and management, and working with YHA to provide quality accommodation under the youth hostelling umbrella.

We put 20 hostels on the market in June 2023, with optimism that a number of these sites will remain as hostels and part of the YHA network as franchises. Interest in the properties and our franchise model has been high.

In April 2024, YHA Port Eynon became the first property to fall under the new franchise agreement and — though outside the scope of this reporting period — we are pleased to update that the new franchisees delivered their first stay that same month.

In June 2024, YHA Boswinger, YHA Clun Mill and YHA Dalby Forest became partner properties under franchise.

Most recently, YHA Rowen and YHA Holmbury St Mary became franchises.

We look forward to making further progress with network transition and welcoming more new partners to deliver quality accommodation under the hostelling umbrella.

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The impact of local ownership

YHA Hawes hostel owner, David Miller, a headteacher of a special educational needs school, is passionate about work experience placements for young people with learning difficulties. Becoming a hostel owner means he can create new opportunities for young people with learning difficulties.

He told *The Yorkshire Post*:

“

I know from my work as a head teacher that workplace opportunities for young people with learning difficulties are nowhere near as widely available as they should be. At YHA Hawes we hope to be one of the few businesses linking up with SEND schools and colleges nationally to provide short and long-term placements for 18–25-year-olds in areas such as housekeeping, catering and grounds maintenance. This kind of opportunity can be transformational for the lives of these young people, and I see this as my chance to create something really positive.

”

In June 2023, we were delighted to receive news that the first young person to participate in a supported internship at YHA Hawes had received the offer of paid employment locally. In a letter of thanks, Right2Work (the agency supporting the initiative) celebrated the success of this placement:

“

Adam has had the opportunity to try various different tasks, which has really helped him to self-reflect and learn what kind of job role he would be best suited to. He has also received guidance and constructive feedback from you and the team that has enabled him to develop his knowledge, experience and employability skills. His confidence has grown day by day and he has gained a huge amount from his time working with you.

”

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While we are hopeful that a significant proportion of hostels will become franchises, we know that a number will sadly leave the network. For those properties it is not possible to convert to franchise, as a consequence of the severe financial challenges that face us, they leave the network instead — with the money raised helping to secure the future of those that remain.

In February 2024, YHA Kington left the network to become an independent hostel.

In April 2024, YHA Patterdale also become an independent hostel, for use by an academy trust. YHA Wells-next-the-Sea left the network with a change of use to self-catering accommodation.

Since April, YHA Poppit Sands, YHA Dufton and YHA Llanddeusant have left the network.

Images showing YHA London Thameside

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Rationalisation of our city network

In 2023/24, we made major steps forward with the rationalisation of our city network, completing the sales of YHA London St Pancras, YHA Liverpool Central and YHA Newcastle Central — which continue to run as hostels under a new owner, Kabannas.

YHA Brighton was put on the market in 2023/24 and sold in August 2024.

A refurbishment at YHA London Thameside

YHA London Thameside is a key hostel for school groups in London. Over 2022/23, we completed a partial refurbishment, improving the fabric of the building and adding 55 new bed spaces on the top floor by converting unused staff accommodation into 12 new bedrooms. The hostel reopened to guests in August 2023. We took this opportunity to begin work towards Autism Friendly Award accreditation for the site — using YHA London Thameside as a pilot property to develop our access statement template, a visual story for moving through the hostel, sensory map and new signage.

Since reopening, YHA London Thameside's trading performance exceeded budgets and forecasts, finishing 6.1% up on expected occupancy in the 2023/24 financial year. In the six months between September 2023 and February 2024, a total of 25,493 people stayed. This is a 15% increase on the equivalent period in 2019 — the last time the hostel was open.

An update on YHA Bryn Gwynant

We continue to review options to take forward the major hostel refurbishment at YHA Bryn Gwynant in Eryri (Snowdonia). The project was approved by the Board prior to COVID-19 but had to be put on hold indefinitely when the pandemic hit, and the hostel remains mothballed. We are actively exploring options to take the project forward, including through partnership working at the site, and we look to unlock new sources of funding to support the refurbishment and reopening of the site.

A principled approach to shaping the network

The network strategy principles set out that YHA will seek to maintain the best possible network size, viably, supported by new models of ownership and operation.

To achieve our ambitions for improving access to adventure for all, we aim for a continued presence across England and Wales, through the operation of a range of hostel sizes and types offering high standards and maintained in a good state of repair — to be enjoyed by groups, families and individuals.

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By 2026 we will have restructured to focus YHA's own resources on supporting around 30% growth in the core strategic network of YHA owned and run hostels running at higher occupancy and efficiency.

Characteristics of hostels in the strategic network

Hostels in the strategic network generally cater for all markets — families, individuals and groups — and have extended opening patterns, have a good choice of accommodation and usually offer food and beverage.

They are open to all but we see a particular opportunity to increase the number of schools and groups who use them — especially in the quieter winter season. School and group stays are core to our impact for young people.

In these hostels, we see potential for expanding and developing our food and beverage offer to appeal to both residents and café customers. We also see opportunities in a number of these hostels to make small capital investments that will improve user experience and deliver quick returns.

As the number of YHA-owned properties reduces, this will accommodate an increased amount of spend per bed in YHA's strategic network which will help us tackle wear and tear resulting from the need to keep maintenance costs modest through recovery.

Network changes lead to reduced central costs

In the areas where central resource needs are directly linked to the number of hostels, we have been able to make savings in central costs. We have moved to a new operational structure headed up by regional business managers tasked with driving growth in four core operational areas: Lakes; North, Peaks and Wales; South West and Central; and London and the South East. Within these, we have appointed designate operations managers, drawn from our experienced hostel managers, to provide dedicated support — for example to drive forward our Wales strategy and deliver operational efficiencies. For our hostels identified for transition out of YHA ownership over the next three years, we have appointed an experienced operations manager to provide consistent support.

Over the next three years, operations and central support teams will focus on increasing occupancy, growth opportunities, efficiency and consistency.

In other areas, we expect that developments in digital technology, especially around further automation and standardisation of processes involved in the booking journey, will facilitate further savings.

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Central services optimisation

Our target is to deliver a 20% reduction in the cost of central services by 2026. At the close of 2023/24, we have reduced costs by c.12%.

To achieve this, each central services department has been reviewed to identify where potential cost savings and efficiencies lie and how and when they will be realised.

Our approach is to redesign central services departmental structures aligned to the evolving shape of the network that enable us to deliver on growth opportunities. Regrettably for the colleagues involved, a 2023/24 restructure has led to a small number of redundancies in National Office.

With teams reconfigured towards cost savings and achieving growth, we have implemented a recruitment freeze and new resource request process. We continue to closely scrutinise spending.

Developments in the areas of IT, business systems, digital and central sales are supporting the optimisation of our central services.

IT and digital transformation

The evolution of our IT and digital capabilities is fundamental to our ability to deliver the cost savings and efficiencies that will drive YHA forward. The last 12 months has seen us move the dial on digital transformation, with a number of key projects coming to fruition.

In 2023/24 we successfully launched our new Customer Relationship Management (CRM) system after five years of work. For the first time, we will be able to bring together data from across our systems to deliver a single customer view. This will transform our understanding of how customers and members engage with us and allow us to communicate with our supporters much more effectively with fine-tuned, targeted information.

At the end of the 2022/23 fiscal year, we brought web development in house. In 2023/24, we began realising the benefits. Previously, outsourcing our web development significantly increased our costs and decreased efficiency. Over the past few years, agency costs have risen by an average of 20% annually. Furthermore, about half of our web development budget was being allocated to non-developer roles, such as account managers. Agency takeovers resulted in significant disruption, including project delays and lost revenue when there were issues with the website.

By moving to an in-house model, we greatly reduced the hourly rate per developer, significantly lowering project costs, dramatically increasing value for money and giving us complete control of projects. Available development hours have doubled, enabling us to accelerate project timelines and increase our output. We are able to respond three times faster to issues with the website — all of which improves our customer experience.

Deliverables in 2023/24 included integration of our new CRM system with the website, enhanced website performance including improved page speed, clearer product content for YHA Exclusive Hire, and new features which allow users of yha.org.uk to fully manage their own online data.

Looking ahead and responding to user feedback we are working on delivering a clearer view of hostel availability on our website, so that more people can easily find what they want, when they want it.

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Equity, diversity and inclusion

Embedding equity, diversity and inclusion (EDI) into everything we do remains a focus for YHA, in line with our strategic priority to ensure YHA is for all.

In 2023/24 we launched our revised Inclusion Policy and supporting guidance; revised our hostel access statement templates; delivered online and in-person training to staff; connected with EDI leads at partner organisations to support our objectives of adding to and learning from the evidence base; and worked with partners and community groups to develop the capacity of charities and networks led by those with a diverse range of lived experience.

Diversity in the workplace

For information on our commitment to EDI as an employer, including details of inclusive recruitment, training initiatives and benchmarking, please see the People section on page 62.

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Outdoor Citizens

Hosted and administered by YHA, this community for practitioners is a place for people working to increase access to the outdoors to connect (virtually and in person), to share learning, try out innovative ideas and help each other to grow.

Outdoor Citizens is a practical response to achieving YHA's strategic priority of increasing access for all and was founded in the wake of the pandemic which spotlighted and exacerbated inequalities in access to natural space. The pandemic prompted huge growth in grassroots activity — 84% of Outdoor Citizens members only came into existence from 2020 onwards. These new organisations need connections and resources.

Since its foundation in April 2022, Outdoor Citizens membership has grown to include over 100 not-for-profit groups and organisations.

Outdoor Citizens in numbers

113 organisations striving to tackle inequalities in access

6,000 people served by Outdoor Citizens member groups have benefited from funded opportunities

£335,000 of financial support sourced from our funders has been channelled to grassroots organisations to help build their capacity and resilience, delivering more opportunities to improve access for underserved people

7 resource partners support Outdoor Citizens

- YHA (England & Wales)
- All the Elements
- Natural England
- Sport England
- Pilgrim Trust
- Cotswold Outdoor
- Plas Y Brenin

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Membership includes groups supporting

- people from culturally diverse communities
- people from LGBTQI+ communities
- people with disabilities
- people with limited economic means
- people with long term health conditions
- people with mental health conditions
- women and girls

Outdoor Citizens seeks to foster a mutual respect and valuing of the myriad of different ways that people connect with outdoor spaces — recognising that to sustain engagement, and for people to want to protect nature and support its recovery, they need to be able to make meaningful relationships with it.

As the climate crisis continues to deepen, Outdoor Citizens members are at the heart of supporting more diverse audiences to engage in the outdoors and nature in a way that can foster increased meaning and relationships for participants. These are the first steps towards supporting people to potentially develop pro-environmental behaviours and is an important part of wider social and environmental justice.

Membership of Outdoor Citizens provides routes to immediate practical support like funding and training and fosters partnerships and collaborations that make everyone stronger and better able to achieve their shared aims.

Impact of Outdoor Citizens support in 2023/24

- 86% of funded groups were able to attract more people to their activities.
- 41% of funded groups were able to upskill more people to support and sustain their work.
- 90% of funded groups were able to create more opportunities for their communities to be active.

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> The support offered by YHA was outstanding. We were frequently kept in the loop, the application process was seamless, and we were able to deliver a successful event for our community. We look forward to applying for future funding.

Outdoor Citizens member

On participants

- 69% said the funded activity has helped them to manage their mental health.
- 71% said the funded activity has helped them to manage their physical health.
- 66% said they had done more activity than they would normally do as a result of the funded activity.
- 51% said they felt more connected to their community as a result of the funded activity.

> [Outdoor Citizens activity has] broken down barriers for women and especially ethnic minorities. I met like-minded women with similar interests. It was a supportive and safe environment and built my confidence to deal with life obstacles. Had a lot of fun, relaxing, and beautiful location and well organised.

Participant in Outdoor Citizens activity

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Yuvanis Foundation

“

This weekend’s experience was something extremely unique. We have done many other retreats and residential trips before, but this new initiative aimed specifically at less active or inactive South Asian men has opened up a whole new world to us suddenly it seems! The feedback from all the men was extremely positive.

We actually had a few men who were quite reluctant to join us as they have never done hikes before, and were anxious about staying with other men they didn’t know. We had barely reached home on Sunday night and at least two men have already contacted me pleading that we organise something similar again as soon as possible.

It was actually magical to see some of the men who actually have been suffering from social isolation, suddenly come out of their shells, appreciating nature and the outdoors, and going out of their own way to get their hands on everything we did. What made it such an amazing experience was that all the men just wanted to get involved with all the aspects of the trip, from coordinating the transports, to preparing food, and planning the walks and hikes. It was probably our first activity that was almost 100% participant led.

We had one participant who was absolutely ecstatic throughout the whole trip, and kept telling me how everything we were doing was the first time he was experiencing something like that. On our first hike on Saturday, he told me this was the first time in his life he was hiking and that he never knew it would be this fun. It was his first time staying away from his family; his first time joining a communal activity; his first time talking to so many new people; his first time visiting the Lake District; his first time seeing a cave in real life....and the list went on!

We’ve captured hundreds of photos and videos, but honestly, if only the feelings could be captured. I’ve never seen a group of men together so happy, at peace with each other, excited to do simple things like a walk and see nature, eager to help in the kitchen to prepare food, going out of their own way to make others feel comfortable.

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A lot of them are actually now keen to join our local activities now, and have expressed that they will join our bike rides and hikes.

Thanks for all your support to make this happen!

”

Zakir Ahmad, CEO of Yuvanis Foundation, following a funded project that brought 15 men to YHA Grasmere in February 2024

The trip to the Lake District with YHA helped establish the new Yuvanis Men's Wellbeing Hub through a series of outdoor activities incorporating nature connection. The event was designed to support men to have new experiences in nature, to create a sense of community within the group, and to inspire the collaborative design of year-round activities for the group.

Yuvanis Foundation fosters positive change by empowering Black, Asian, and Minority Ethnic (BAME) communities through inclusive engagement and encouragement.

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Curious School of the Wild

“

Thank you so much for all of your support with our YHA residentials. The learning has been incredible and a year ago I could not have imagined our crew would have had these opportunities. We have stayed at Okehampton for adventure activity, Dartmoor for walking, exploring and leaving the county, and then in Boscastle — our first coastal residential — for coastal walks and art as part of the YHA Festival of Walking. Each trip has been so different and offered us opportunities for new skills and experiences. None of our group had never been to Boscastle despite being only 35 minutes away!

”

Nik Elvy, founder of Curious School of the Wild, following a funded stay at YHA Boscastle for 15 young people as part of the YHA Festival of Walking (see page 17 for more on the festival).

Curious School of the Wild has a primary aim of supporting people on low incomes and living in poverty to be able to access the benefits of the outdoors and live good outdoors lives. In their words, “By removing barriers for communities with fewer resources, we naturally make ourselves more inclusive to many others.”

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The impact of Outdoor Citizens on YHA

Equitable and sustainable growth in YHA's user base

While there is no requirement for Outdoor Citizens members to use a hostel as part of their plans, over 60% of funded projects have opted to do so — either by taking refreshment at a YHA café as part of a day walk, by using a meeting room as part of a funded project, or through an overnight stay. Hostels are playing an active role in supporting new audiences to access the outdoors, and to access new places in the outdoors, because of their locations and the infrastructure they offer. There is a direct correlation between hosting Outdoor Citizens and sustainably and equitably growing YHA's customer base in the short and long term.

In 2023/24, we hosted 2,452 Outdoor Citizens stays and experiences.

Refining our accommodation offering through insight

Outdoor Citizens members who receive grant funding are required to complete a post fund survey which includes a short section of the hostel stay experience if this is relevant. The surveys provide valuable insights that can help YHA in its own strategic aim of making sure the hostelling experience is welcoming to all.

The Outdoor Connection 2024

"

There is no space for outdoor leaders like The Outdoor Connection. It's so needed to come together as organisations trying to support more people getting outdoors. We can learn so much from one another, and foster long term connections, to further benefit our communities and wider society. Thanks so much for creating this space.

"

Community group guest, The Outdoor Connection 2024

On the first weekend in March 2024, YHA and All the Elements delivered The Outdoor Connection event at YHA Chester Trafford Hall. The event brings together community leaders from across the Outdoor Citizens and All the Elements networks, as well as partners, funders and brands who are all working to support access to nature and the outdoors. It was a joy to see so many people collaborating, having fun, attending workshops and outdoor activities, and having important conversations about equity and inclusivity in the outdoors.

Friday evening started with a meet and greet and introductions from the hosts and partners including YHA, All The Elements, Natural England, Sport England and members of the Outdoor Citizens community. People gathered around the

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fire pit on the first night to toast marshmallows, where Haroon Mota of Muslim Hikers kept the fire burning well into the night. Bright and early on Saturday, ultramarathon runner Sabrina Pace-Humphreys of charity Black Trail Runners hosted a morning jog around the beautiful surroundings of YHA Chester Trafford Hall. There were workshops throughout the weekend run by community experts on inclusivity, managing stress and burnout, storytelling, financial planning and budgeting, growing from start up to sustainable, plus events including Nordic Walking led by Let's Walk Bristol, and inclusive yoga for all abilities run by Adela from Folds Yoga.

It was a great networking event for finding solidarity and support in the outdoor sector, which allowed everyone the opportunity to be heard, to learn and to grow.

To find out more about Outdoor Citizens and the benefits of membership, please visit yha.org.uk/outdoor-citizens

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Environmental sustainability

As stated in our charitable objects, YHA exists to help all to a greater knowledge, love and care of the countryside. Hostelling is a model of sustainable tourism and exemplifies the sharing economy — be that through the provision of dorms and common spaces, onsite efforts to reduce waste, hostel buildings with eco-credentials, in-hostel displays encouraging green behaviours, or impact programmes designed to nurture the environmentalists of the future. Connecting people to nature means those people are more likely to protect and advocate for it.

Sustainability is considered in all aspects of our operating model and we seek continual improvements to reduce our environmental impact. To date, this includes investing in sustainable infrastructure like solar panels, biomass energy, heat pumps, low-energy equipment, and electric vehicle charging stations. We are also committed to sustainable food and beverage options, such as eliminating single-use plastic bottles from school group packed lunches, installing open-access water refill stations, and offering vegan menu options. Additionally, we have invested in environmentally sustainable cleaning methods for our daily operations.

You can read our detailed statement outlining our long-term commitment to sustainability at https://www.yha.org.uk/environment-policy.

But here's a breakdown of what we've been doing recently.

Energy efficiency

In 2022/23 we assembled a cross-organisational energy project team tasked with identifying the highest priority areas to save energy and costs.

The project team continues to meet monthly and is made up of senior stakeholders from across the organisation. It is responsible for progressing YHA's commitment to sustainability plan and carbon reduction measures.

Local buy-in is central to YHA's environmental strategy. In 2023/24, 47 energy champions have driven energy efficiency from the ground up, conducting site energy audits and embedding best practice in their areas. These champions are hostel managers, team members and maintenance managers, all with a responsibility to bring energy saving ideas to the property team and encourage colleagues to submit sustainability initiatives for investment.

Our immediate focus for funding has been on projects that will generate a quick return. A number of low-level energy saving projects have been funded this year, including the installation of light sensors, LEDs and improved insulation, as well as the purchase of air fryers to save turning on whole kitchens unnecessarily.

We have driven energy efficiency through close monitoring of consumption. Thanks to much improved supplier transparency at site level, hostel managers can now access monthly readings for their property and quickly see if energy saving steps taken the month prior have had the desired effect.

In 2023/24 we have delivered an 8% improvement in our intensity ratio — a measure of efficiency with defines our emissions in relation to revenue. In other words, while we have seen greater occupancy and therefore demand for energy in 2023/24, the increase in our income has outstripped an increase in energy consumption — demonstrating that we are operating more efficiently.

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Carbon saving through recycling

YHA diverts rubbish from landfill through provision of on-site recycling bins and off-site recycling. All our general waste is removed to a materials recovery facility where it is sorted and sent on for recycling or to be incinerated at a 'waste to energy' plant.

In 2023/24, YHA saved

1,571 tonnes

of carbon through recycling

That's equivalent to

driving from London to Edinburgh

17,654

times, or

boiling a kettle non-stop for

111

years

Carbon saving is the net benefit of recycling versus landfill. For example, when we recycle an aluminium can, the carbon saving is the equivalent carbon that would have been used to mine the aluminium ore, transport it and manufacture it into a can. By recycling, we're avoiding all of these processes.

Next steps

We continue to pursue reductions in energy consumption and to increase our collective efforts in recycling.

In delivering our 2024-27 Business Plan we will implement stronger environmental governance in procurement and organisational policies alongside training and education.

To engage both team members and consumers in behaviour change for the benefit of the environment, we'll produce materials and signage that will encourage people to take action.

We are rolling out a salary sacrifice scheme for employees to assist those wanting to move away from diesel vehicles. Longer term, we look forward to making progress with our electric vehicle policy and upgrading YHA sites to offer electrical vehicle charging when feasible.

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People strategy

The overall aim of our people strategy is to ensure that every employee feels passionate about YHA and our shared values. We strive to make our people journey an adventure and develop a culture that has a positive impact on the lives of all who choose to stay, support, work or volunteer with YHA.

Over the course of 2023/24, we completed the annual pay award; launched a new PerkBox recognition and reward platform; rolled out management development workshops; delivered 'going for growth' sessions, aligning our teams behind the organisation's ambitions and objectives; and supported teams through the central services restructure.

Engagement

Each year we conduct an employee engagement survey to health check areas including work/life balance, development, confidence in leadership, teamwork, reward and recognition, and pride in working for YHA, to name just a few. YHA is benchmarked against 21 other organisations. We are pleased to report that our engagement score is on par with these other hospitality and charity sector organisations, with an overall score of 73 vs the benchmark of 75. Encouragingly, employee engagement of people from an ethnic minority background is even higher at 81. As an inclusive employer, we continue to close in on our target of ensuring that our people are representative of the wider population.

Diversity in recruitment and employment

YHA is now attracting candidates from a broader talent pool and we have made significant progress in engaging a broader range of people with a variety of lived experience.

55%

of applicants are from ethnic minority backgrounds
(versus a target of 35%)

5%

of applicants with a disability
(versus a reduced target of 10%)

21%

of employees are from ethnic minority backgrounds*

8%

of employees with a disability

* Since 2022, we have reported in line with government groupings in ethnic diversity monitoring. This includes white minorities in the term 'ethnic minorities'. We are aware of the view that this skews data. For comparison with data from previous definitions, which exclude all white categories, the adjusted figure is 12.4% of employees from ethnic minority backgrounds.

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We continue to look at inclusive recruitment in relation to disability. We are finding that candidates are more comfortable disclosing disability once successful, as part of discussions leading to reasonable adjustments, rather than at application stage due to past bad experiences with other employers where disclosure has prejudiced their application. We have therefore lowered the target for the percentage of applicants with disability.

How do we compare?

The environment and conservation professions are amongst the least diverse in the UK. Racial Action for the Climate Emergency (RACE) is working with organisations to drive transparency that will create the impetus to go further and faster on diversity and inclusion.

In 2023 we submitted data to The RACE Report, along with c.140 other charities, trusts and foundations that predominantly work on environmental, climate, nature or sustainability issues.

The report found that, across the 142 organisations, 6% of staff identify as people of colour and racially/ethnically marginalised groups. As you can see from our figures, we therefore compare favourably with other organisations from the sector.

Inclusivity training

Our equity, diversity and inclusion tactical plan remains on track, with training delivered in key areas of focus for raising awareness and confidence. A range of training sessions were delivered in-person and online in 2023/24, including:

- Equality Impact Assessment training
- inclusive leadership
- dyslexia awareness
- Deaf awareness
- disability awareness
- menopause awareness
- introduction to trans awareness
- unconscious bias for employees and managers
- challenging inappropriate or unwanted behaviours
- respect at YHA

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Gender pay gap report

This year, we made further progress towards eliminating the gender pay gap.

5 April 2023 (949 employees)

Mean	Median
3.6%	**4.4%**

compared to

5 April 2022 (789 employees)

Mean	Median
5.1%	**6.3%**

What the numbers tell us about our gender pay gap

Our average hourly rate paid to females on the mandatory snapshot date of 5 April is 3.6% lower than the average hourly rate paid to males, with a median average pay gap of 4.4%. The data is compared to a snapshot on 5 April 2022 and demonstrates a positive change in both, based on an 18% higher number of employees.

We are pleased that there have been improvements in both the mean showing an improvement of 1.5% and the median showing an improvement of 1.9% — the lowest level since data started being reported. However, as an organisation we continue to strive to eliminate the gap entirely.

Our recruitment policy is focused on recruiting a diverse workforce and based on assessment of suitability of their competence, and on personal choices candidates and our people make around work patterns and work-life balance, not on gender.

We continue to grow and develop our talent from within, wherever possible based on individual's drive and needs. All roles are subject to pay benchmarking using independent tools and pay is adjusted in line with our pay principles: affordability, simplicity, equality, flexibility, and transparency.

There are still difficulties within the hospitality recruitment marketplace and therefore the retention of our workforce and the attraction of talent from every background and lived experience is paramount.

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Membership and supporter engagement

Brilliant hostel stays

In 2023/24, as part of our post-stay survey, we began proactively asking our customers how their YHA stay positively impacted them. Here are a selection of the heartwarming endorsements received.

"By being exactly what was needed when it was needed. By bringing together diverse and delightful people to share travel tales and personal stories with. By reminding me that rich relationships are everywhere. By giving me those fabulous views. Oh. And by providing me with a good night's sleep!"

"Feel refreshed, joyful and better placed to face the world."

"A group of friends spread around the country got together and had a great weekend walking and cycling."

"It provided me with a base for mountain walking. It also put me together with friendly like-minded people from different age groups."

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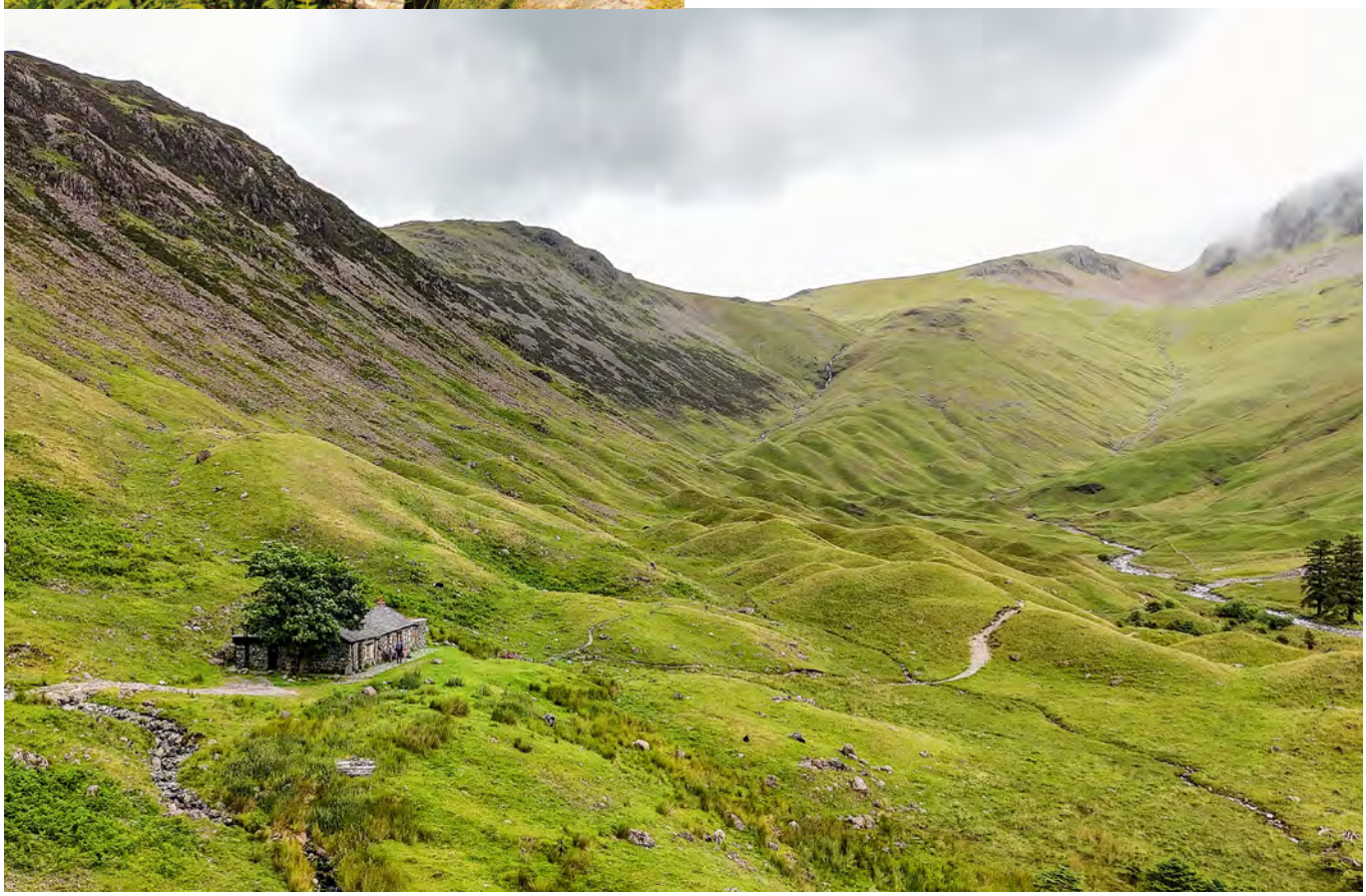
“There’s space to relax and wonderful peaceful surroundings, with the option of socialising with other guests or just sit and read a book.”

“We enjoyed a much-needed family holiday, the kids had the space and security to explore and play and we had time to relax and spend time together in an amazing location for great value.”



“Being in a comfortable, secure and sociable accommodation surrounded by a natural peaceful environment.”

“Needed a girls weekend away, never done a YHA before and was a little apprehensive but excellent, great staff and great value for money.”

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“

Made me happy to see so many people enjoying the outdoors. Something I care deeply about.

”

“

The chance to be out in nature in the mountains very close to the hostel. The beautiful location of the hostel is great to improve sense of wellbeing. Activity in terms of different levels of walking in contrasting terrain is on the doorstep. The friendliness of staff and other hostel guests is great too. Lots of tips for good walks etc. are exchanged. There is also a positive impact on wellbeing from the companionship of other hostel guests, as we share kitchen, dining room and lounge space. There is no comparison with staying in any other type of accommodation.

”

“

By being out in the fresh air and having my coffee by the lake in the morning, lovely scenery.

”

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Membership

132,146

members

A £5 membership pricing uplift came into effect from 15 September 2023. The cost of membership had remained the same for 10 years, yet our fulfilment costs had risen by 20%. With inflation further impacting our cost base, we made the decision to raise the price to help protect the charity from the impact of these price rises.

Membership has remained strong throughout the year with renewal rates at 93%. And we heartily welcome the 21,461 new members who joined us in 2023/24.

Our next steps are a full-scale review of our membership offer to ensure it meets the needs of our members.

Fundraising

Thanks to the generosity of our supporters, in 2023/24 we raised £270,000 from individual donors and regular givers.

Highlights of the fundraising year include our No Child Left Behind appeal to raise money to fund school residentials for children at risk of missing out. The Christmas appeal alone raised £65,000.

Also in 2023/24, we were delighted to be recognised for our legacy and in memoriam fundraising. Our free wills partnership work with the National Free Wills Network was shortlisted for the Smee and Ford Legacy Giving Awards.

It's been a busy year of events too. It was great to welcome donors, long-time supporters, and life members to our eight supporter events held at hostels throughout England and Wales in 2023/24. These events give us the opportunity to bring supporters together with senior leaders at YHA to talk about the importance and impact of our work, the way ahead and the activities through which we raise vital funds to support this unique charity.

Finally, we want to say a massive thank you to the 14 runners who completed the London Marathon for YHA and raised £17,826.82.

There are so many individuals, partners, trusts, foundations, and supportive bodies to thank this year. On page 80 we recognise their contribution.

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Volunteering

This year, we achieved amazing participation through our key volunteering programmes.

£1m

equivalent value

The value of the work done by YHA volunteers exceeded £1m this year, with volunteers contributing a whopping 80,000 hours to support YHA.

c.1200

active volunteers

Last year, we had more active volunteers than employed staff, with a 35% increase in the number of volunteers participating compared to the previous year. Young people make up 50% of active volunteers. Our volunteer base is becoming more diverse, with 21% identified as from Black, Asian and Minority Ethnic backgrounds and 11% identified as having Special Educational Needs and Disabilities.

701

working party volunteers

From painting and decorating to gardening and grounds work, working party volunteers put in great effort to spruce up hostels all over England and Wales. Through intelligent, targeted recruitment we achieved a 70% increase in participation versus 2022/23.

45,000+

hours given via hostel placements

In our first full year back offering hostel placements, 313 volunteers worked alongside teams in 48 hostels to deliver great customer service to our users and beneficiaries.

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Feedback from working parties

“

I’m a YHA member and I love the escape that the hostels offer, with friendly faces, breathtaking spots, and a much-needed breather from the daily grind.

I’m also a member of the Sober Butterfly Collective — an incredible volunteer-powered community committed to helping people to make fun, alcohol-free connections.

The Sober Butterfly Collective are all about creating real, lasting friendships and what could be better than getting our hands dirty for a good cause?

So, I teamed up with Penny at YHA Whitby, and recruited a ‘flutter’ of butterflies to take on the gardens there, diving into a day of laughter, teamwork, and (windy!) sunshine.

Big special thanks to our two YHA garden guru volunteers, and all the YHA staff who looked after us during our visit. It was about so much more than just gardening — it was a day of community and connection.

”

Morgana from Sober Butterfly Collective, following a working party at YHA Whitby, February 2024

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“

I’ve been a lifelong YHA member, but this is my first go at YHA volunteering. My husband encouraged me to get involved, he’s taken part in plenty of working parties through the years. It’s great to get out of the house, visit this lovely hostel in the Peaks and have the chance to meet new people outside my usual circle of friends. But most of all, taking part in this working party seems like a good way to give back. I’ve enjoyed all that YHA has to offer over the years and so what better way to say thank you than by helping get the hostel tidied up... There’s a great volunteering culture here and a shared ethos amongst the working group. It’s clear that YHA continues to mean a lot, to so many.

”

Pam, volunteer participating on a working party at YHA Hartington Hall, February 2024

Feedback from hostel placements

“

Thank you for arranging my volunteer placement at YHA Ilam Hall. I really enjoyed my time there. I think the two main highlights were the very helpful and friendly staff and interesting conversations with the guests. I was also able to use some of my free time exploring Dovedale. Everyone made me feel welcome. They were very patient with me as I was learning new skills. I would be very happy to volunteer again.

”

Helen, following a working party at YHA Ilam Hall in August 2023

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Duke of Edinburgh's Award

YHA is the largest provider of cost-neutral Duke of Edinburgh (DofE) Gold Award residentials. Young people work as part of a team to complete practical tasks such as painting and decorating, gardening and grounds work.

"My DofE Gold Residential at YHA Holmbury St Mary was a smooth, fun and memorable experience. Over the five days there, I had lots of fun hanging out with my group, spending time working in the youth hostel and enjoying time cooking and eating with everyone... It was nice to experience a hostel in a relatively secluded location and be able to take walks to the nearby forest. The best part was, apart from the food costs, the entire residential was paid for — even my journey there and back. For the DofE Gold Residentials available, I think this may be the best option!"

Elliot, DofE Gold Residential participant at YHA Holmbury St Mary Surrey Hills, April 2023

"This is a proper DofE experience — working together, making a visible difference, getting muddy and having a proper laugh with the rest of the group. This is cheap, cheerful and so much more."

Abi, DofE Gold Residential participant at YHA Chester Trafford Hall, October 2023

In summer 2023, we trialled a new National Park DofE Gold Residential in partnership with Peak District National Park. Offered at a fee of £200 to cover bed and full board, the programme was designed to meet demand for low-cost volunteering-based residentials during peak season. Volunteers got involved in conservation work with park rangers in the local area and enjoyed social activities in the evening.

"This residential was the best part of my whole DofE experience. I met some amazing people, including YHA volunteers, National Park rangers and my fellow DofE participants. I learnt a lot more than I expected about the conservation work we were doing and about the Peak District. This residential has increased my confidence so much and has inspired me to get involved in more conservation work in the future and to get out of my comfort zone. Thank you for providing me with this opportunity: it was a once in a lifetime experience that I will never forget!"

Ravdeep, participant of a DofE Gold Residential delivered in partnership with Peak District National Park, July/August 2023

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Finally, we also offer opportunities for young people to complete the volunteering section of the DofE award in a place that suits them — either through local volunteering in hospitality at a hostel nearby or through virtual volunteering where they can hone digital skills in photography, videography, social media and more.

“

I’m completing the volunteering section of my silver DofE award as a social media volunteer, making TikTok videos (explorebritain2023) to promote YHA hostels to other young people. It has been incredibly interesting and thought provoking to learn about all these amazing places in England and Wales. I’m thoroughly enjoying it!

”

Harvey, virtual volunteer July to August 2023

The Big Help Out

We were delighted to showcase some of our volunteering opportunities as part of The Big Help Out in May 2023. Organised by the ‘Shaping the Future’ coalition of National Volunteering charities, of which YHA is a member, the Big Help Out aims to recruit and inspire a new generation of volunteers. The highlight was a day of action on the Bank Holiday of the Coronation Weekend, where YHA ran micro volunteering activities such as litter picking in a range of locations, and found ourselves at the centre of significant media interest, including from various foreign TV channels who were clearly at a loose end in London after the formal Coronation proceedings had ended.

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Bringing together the different threads of support

In delivering the 2024-27 Business Plan we are bringing together our membership, fundraising and volunteering work into one integrated supporter engagement plan. Now that we have more sophisticated capabilities in Customer Relationship Management (CRM), we are able to drive forward our strategy for broadening and deepening engagement. We look forward to harnessing the good will of our supporters and will seek to strengthen people's sense of belonging to YHA and affinity with our charitable cause.

Hostelling International

YHA's collaboration and engagement with Hostelling International continued to strengthen this year, including as a member of the Hostelling International strategy working group, which brings together the larger national not-for-profit associations across the world.

In 2023, we attended the annual European Hostelling Conference and participated in practical and interesting sessions sharing good practice on sustainability, developing school programmes and technology.

We have developed a productive dialogue with colleagues in other likeminded associations, including those from the USA, Australia and Scotland, who have similar challenges of post-COVID recovery and ensuring focus on those activities which maximise both income and impact.

In the year ahead we are particularly looking forward to working with Hostelling International as they hone their social purpose to demonstrate the value of travel for young people in trouble times and communicate the amazing impact programmes happening worldwide.

The hostelling movement is committed to nurturing relationships, learning and understanding between people from different backgrounds within our own countries and across the world, to recognising and celebrating areas of common ground and to respecting difference. These values have never been needed more, and we continue to hold them at the heart of our movement to enable us to play our ongoing part in strengthening intercultural understanding and civil society.

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Financial performance review

	2024 £ million	2023 £ million	2022 £ million	2021 £ million
Revenue from operating youth hostels	**47.1**	40.8	21.3	10.6
Commercial trading income	**6.1**	5.1	3.7	2.0
Donations, grants and legacies	**1.3**	2.5	9.2	12.5
Membership income	**1.1**	1.0	1.0	0.9
Other income including gains on hostel disposals	**5.6**	7.5	0.4	0.3
Total income	**61.2**	56.9	35.6	26.3
Operating costs from operating youth hostels				
Direct operating costs	**(35.1)**	(32.0)	(21.7)	(21.0)
Maintenance costs	**(3.7)**	(4.4)	(3.8)	(2.6)
Central costs	**(11.2)**	(9.9)	(8.6)	(8.2)
Interest costs	**(4.4)**	(3.1)	(1.7)	(1.5)
Depreciation and impairment costs	**(4.3)**	(5.5)	(5.5)	(5.2)
Total operating costs from operating youth hostels	**(58.7)**	(54.9)	(41.3)	(38.5)
Commercial trading costs				
Direct operating costs	**(4.2)**	(3.5)	(2.6)	(1.6)
Central costs	**(0.6)**	(0.6)	(0.5)	(0.2)
Total commercial trading costs	**(4.8)**	(4.1)	(3.1)	(1.8)
Fundraising costs	**(0.4)**	(0.4)	(0.4)	(0.3)
Governance costs	**(0.3)**	(0.1)	(0.1)	(0.1)
Total expenditure	**(64.2)**	(59.5)	(44.9)	(40.7)
Gains from investments	**—**	—	—	0.1
Net expenditure*	**(3.0)**	(2.6)	(9.3)	(14.3)
Restricted Funds	**5.0**	5.2	5.4	5.4
Unrestricted Funds	**7.3**	11.2	14.4	20.8
Total charity funds	**12.3**	16.4	19.8	26.2

*Net expenditure is shown before other actuarial gains and losses in respect of our pension schemes.

We close out 2023/24 having successfully hit our budget and delivered Year 1 of our Recovery Plan, thanks to a strong trading performance and our drive to make savings where possible.

During 2023/24, we have continued to be impacted by several significant factors outside of our control: high inflationary pressures across all our cost lines including energy, particularly evident for the first half of the year, higher than expected interest rates attributed to our loans, and the effects of the cost-of-living crisis on our customers in general. However, it is pleasing to report that by the end of the year we had started to see some easing on our cost base as the inflation rate declined and revised pricing structures on our energy contracts came into force.

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Despite this backdrop of external factors, revenues from operating our hostels at £47.1m were 15% up on those reported in 2022/23.

YHA Camping & Cabins products — cabins, tents, tipis, Landpods, Airstreams and pitch-up camping — proved very popular again and this contributed £2.2m to the income pot, an increase of £0.3m on the previous year.

We continued to offer some of our hostels on a YHA Exclusive Hire basis and this secured £3.0m of income which is £0.6m ahead of the previous year.

In year we reported £5.6m of other income and gains on hostel disposals and this is largely associated with the gain on disposal of four hostels; YHA London St Pancras, YHA Liverpool Central, YHA Newcastle Central and YHA Kington sold as part of our city rationalisation and network transition programme and this has really helped to improve our overall income levels in year. The carrying value of these assets was £11.4m.

Our activities under our commercial trading arm saw increasing revenues as we saw our cafés and other commercial business up 20% year on year.

Donation, grants and legacies continue to play a key part in our in-year performance and our fundraising team worked hard to take advantage of the funding opportunities available. Grants in the year were £0.5m, with monies being received from South Downs National Park Authority, Sport England, the UK Youth Fund and the Pilgrims Trust.

We received £0.35m of legacies during the year and this was supplemented by £0.45m of other donations and gifts. Legacy gifts were significantly down against budget but this is an area of fundraising that's hard to predict.

We work hard to maintain a wide membership base and this helped boost our income levels by £1.1m in the year.

Overall, our total income for the year was £61.2m, £4.3m or 8% above the previous year.

Like other hospitality and charity organisations, 2023/24 has continued to be very challenging from an operating cost perspective. Whilst we have made every effort to reduce our operating costs wherever we could, this has proved difficult given the cost increases we have.

We carefully managed the maintenance programme at our hostels to try to mitigate some of these pressures but we needed to spend £3.7m, £0.7m below the previous year.

The continued hike in interest rates during the year resulted in over £1.3m of additional interest costs in the year, despite paying down £10.6m of the HSBC loan when we sold hostels.

Total expenditure from operating our hostels the year of £58.7m was £3.8m up on the previous year.

The costs incurred by our trading arm increased by £0.7m but this is attributed to the combination of higher sales activity and inflationary pressures.

Fundraising and governance costs remained in line with the previous year.

Our central costs cover a plethora of central and management activities ranging from overseeing our hostel teams and buildings to ensuring we have the infrastructure and systems in place to help to ensure the hostel network runs smoothly. These include our central sales and business development teams, the traditional back office teams, including Finance, IT, and People and other costs that deliver our volunteering programme and special projects. Our overall central costs inclusive of both the charity and trading arm came in at £11.8m, and this included some £0.5m of one-off and other costs

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including redundancy costs associated with the transition programme. Central costs are under constant review and minimised wherever possible.

Total expenditure amounted to £64.2m, which was a £4.7m increase on the previous year. The net expenditure position for the year came in at £3.0m, which is £0.4m higher than the previous year but has been flattered by the £5.6m of gains on hostel disposals.

Our financial performance is constantly monitored against our budget throughout the year and this end of year position is £0.6m better than budget.

Our restricted funds, including our endowment investments, other funds of a restricted nature, for example our Breaks Programme, No Child Left Behind campaigns and small hostel investment fund have seen a small, £0.2m, reduction in the year. Further information on these restricted funds can be found in note 25 on page 141.

The balance of our unrestricted funds has been affected by the challenging financial environment in which we have had to operate and overall we have seen £3.9m reduction in the year.

Going concern

Despite the challenging market conditions encountered during the year, our cashflows have remained strong throughout the period, significantly helped by the sale of the three city hostels in July 2023.

In May 2023 the Trustees approved our three-year Business Plan. This involves a concentrated focus on a smaller number of strategic hostels which will also help us to reduce our central overheads.

As part of this plan, we identified a number of hostels that will move away from being directly operated by YHA and these will either transfer to an alternative model operated by a franchise operator, or other independent party or be sold. As part of this plan some of these hostels were put up on the market in June 2023 and further changes will be made over the duration of the plan.

The first of these hostels, YHA Kington, was sold in February 2024, and since the end of the financial year a further 12 hostels have been sold. The sales proceeds have been used to repay some of our outstanding loans with HSBC with the remaining balances bolstering our cash reserves.

HSBC have continued to support YHA over the last year and, following a short term extension to the loan facility to 31 July 2024, we have now put in place a longer term arrangement that takes us to 31 December 2025.

The Trustees have reviewed our reserves policy and agreed that given the current market conditions and to ensure there are sufficient cash balances to meet our ongoing liabilities and unforeseen financial difficulties that the charity would endeavour to maintain cash reserves of between £6.75m and £7.5m during the year.

The Trustees have also assessed our ability to continue as a going concern. The Trustees have considered several factors when forming their conclusion including a review of updated forecasts to August 2025, a consideration of key risks, including the appropriateness of the hostel disposal programme, the ability to secure the required reductions in our central services cost base and the impact of changing economic factors such as inflation and interest rates that could impact the charity and the latest management information available. This included a number of downside financial sensitivities, incorporating reduced trading, incremental costs, and delays to the hostel transition programme.

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A more extreme worse case scenario, sometimes referred to as a reverse stress test, was also produced, and this removed some of the higher value hostel sales proceeds from the cash forecasts and assumed no reductions in interest rates over the forecast period. The Trustees have concluded that the charity will be able to meet its liabilities for a period of at least 12 months as they fall due and have plans and resources to manage its business risks successfully and consider it is appropriate for the financial statements to be prepared using a going concern basis.

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Thank you

YHA (England & Wales) would like to thank Natural England, Sport England, Pilgrim Trust and Cotswold Outdoor for funding the work of Outdoor Citizens to date; All The Elements as our valued design and delivery partner; and all the Outdoor Citizens members for their work in removing barriers to the outdoors in their local communities and for their role and expertise in making Outdoor Citizens a vibrant and impactful force for change.

Department for Digital, Culture, Media & Sport

The UK YOUTH Fund

Adventures Away from Home

Department of Culture, Media & Sport — Adventures Away from Home Fund administered by UK Youth

NATURAL ENGLAND

Natural England

SPORT ENGLAND

Sport England Together Fund

De Cymru
Comisiynydd yr Heddlu a Throseddu
Police and Crime Commissioner
South Wales

Comisiynydd yr Heddlu a Throseddu De Cymru — Police and Crime Commissioner South Wales

Parc Cenedlaethol Eryri
Snowdonia National Park

CRONFA CYMUNEDAU ERYRI
COMMUNITIES FUND

Cronfa Cymunedau Eryri Communities Fund — Snowdonia Communities Fund

POWERED BY
LEVELLING UP

Funded by UK Government

Horsham District Council

Rural England Prosperity Fund administered by Horsham District Council

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Powys

Llywodraeth Cymru
Welsh Government

Welsh Government Brilliant Basics Programme administered by Powys County Council

CHILTERNS
CONSERVATION BOARD

NORTH WESSEX DOWNS
AREA OF OUTSTANDING NATURAL BEAUTY

Chilterns Conservation Board and North Wessex Downs AONB – Mend the Gap

SOUTH DOWNS
NATIONAL PARK

South Downs National Park

- **Peter Harrison Foundation**
- **The 29th May 1961 Charitable Trust**
- **Charles Brotherton Trust**
- **The C.B & H.H. Taylor 1984 Trust**
- **The Pilgrim Trust**
- **Derbyshire County Council**
- **Friends of the South Downs**
- **Privy Purse**
- **Fisherbeck Trust**
- **Joseph Strong Frazer Trust**
- **The Percy Hedley 1990 Charitable Trust**
- **Pilkington Charities Fund**
- **Gennets Charitable Trust**
- **The James Tysoe Trust**
- **Merrell Fund**
- **Muriel and Gershon Coren Charitable Trust**
- **Ramble Worldwide Outdoor Trust**
- **M&G Foundation**

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Gifts in Wills and In Memory donations

- Priscilla Ayling
- Arthur Barlee
- Peter Bozier
- Thomas Broadbent
- Arthur Brooks
- Ann Brown
- Betty Conner
- Elsley Cooper
- Harry Cooper
- John Denby
- Roger Downer
- Marilyn Drummond
- Margery Elliot
- Mary Furlong
- Janet Glanville
- Janette Hill
- Dr Christel Kessler
- Margaret Norwell
- Mr R Price
- Colin Redmonds
- Kenneth Rossiter
- Barbara Rowett
- Brian Seaton
- Margaret Slack
- Ian Turner
- Margaret Weston

Thank you to everyone who has made a personal donation or given a regular gift. YHA is forever grateful to each and everyone for their amazing support for our charity.

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Remembering Michael Dower

In April 2023 we were honoured to host the celebration of the life of Michael Dower at YHA Castleton Losehill Hall. This was a particularly appropriate venue given Michael's twin roles as YHA Ambassador and former CEO of the Peak District National Park, who used to own the building as an education centre. Over 120 delegates who knew Michael from different parts of his long and distinguished life and career attended, including people who knew him from his time in National Parks, as CEO of the Countryside Commission, as a mobiliser of European-wide rural initiatives, and as a local community activist in Dorset and across Europe.

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Awards

TripAdvisor Travellers' Choice Award 2023

Many hostels have been awarded for their excellence

The Travel Marketing Awards 2023

B2B campaign winner

School Travel Awards 2024

Best Residential Experience finalist

Investors in People Gold

We invest in people, Gold 2013-2024

Smee and Ford Legacy Giving Awards 2024

Shortlisted for our free wills partnership work with the National Free Wills Network

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Risk review

YHA seeks to embed risk management into day-to-day working practices. Leading this is the identification and treatment of the key organisational risks, which comes to the Board for formal review once a year and is tabled at each meeting of the Audit and Risk Committee. More detailed risk registers are also prepared for more specific risks facing individual departments or in respect of significant projects.

The key organisational risks are reported to the February Board meeting. This year, the report identified a total of 15 key risks. Post mitigation, there are two very high risks, , eight medium risks and five low risks.

Very high risk

1.

Financial challenges lead to an inability to fund long-term capital needs.

2.

YHA is unable to return to a cash surplus position and/or breach bank covenants due to reduced trading levels and increasing cost pressures.

Medium risks

3.

Resource shortages impact on hostel operations, central services delivery and ability to deliver the Operating Plan.

4.

Failure to prevent, respond to, or recover from a major cyber security attack.

5.

Lack of employee awareness of data protection or poor data governance leads to a major breach of data protection regulations.

6.

Failure to deliver network transformation as unable to realise sales, terminate leases and transition hostels to franchise in a timely manner and impacts on financial sustainability.

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7.

Inability to deliver IT and Digital change programme quickly enough to support required 30% growth and 20% savings.

8.

Inadequate or ineffective safeguarding policy or practice resulting in, or contributing to, serious harm to a young person.

9.

Lack of investment in hostel standards impacts on revenue, repeat business or customer satisfaction levels.

10.

Lack of investment in IT and Digital solutions leads to service degradation, reduced revenue and failure to meet customer expectations.

Low risks

11.

Lack of investment in the hostel network leads to significant system failure (mechanical or electrical), impacting on ability to trade a major hostel.

12.

Failure to meet our charitable object and deliver our impact targets, and/or demonstrate our commitment to these leads to our assets not being used for the benefit of all.

13.

Environment, Sustainability and Governance: YHA unable to attract funding or new business due to inability to demonstrate a positive Equity, Diversity and Inclusion and Sustainability position.

14.

Environment: Climate change impacting trading and operations due to storm or flood damage in hostels.

15.

Failure to meet Health and Safety regulations.

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Streamlined energy and carbon reporting ('SECR')

We are committed to developing policies and initiatives to support the reduction of greenhouse gas emissions. Energy efficiency and environmental sustainability are considered in all our activities and sustainability is a key part of our 10-year strategy. We continue to have a specific project in the 2024-26 Business Plan to develop our work in this area.

We have set out our commitment and progress towards environmental substitutability on page 60.

We have also published our carbon reduction plan which confirms our commitment to achieving Net Zero emissions by 2050 at the latest and sets out some of the measures that we hope to implement in the future.

We have set up a cross organisational energy management group, which meets on a monthly basis, with the key focus on reducing our energy consumption levels across the network. We will work closely with our energy consultants to implement behavioural focus techniques and process to reduce our consumption levels. We also have an energy consumption KPI into our key KPIs reported to Board.

yha.org.uk/environment-policy

Methodology

This report (including the Scope 1, 2 and 3 consumption and CO2e emissions data) have been developed and calculated using the GHG Protocol — A Corporate Accounting and Reporting Standard (World Business Council for Sustainable Development and World Resources Institute, 2004); Greenhouse Gas Protocol – Scope 2 Guidance (World Resources Institute, 2015); ISO 14064-1 and ISO 14064-2 (ISO, 2018; ISO, 2019a); Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting Guidance (HM Government, 2019).

Government Emissions Factor Database 2023 version 1.1 has been used, utilising the published kWh gross calorific value (CV) and kgCO2e emissions factors relevant for reporting period 01/03/2023–29/02/2024.

The figures below detail the regulated SECR energy and emission sources from the current reporting period as compared to the previous year.

We have seen an increase in the total KWh consumed but this reflects the increased activity within our hostel network and but overall as our level of turnover has increased we have reported an 8% reduction in the intensity ratio.

We will be looking at ways to extend the measures we use to monitor performance by developing further KPIs.

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	2024 energy kWh	**2024 emissions tCO2**	2023 emissions kWh	2023 emissions tCO2
Scope 1				
Gaseous and other fuels	**17,617,470**	**3,662**	17,352,770	3,615
Transportation	**231,923**	**55**	195,044	47
Total scope 1	**17,849,393**	**3,717**	17,547,814	3,662
Scope 2				
Grid-supplied electricity	**7,236,241**	**1,498**	6,472,286	1,252
Scope 3				
Transportation	**467,259**	**113**	383,170	95
Total energy and SECR emissions	**25,552,893**	**5,328**	24,403,270	5,009
Intensity ratio: tCO2e per £m of income from charitable and trading activities	**98**		107	

Scope 1 consumption and emissions include direct combustion of natural gas, and fuels utilised for transportation operations, for example, company vehicle fleets.

Scope 2 consumption and emissions refer to indirect emissions related to the consumption of purchased electricity in day-to-day business operations.

Scope 3 consumption and emissions cover emissions resulting from sources not directly owned by us. This relates to grey fleet (business travel undertaken in employee-owned vehicles) only.

Energy efficiency improvements

We are committed to year-on-year improvements in our operational energy efficiency. A register of energy efficiency measures has been compiled, with a view to implementing these measures in the coming years.

Some of the measures we have in place include:

Energy network manager

We have a business optimisation manager and part of his duties is to act as the lead for energy for our network. He focuses on increasing efficiency throughout the network.

Energy champions

We have energy champions at all of our locations to assist our management teams in bringing down energy consumption across our sites. This includes energy audits which will aid in reducing consumption.

Consumption reduction targets

We have energy consumption reduction targets for all our hostel locations.

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Updated reporting dashboard

We have updated our reporting dashboard to have up-to-date consumption figures for all sites.

External consulting

We use our energy consultants to assist us with our energy efficiency programme and reporting.

Governance and administration

Board of Trustees

Organisation

The Board of Trustees has overall responsibility for the work of YHA, setting strategy, direction and targets. All Trustees are responsible for the decisions of the Board. The YHA Articles of Association, the governing document, govern the Board's conduct.

During 2023/24 the Board met six times. The Board has appointed a number of committees consisting of certain Trustees. As at the date of this report, the following are the principal committees: the Audit and Risk Committee ("ARC"); the Finance Committee ("FC"); the People, Remuneration, Impact and Engagement Committee ("PrieCo"); and, the Nominations Committee ("NomCo"). A task and finish Network Transition Committee has also been established to oversee the implementation of the agreed hostel Network and Capital Strategy approved by the Board.

The Board delegates day-to-day management to the Chief Executive and Executive team.

The Board of Trustees has up to 15 members and may co-opt a further two. None of the Executive, including the Chief Executive, is a member of the Board. The tenure on the Board is a maximum of two, four-year terms. This may be extended if taking up a National Officer position. All the Trustees are unpaid volunteers recruited from the wider YHA membership.

The vote for the election of the Trustees was held online in advance of the 2023 AGM with the result announced at the meeting.

Robert Varley was re-elected to the Board for a further term and Paula Newton and Clare Parsons were appointed as Trustees for an initial term of four years at the AGM on 4 November 2023. Hayley Barnard, Emma Bradley and Gareth Cunningham stood down as members of the Board at the end of the 2023 AGM.

Philip Henderson was co-opted as a member of the Board from the conclusion of the 2023 AGM for a term of one-year.

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Principles of governance

With regard to governance, YHA supports the principles of good governance set out in the Charity Governance Code for larger charities and the continuous improvement model that it promotes. During 2023/24, YHA continued to progress actions to enhance compliance with the provisions of the Code. In addition, Russell-Cooke Solicitors undertook an external governance review in 2021 which focused on two key sections of the Code for larger charities: Integrity; and, Equality, Diversity and Inclusion. The results of the review were positive, and action is ongoing in those areas identified for improvement.

During the year the Chair and the Vice Chair held annual Trustee reviews to discuss the Board's own performance and that of individual Trustees. The Vice-Chair held a performance review of the Chair.

Training

All new Trustees attend an appropriate virtual induction course. The training is based on the guidelines set down by the National Council for Voluntary Organisations (NCVO) and covers:

- Governance — the role and responsibility of Trustees, governance structure and reform, Articles of Association, and key YHA governance documents.
- Briefings on key issues currently being discussed by the Board. Meetings with each member of the Executive team and their support staff to gain an insight into the operational areas of the organisation.
- Trustees are supplied with a comprehensive manual containing key policies and documents and papers from recent and relevant Board meetings.
- Trustees complete safeguarding training annually and upon induction.

In addition, Board workshops are held after Board meetings focusing on key themes to support Trustees in their role. The key workshop in 2023/24 focused on recovery and transformation.

Elections to the Board

Candidates to fill vacancies on the Board in 2023 were proposed by the Nominations Committee (NomCo).

The Board advised the NomCo of the skills, knowledge and experience desirable among new Trustees in order to achieve a balance of skills and experience in the Board of Trustees.

The NomCo was tasked with advertising for and interviewing potential Trustees with the requirement to draft a shortlist of suitable individuals to be included in a vote bearing in mind the skill gaps identified by the Board.

There were three Board Trustee vacancies in 2023. Forty nine people applied to become Trustees in 2023 from whom the NomCo nominated five candidates, including two existing Trustees.

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Members of the Board of Trustees at 29 February 2024

Margaret Hart, Chair

Margaret was appointed as a Trustee of YHA in 2016 and became Vice Chair in 2017 and Chair in 2019. A geographer by background, she has had a long career covering social work, the children's voluntary sector and higher education, in roles ranging from front line service delivery and teaching to national director level roles in both the charity and university sectors.

An underpinning theme has been her passion for enhancing the lives of young people, particularly those from disadvantaged backgrounds, and she brought this with her into YHA, together with her love of the outdoors.

As corporate director for one of Britain's largest children's charities, Margaret pioneered innovative ways of involving young people in management and governance, and is delighted to see the establishment of YHA's Youth Advisory Team as a significant step along our journey to becoming an increasingly diverse and inclusive organisation.

Margaret has been an enthusiastic hosteller since her teenage years, staying with YHAs as a base for climbing all the Wainwrights and Munros, and walking long distance paths such as the Pennine Way and the Great Walks of New Zealand. She is currently enjoying introducing the third generation of her family to YHA.

Marcus Holburn, Vice Chair

Marcus is a passionate believer in YHA's charitable purpose and values. He has enjoyed hostelling for many years, for adventure and exploration in different parts of the UK, first as a teenager and now with family. Marcus has been on the YHA Board since 2016 and currently serves as Vice Chair.

Marcus is also a qualified chartered accountant with more than 20 years' experience in both large and small businesses. He is currently chief financial officer of a specialist consumer lending business, and previously spent 14 years at M&G Prudential in a number of senior finance, risk and commercial roles.

Graham Turnock, Treasurer

Graham has been a member of the Board since 2015 and the Treasurer from the end of 2019. He has been a member of YHA since childhood, continues to enjoy hostelling in the UK and Europe, and is active in spreading the hostelling bug to others most directly through the leadership of youth hostelling weekends for members of his cycling club.

Graham is an experienced senior leader in the public sector. He is currently a special advisor to the European Space Agency having previously served as chief executive of the Space Agency, a role for which he was awarded the Royal Aeronautical Society's Geoffrey Pardoe Award in 2021, and as a career civil servant for almost 30 years across a wide range of UK Government departments beginning his career at HM Treasury and including a period as finance director at the Department of Culture Media and Sport.

He is a keen cyclist, having occupied at various times the positions of membership, road racing secretary and road racing and time trials event organiser in his club. In 2021 he was silver medallist in the British Masters National Criterium Championship.

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Darren Barker

Darren trained in business management and then qualified as a chartered management accountant, spending the early years of his career in finance roles specialising in decision support and investment appraisal. He has broad sector knowledge spanning retail, telecoms and travel. He is currently working in the telecoms industry leading a commercial team.

Prior to that, Darren spent 12 years in the hospitality and travel industry in general management roles and served for six years as CEO of Hostelling International, working closely with YHAs from all around the globe.

Darren loves travel and hostelled both at home in the UK and internationally. He is passionate about development opportunities for young people having previously served as a Scout leader and worked in partnership with the likes of the International Duke of Edinburgh Award and World Association of Girl Guides.

Darren is partially sighted and also serves as a Trustee for the Vision Foundation.

Clare Fordham

Clare has worked in both television and radio news for over 25 years, enjoying time in both commercial and BBC newsrooms. She spent eight years travelling across Britain and further afield at ITV News, before moving across to the BBC. After many years at BBC Radio 5 Live, she now edits programmes and podcasts for Radio 4 and the World Service, running a large team at the BBC's Media City Salford base.

Clare is passionate about finding and celebrating unheard voices and hearing untold stories. She takes great pride in her involvement with efforts to reach diverse audiences and bring a far broader range of perspectives to the programmes.

YHA has been central to some of the great experiences of Clare's life, and she is passionate about widening access for others.

Cathryn Hayhurst

Cathryn was elected as a Trustee in 2017. Access to the outdoors is one of her passions and you will most likely find her hiking a fell or playing in a boat in the Lake District. Her young daughter and husband can be found enjoying the communal aspect of YHA hostels whilst Cathryn attends Board meetings.

Cathryn is a qualified accountant and insolvency practitioner with a BSc in Environmental Sciences, and is currently a member of the senior finance team at Yorkshire Water. At the Co-op she supported the 2,500 retail stores to deliver people and system transformation programmes making them fit for the future. Previously she worked for five years at the National Trust where she was commercial lead for the Renewable Energy Programme to generate 50% of energy from renewable sources including hydro schemes. She developed her finance skills at KPMG and funding strategy at Barclays.

Philip Henderson

Phil is a keen supporter of YHA, having experienced hostels first as a teenager in Scotland and more recently with family and friends on regular breaks in England. As a former Scout movement member in his youth and adult leader, he is passionate about the benefits to young people of spending time in wild areas and a strong believer that "where you go changes who you become".

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Phil's career has primarily been spent in retail, working in buying and strategy for Asda and Wal-Mart for over two decades before taking up a Board position at Blackwell's Bookshops. Since 2022 he has been working in the third sector as director of a business services company which is wholly-owned by a charity supporting families raising disabled and seriously ill children.

Phil is married with three children and lives in Yorkshire. He is a keen hillwalker and mountaineer, as well as an avid reader and fan of sports.

Barbara Kasumu

Barbara Kasumu is the executive director of charities for Guy's and St Thomas' Foundation (one of the oldest health foundations in the world) providing dedicated leadership and strategic oversight across the three charity brands: Guy's & St Thomas' Charity, Evelina London Children's Charity and Guy's Cancer Charity. These charities support the dedicated NHS staff with wellbeing services, healthcare innovation and exceptional patient and family care.

Barbara is an award-winning senior leader with a track record of driving and sustaining positive change in the charity sector and beyond. Barbara was previously the director of membership, programmes and development for the Association of Commonwealth Universities (ACU), an international higher education association made up of 500+ universities across 50 countries. Barbara was also executive director for the National Union of Students, a voluntary member organisation representing the interests of more than 7 million students and 600 students' unions. In both roles Barbara was Instrumental in delivering key organisation reforms, leading on income generation, innovation, and strategy.

Once named as Red's Magazine 'Woman to Watch', Barbara was appointed to the Diversity and Inclusion Board for the London 2012 Summer Olympics and Paralympic Games. She has previously sat on the charity Boards of the Foyer Federation and The Kids Network. Barbara is a Clore Social Fellow and has represented the UK on international platforms including at the G8 and G20 summits.

Sarah Lusty

Sarah is a civil servant who has had experience in both Welsh Government social care policy and environmental policy through her time on the Civil Service Fast Stream. She is the youngest Trustee in YHA's history and is passionate about empowering the voices of young people, particularly those frequently marginalised.

Her interest in both countryside and urban cultural spaces led Sarah to study geography at university. She cares deeply about the wellbeing benefits of adventure outside, having experienced first-hand how time in nature is good for mental health whilst studying during the pandemic. She has enjoyed the opportunities for adventure on a budget through stays at YHA hostels.

Sarah is passionate about positive change and is excited to contribute to YHA's vision. She advocates for inclusion, championing for this within her personal life, workplace and voluntary work.

Sarah has extensive voluntary experience with a diverse range of communities, including those who may be marginalised or separated from mainstream services: young people, people with disabilities, sex workers, and older people.

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Paula Newton

Paula stayed at her first YHA hostel at the tender age of nine years old, enjoying a life-changing experience that has shaped her travels ever since. She has hostelled extensively in both the UK and abroad to support her hiking adventures. More recently she has led groups of hikers on weekend trips staying at YHA hostels, opening up countless others to the benefits of the YHA experience.

Paula's early career included stints at the BBC and BSkyB in operations management and leadership roles. She was part of the team that first brought interactive television to the world in 1999. She was awarded her Master of Business Administration in 2005. She lived abroad for the best part of 10 years, first in Ecuador as an operations director/editor-in-chief for a small start-up publishing company and later pioneering a digital nomad lifestyle running her own businesses. She travelled South America, Australia and South East Asia while serving her clients online.

An entrepreneur by nature, Paula has built her successful business advisory firms that provide specialised tax consulting services to established SMEs, and business plan development and writing for businesses of all shapes and sizes.

Paula has served on Boards and committees of several membership organisations, including South Downs Leisure Trust. She brings a range of non-executive and Trustee experience to YHA including strategic oversight, commercial and financial acumen, and risk management capabilities.

In her spare time, you'll generally find her outdoors either hiking or cycling.

Clare Parsons

An experienced environmental manager, Clare works as a lead specialist advisor for Natural Resources Wales. She has worked in protected landscapes and environmental NGOs in Wales for over 20 years. And has extensive rural development and sustainable tourism experience in Wales, including chairing the Powys LEADER local action group, and as senior management lead for Bannau Brycheiniog National Park Authority's sustainable development, inclusion, economic and social wellbeing work.

Working in partnership with YHA has been part of this, enabling a wider range of people to access nature, landscapes and heritage.

Clare contributed to Welsh Government workstreams developing the Well-being of Future Generations (Wales) Act and has wide experience of embedding wellbeing and the Sustainable Management of Natural Resources (SMNR) in policy and developing programmes.

Whilst now working largely from home, earlier in her career Clare commuted by boat to warden jobs on Blakeney Point National Nature Reserve, and an island on the Norfolk Broads.

Living in the Bannau Brycheiniog National Park, Clare enjoys walking, wild swimming and running (slowly) in the stunning landscape.

Simon Reeve

Simon is a father of three young adults in their 20s. As a family, they have always spent weekends and holidays in the great outdoors, exploring all corners of the UK and further afield.

Simon especially enjoys cycling, hill-walking, canoeing, sailing and surfing, frequently staying in youth hostels as part of these activities. He is a certified coach with British Canoeing and a committee member of his local canoe club. Simon has been an active supporter of a wide range of community organisations including leading team fund-raising events.

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Simon has significant international experience in developing teams and organisations, both in technology-related industries and in charities. He currently works as an independent advisor to businesses of all sizes especially in the fields of energy transition, environment & sustainability.

Simon gets a real buzz working with the YHA team, supporting its mission to equip young people with new skills and experiences to develop their own place and transform their opportunities within our diverse and exciting world.

Caleb Stevens

Caleb Stevens is an experienced safeguarding lead, supporting children and adults at risk as the safeguarding manager for Devon and Somerset Fire and Rescue Service.

Caleb holds various governance positions, presiding as the strategic lead for safeguarding. Caleb is a non-executive director for the Office for Students responsible for safeguarding the student interest.

Appointed in 2017 as the youngest Magistrate for the Ministry of Justice, and youngest Presiding Justice in 2023, Caleb is committed to equality and diversity and has supported many organisations with their inclusivity and interaction with children and young people. This particularly includes developing 'youth voice' at strategic level, where Caleb is passionate about challenging perceptions that young people can have significant levels of responsibility, including Trusteeship. Caleb looks forward to contributing additional expertise on education and safeguarding to ensure all children and young people receive the best support and outcomes YHA has to offer.

Living right next to Dartmoor, in his spare time Caleb enjoys taking long moor walks which has further contributed to his passion for being immersed within nature, travelling the UK and staying with many YHA hostels in the process.

Robert Varley

Robert has been a keen hosteller since his youth. He has a passion for the outdoors and loves exploring Britain's wild country and coastline on foot. A family man, a dad and a grandad, he has been volunteering in children's and youth work for over 50 years. He has a passion for everything YHA stands for and is keen to see it make a real difference to even more young lives in the years ahead. "Because where you go changes who you become."

A meteorologist by profession, Robert worked for 35 years at the Met Office. He has served on numerous Boards and Councils at national and international level — as chief executive of the Met Office, Non Executive Director of Ordnance Survey, President of Eumetnet, Vice President of the Royal Met Society and Vice President of the World Meteorological Organisation.

In 2012 Robert was named as the Institute of Directors' Director of the Year (Public/Third Sectors), and in 2016 he was awarded an honorary degree of Doctor of Science from the University of East Anglia. He now works as a strategic consultant to leaders of weather services around the world.

Anna Welsh

Anna is a qualified children's social worker currently working for Bolton Council. They have a BSc in Mathematics from Manchester Metropolitan University and an MSc in Advanced Relationship Based Social Work Practice with Children and Families at Lancaster University.

Anna discovered that whilst they had an affinity with numbers, their real passion was to work with others and help young people who might be struggling or in need.

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Anna was a student officer at The Union MMU. They were the first ever societies and development officer for the period 2018/19 and then went on the be the President in 2019/20. As part of their role, they were a voice for students and brought their views and opinions to high level meetings, such as Academic Board, Board of Governors and the Union's Trustee Board. In their childhood, Anna was a keen member of the Air Cadets and spent much of their weekends and school holidays away with them. This gave Anna a taste for the outdoors and the adventures possible there.

They completed the Duke of Edinburgh's Award and achieved their gold level badge for doing so. Using this as their driving force, Anna hopes that their time with YHA will engage more young people to have the opportunity to explore away from home and give them memories that will last a lifetime.

	Board meetings attended	Term of office
Darren Barker	6 of 6	Ends 2025
Hayley Barnard	4 of 4	Ends 2023
Emma Bradley	3 of 4	Ends 2023
Gareth Cunningham	3 of 4	Ends 2023
Clare Fordham	6 of 6	Ends 2024*
Margaret Hart	6 of 6	Ends 2026
Cathryn Hayhurst	4 of 6	Ends 2025
Philip Henderson	1 of 1	Ends 2024
Marcus Holburn	6 of 6	Ends 2025
Barbara Kasumu	6 of 6	Ends 2024
Sarah Lusty	5 of 6	Ends 2026
Paula Newton	1 of 1	Ends 2027
Clare Parsons	1 of 1	Ended 2027
Simon Reeve	5 of 6	Ends 2026
Caleb Stevens	3 of 6	Ends 2026
Graham Turnock	6 of 6	Ends 2028
Robert Varley	6 of 6	Ends 2027
Anna Welsh	5 of 6	Ends 2025

*Eligible for re-election for a four-year term

Disclosures of interest

No Trustee had, during or at the end of the year, any interest in contracts that are significant in relation to YHA's business other than as disclosed above or in note 10 of the financial statements. For the purposes of company law, the Trustees listed above are also the Directors of YHA.

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Executive team

Chief Executive

James Blake

Other senior executives

Jake Chalmers (resigned 29 February 2024)

Executive Director of Investment and Infrastructure

Julie Lane

Finance Director

Anita Kerwin-Nye (resigned 30 September 2023)

Executive Director of Strategy, Commercial and Engagement

Louise Platt (appointed 17 June 2024)

Executive Director of Resources and Transformation

Jane Price

Executive Director of Income, Impact, Operations and People

Employees

YHA is an Investors in People Gold organisation and is committed to employment policies which follow best practice based on equal opportunities for all employees irrespective of age, sex, sexual orientation, race, colour, disability, marital status, religion or belief.

Employees are kept informed of plans, receive regular updates on performance against the plans, and are encouraged to attend or feed into regular listening groups. Other means to engage with our staff team include regular all staff emails from the chief executive and monthly all staff webinars led by the chief executive and the executive team.

The impact of the coronavirus pandemic, and more recently the cost-of-living crisis, continue to put a huge strain on staff. In view of this, we have continued to place increased emphasis on programmes to support positive employee mental health and wellbeing throughout the year.

Our annual employee survey is an opportunity for confidential feedback on all areas of the organisation and action plans are put in place to address any issues raised from these surveys.

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It was pleasing to see that despite the challenges facing the organisation the headline measure of employee engagement (as measured by the employee survey) had remained at 69% (2023 full review) which was identical to the employee engagement score in 2022. For the interim employee engagement survey in 2024, which took the form of a dip test, the engagement score rose to 73%. This compares favourably with industry benchmarks. A people strategy has been developed to take forward measures to address issues raised in the survey.

Committees

Audit and Risk Committee ("ARC")

The ARC is a committee of the Board of Trustees. The committee met four times during the year and is currently composed of:

- Simon Reeve who acts as the Chair of this committee
- three Trustees: Cathryn Hayhurst (for financial reporting matters only), Paula Newton and Anna Welsh

The committee agrees the programme for internal and external audits; considers reports from the auditors; considers the annual financial statements before submission to the Board; reviews the performance of the internal and external auditors; advises the Board regarding the adequacy of its risk register, policy, and management of risk; reviews the full risk register on an annual basis and every quarter reviews the high level significant risks and any changes to the full risk register; and, devises and tests key measures against which the performance of the organisation can be judged.

Finance Committee ("FC")

The FC is a committee of the Board of Trustees. The Committee met six times during the year and is currently composed of:

- the Treasurer Graham Turnock who acts as the Chair of this committee
- three Trustees: Darren Barker, Philip Henderson and Cathryn Hayhurst
- one co-opted member, Paul Flint, an experienced senior insolvency / recovery accountant

The committee supports the Board in ensuring the effective financial management of the Company; provides opinion on the financial sustainability of YHA's strategic plans; advises on funding strategies and risks; provides appropriate scrutiny of finance related strategic KPIs; ensures effective financial planning, budgeting and treasury management; reviews and is consulted regarding capital and other investments; and, works with the Audit and Risk Committee regarding financial risk management. Since the start of the pandemic, the Finance Committee has met more frequently to allow the regular review of YHA's cashflow and financial plans.

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People, Remuneration, Impact and Engagement Committee ("PrieCo")

PrieCo is a committee of the Board. The Board agreed that the remit of the Impact and Engagement Committee and the People and Remuneration Committee would be combined to form the People, Remuneration, Impact and Engagement Committee with effect from the conclusion of the 2023 AGM. The People and Remuneration Committee and the Impact and Engagement Committee both met three times during the year. Following the amalgamation of the Committees, PrieCo met twice during the year. PrieCo is currently composed of:

- Clare Fordham who acts as Chair of this committee
- three Trustees: Barbara Kasumu, Clare Parsons and Caleb Stevens

The committee agrees the remuneration policy, determines the remuneration of the executive directors, and the remuneration of the chief executive in consultation with the Chair; determines the terms and conditions of employment of the executive directors; and, determines the terms and conditions of employment of the chief executive in consultation with the Chair.

In setting the organisations remuneration policy, the committee makes such external consultations and comparisons as may be necessary to ensure that the pay and emoluments of YHA staff are fair in value to those having similar responsibilities and circumstances in organisations within the not-for-profit and commercial sectors (excluding financial).

The committee also consider strategic HR matters which impact on our financial position or our position as an employer, e.g. pensions, performance management. This year that has included oversight of the people strategy and oversight of YHA's gender pay reporting which is available on our website. The committee is also responsible for people risk.

In addition, PrieCo supports the Board in maximising the impact and effectiveness of YHA's work as a charity, and its member and stakeholder engagement, through ensuring effective management of these areas. This includes oversight of impact related KPIs; the design, delivery and evaluation of youth, education and activity programmes; and, YHA's engagement strategy with members, volunteers, donors and partners.

Nominations Committee ("NomCo")

NomCo is a committee of the Board of Trustees. The committee met four times last year and is currently composed of:

Robert Varley, who acts as Chair of this committee

- one Trustee: Sarah Lusty
- two Association Members: Paul Harding and Rachel Huggins
- one member of the YHA Youth Advisory Team: Emily Palmer

The committee acts in an advisory capacity in assisting in identifying a diverse range of candidates with suitable skills and experience to become Trustees.

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Financial control and risk management

Trustee responsibilities statement

The Trustees (who are also directors of YHA (England & Wales) for the purposes of company law) are responsible for preparing the Report of the Trustees incorporating the Strategic Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 YHA and the group and of the incoming resources and application of resources, including the income and expenditure of YHA and the group for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP (FRS 102)
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that YHA and the group will continue in business

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 YHA and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that:

- so far as each Trustee is aware, there is no relevant audit information of which the YHA auditors are unaware; and
- the Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

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Section 172(1) Statement

Section 172 of the Companies Act 2006 requires a Director of a company to act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole. In doing this, section 172 requires a Director to have regard, among other matters, to: the likely consequences of any decision in the long term; the interests of the company's employees; the need to foster the company's business relationships with suppliers, customers and others; the impact of the company's operations on the community and the environment; the desirability of the company maintaining a reputation for high standards of business conduct; and the need to act fairly with members of the company.

YHA is a leading national charity which depends on the trust and confidence of its members and beneficiaries to operate sustainably in the long term. YHA seeks to put its beneficiaries' best interests first, invests in its employees, supports the communities in which it operates and strives to generate sustainable surpluses to be reinvested into the charity.

The Trustees have acted in accordance with their duties codified in law, which include their duty to act in the way in which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, having regard to the matters set out in section 172(1) of the Companies Act 2006. The Board recognises that building strong relationships with our members and beneficiaries will help us to deliver our strategy in line with our long-term values and operate the business in a sustainable way.

Reserves policy

As a charity, YHA is obliged by the Charity Commission to set a policy on reserves which establishes a level appropriate for YHA.

YHA's reserves policy is set to manage unforeseen financial difficulties, and not to fund its future capital strategy. The level of reserves is set based on forecast income and expenditure and the likelihood of material risks crystallising which would not be covered by future income or insurance.

The reserves policy is set with regard to the:

- strategic capital strategy — set by the Board within the context of a five-year time frame
- annual budget — set to ensure our future expenditure levels are matched to the income we receive from operating youth hostels
- risk management process — assesses the impact and likelihood of all risks to YHA and the appropriate level of short-term reserves to be held

YHA has implemented an active reserve monitoring process managed by the Audit & Risk Committee (ARC) and governed by the Trustees. The ARC assesses the impact and likelihood of uninsured risks to create an expected value, which is reduced by the assessment of mitigating controls to set the appropriate level of short-term reserves to be held. This value is formally reviewed on an annual basis with the opportunity for any material changes to be picked up within YHA's quarterly risk review process.

The ARC will report if these reserves have been used and the consequent impact on the long-term strategy. In the event of a movement beyond the reserves limit the ARC would report immediately to the Board with recommendations for action.

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The Trustees have recently reviewed the reserves policy and have agreed, that given the current market conditions and to ensure that there is sufficient cash balances to meet our ongoing liabilities and unforeseen or uninsured financial losses that the charity would endeavour to maintain minimum cash reserves of between £6.75m and £7.5m for the foreseeable future. The charity's cash reserves at 29 February 2024 amounted to £9.1m which was above the agreed reserves level.

The executive and Board continue to monitor the liquidity plan to ensure that there is sufficient headroom in the cash reserves to ensure commitments can be met when due and identifying assets which could be disposed of to provide enough scope to match the impact of any further unseen risk whether pandemic related or otherwise.

Fundraising policy

It is always our aim to provide the best possible donor experience and deliver the highest possible standards of donor care. We are registered with the Fundraising Regulator to demonstrate our commitment to achieving the highest standards in fundraising and we strive at all times to comply with the Fundraising Regulator's Code of Fundraising Practice.

We are committed to undertake our fundraising in a legal, open, honest and respectful manner by following the standards for fundraising set out in the Fundraising Regulator's Fundraising Promise. We therefore use the Fundraising Regulator logo on our fundraising materials to show that we are following these standards.

We are always committed to uphold the highest standards of practice in our fundraising and will:

- comply with all relevant law and regulation including the Charities Act 1992, the Charities (Protection and Social Investment) Act 2016, the Data Protection Act 1998, and the Fundraising Regulator's Code of Fundraising Practice and where relevant the Gambling Act 2005
- treat the information that supporters provide to YHA in line with our Privacy Policy and never share or sell their personal information to third parties for the purpose of marketing or fundraising
- ensure clear governance and management controls for the legal, safe and transparent raising of funds from a diverse range of sources
- operate policy and guidance for working with supporters who are in vulnerable circumstances
- have clear rules for when donations may be returned to donors
- report regularly to the Trustees of YHA regarding fundraising activity, including an annual summary of complaints and action taken to address these

Protecting vulnerable people

We recognise that some people we engage with through our fundraising activity may not have the capacity, at the point of the interaction, to fully understand the nature of the donation they are being asked to give, or the consequences of making that donation. People in vulnerable circumstances may need further support before deciding whether or not to make a donation.

Whenever we suspect that someone we engage with is lacking capacity or is in vulnerable circumstances, we will take steps to terminate the contact in a way which seeks to protect that person while protecting their dignity and any desire they have expressed to support YHA.

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Despite our efforts to protect those in vulnerable circumstances, YHA may receive a donation where there may be a question over the donor's mental capacity to make that donation. In this circumstance, YHA may return the donation to the donor or — under certain circumstances — to a family member or designated person.

Fundraising complaints policy

We welcome all comments and feedback about the way we work. We invite anyone with a complaint or problem about our fundraising activity to report it via our customer care team, who will deal with it in a personal, fair and confidential way. We aim to resolve all complaints as efficiently as possible — committing to acknowledgement in two working days and providing feedback within 15 working days.

In 2023/24 YHA has received zero complaints about fundraising activity.

Investment policy

Investments acquired in accordance with the powers of the Trustees, primarily in respect of endowment funds, total £1.036 million at the end of this financial year.

Close Wealth Management and Rathbone Investment Management manage the assets on YHA's behalf, with an investment strategy aimed at maximising income at an acceptable level of risk including growth of asset values.

Borrowing and financial instruments policy

YHA uses financial instruments, comprising borrowings secured against property. The main purpose of these financial instruments is to finance the working capital cycle of YHA and to finance longer-term capital needs.

The policies for managing the risks open to YHA are summarised below:

- YHA's financing and treasury policy governs the way that YHA borrows money and how it manages its interest risk.
- Working capital requirements are managed through the cash reserves holding or where available a Revolving Credit Facility with a bank.
- Other borrowings are designed to be appropriate for the type of asset being financed. Thus, IT equipment and software are likely to be financed over no more than five years, equipment no more than 10 years and property will be financed over 20 years.

Risk management

The Board of Trustees is ultimately responsible for risk management in YHA, setting the control framework, the risk appetite and approving major decisions affecting YHA's risk management or profile. The Board annually approves YHA's risk management plan, including the risk register, reviews the effectiveness of YHA's internal control and risk management system, and allows in its agenda a detailed review of a specific risk to be tabled at every Board meeting.

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The Audit & Risk Committee (ARC) has delegated authority from the Board to review and manage risk and the organisational risk register is the key tool used to record risks within YHA. The ARC:

- reviews the risk management policy and processes annually
- reviews and agrees on an annual basis the significant risks to which YHA is exposed
- ensures that sufficient action is being taken to mitigate the risks
- provides the Board of Trustees with an annual statement of assurance on risk management and internal controls and corporate governance
- agrees specific risks to be reviewed by the Board
- ensures that the control environment is sufficient to ensure the effective management of risk
- monitors compliance with charity commission and corporate governance requirements

At an operational level YHA has a risk management group under the Chair of a member of the senior leadership team, currently the associate director for business transformation. This group focuses on key organisation level risk. The group is drawn from all directorates to ensure that risk management is embedded in all directorates. Individuals on the group are responsible for identifying action plans for all lower-level risks and for bringing these to the risk management group as required.

Insurance policy

YHA has insured Trustees and officers of the company against liability for wrongful acts in relation to the charitable company, as permitted under Section 532 of the Companies Act.

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Legal and administrative details

Bankers

HSBC Bank plc

Level 6
71 Queen Victoria Street
LONDON
EC4V 4AY

Santander Bank

Carlton Park
Narborough
LEICESTER
LE19 0AL

Solicitors

Browne-Jacobson

3rd Floor, No 1 Spinningfields
1 Hardman Square
Spinningfields
MANCHESTER
M3 3EB

Russell Cooke

2 Putney Hill
LONDON
SW15 6AB

Pinsent Masons LLP

55 Colmore Row
BIRMINGHAM
B3 2FG

Auditor

Grant Thornton UK LLP

Chartered Accountants
Statutory Auditor
30 Finsbury Square
LONDON
EC2A 1AG

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Investment fund managers

Close Wealth Management

10 Crown Place
Clifton Street
LONDON
EC2A 4FT

Rathbones Investment Management

George House
50 George Square
GLASGOW
G2 1EH

Internal auditors

KPMG are the internal auditors for YHA and act as an assurance function to provide an independent and objective opinion to YHA on the design and operation of the internal control environment.

External auditors

Pursuant to Section 487(2) of the Companies Act 2006, the Auditors will be deemed reappointed and therefore Grant Thornton will continue in office.

In approving the Report of the Trustees, the Trustees are also approving the Strategic Report in their capacity as company directors.

ON BEHALF OF THE TRUSTEES

Margaret Hart
Chair
14 August 2024

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Independent auditor's report to the members of YHA (England and Wales)

Opinion

We have audited the financial statements of YHA (England and Wales) (the 'parent charitable company') and its subsidiaries (the 'group') for the period ended 29 February 2024, which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 29 February 2024 and of the group's and the parent charitable company's incoming resources and application of resources including, the group's and the parent charitable company's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Statement of Recommended Practice: Accounting and Reporting by Charities, 2019 Edition; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We have been appointed as auditor under the Companies Act 2006 and report in accordance with regulations made under that Act. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report.

We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.

In our evaluation of the trustees' conclusions, we considered the inherent risks associated with the group's and parent charitable company's business model including effects arising from macro-economic uncertainties such as the cost of living crisis, we assessed and challenged the reasonableness of estimates made by the trustees and the related disclosures and analysed how those risks might affect the group's and parent charitable company's financial resources or ability to continue operations over the going concern period.

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

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Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' report, prepared for the purposes of company law, included in the Report of the Trustees for the financial year ended 29 February 2024 for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' Report included in the Report of the Trustees have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included in the Report of the Trustees.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent charitable company, or
- returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 100, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

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Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the parent charitable company and the sector in which it operates. We determined that the following laws and regulations were most significant: the Charities SORP (FRS 102), The Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102), Charities Act 2011, Charities (Accounts and Reports) Regulations 2008 and the Companies Act 2006;
- We assessed the susceptibility of the parent charitable company financial statements to material misstatement, including how fraud might occur and the risk of material override of controls. Audit procedures performed by the engagement team included:
  - Identifying and assessing the certain controls management has in place to prevent and detect fraud;
  - Challenging assumptions and judgments made by management in its significant accounting policies;
  - Identifying and testing journal entries;
  - Identifying and testing related party transactions;
  - Inspecting the board minutes; and
  - Assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- The engagement team's experience with similar engagements, their understanding of the parent charitable company's industry and regulatory requirements (the Charities SORP (FRS 102), the Companies Act 2006 and the relevant tax compliance regulations) relating to the parent charitable company were considered by the engagement partner in assessing the competence and capabilities of the engagement team;
- We understood how the parent charitable company is complying with these legal and regulatory frameworks by making inquiries of management and those charged with governance. We

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enquired of management and those charged with governance whether there were any instances of non-compliance with laws and regulations, or whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of board minutes, and through our legal and professional expenses review. We also obtained an understanding of the parent charitable company's control environment, including:

- Management's knowledge of relevant laws and regulations and how the parent charity is complying with those laws and regulations;
- The adequacy of procedures for authorisation of transactions and review of management accounts; and
- Procedures to ensure that possible breaches of laws and regulations are appropriately resolved.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

James Bird
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
14 August 2024

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Consolidated statement of financial activities

(incorporating the consolidated income and expenditure account)

	Note	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2024 £'000	Total 2023 (restated) £'000
Income						
Income from charitable activities	6	**48,189**	**—**	**—**	**48,189**	41,746
Income from trading activities (YHA Trading Limited)	14	**6,063**	**—**	**—**	**6,063**	5,068
Donations, gifts and legacies		**453**	**343**	**—**	**796**	1,512
Grants receivable	5	**—**	**463**	**—**	**463**	972
Investment and similar income	7	**138**	**25**	**—**	**163**	33
Total income before net gain on disposal of tangible fixed assets		**54,843**	**831**	**—**	**55,674**	49,331
Net gain on disposal of tangible fixed assets		**5,512**	**—**	**—**	**5,512**	7,555
Total income		**60,355**	**831**	**—**	**61,186**	56,886
Expenditure						
Costs of charitable activities	9	**57,969**	**1,028**	**—**	**58,997**	55,069
Costs of trading activities (YHA Trading Limited)	9	**4,814**	**—**	**—**	**4,814**	4,058
Fundraising	9	**412**	**—**	**—**	**412**	353
Total expenditure		**63,195**	**1,028**	**—**	**64,223**	59,480
Unrealised (losses)/gains on investments	24	**—**	**—**	**(18)**	**(18)**	26
Realised gains/(losses) in investments	24	**—**	**—**	**34**	**34**	(81)
Net (expenditure)/income before tax and refinancing costs		**(2,840)**	**(197)**	**16**	**(3,021)**	(2,649)
Transfer between funds	25	**7**	**(7)**	**—**	—	—
Net (expenditure)/income after transfers*		**(2,833)**	**(204)**	**16**	**(3,021)**	(2,649)
Other recognised gains and losses						
Actuarial loss on defined benefit pension scheme	23	**(1,054)**	**—**	**—**	**(1,054)**	(386)
Actuarial gain on multi-employer pension scheme	23	**—**	**—**	**—**	**—**	7
Net movement in funds		**(3,887)**	**(204)**	**16**	**(4,075)**	(3,028)
Fund balances brought forward at 1 March 2023		**11,210**	**4,127**	**1,020**	**16,357**	19,385
Fund balances carried forward at 29 February 2024	26	**7,323**	**3,923**	**1,036**	**12,282**	16,357

All income was from continuing operations.
*Information up to and including net income/expenditure represents the information required by the Companies Act 2006.
The accompanying accounting policies and notes form an integral part of these financial statements.

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Balance sheets

		Group		Company	
	Note	**2024 £'000**	2023 (restated) £'000	**2024 £'000**	2023 (restated) £'000
Fixed assets					
Tangible assets	12	**71,271**	81,856	**71,271**	81,856
Intangible fixed assets	13	**545**	569	**545**	569
Investments	14	**1,036**	1,020	**1,037**	1,021
		72,852	83,445	**72,853**	83,446
Current assets					
Stocks	15	**293**	280	**293**	280
Debtors	16	**3,124**	2,639	**3,124**	2,639
Cash at bank and in hand	28	**9,108**	11,438	**9,108**	11,438
		12,525	14,357	**12,525**	14,357
Creditors: amounts falling due within one year	17	**(66,788)**	(75,881)	**(67,854)**	(76,708)
Net current liabilities		**(54,263)**	(61,524)	**(55,329)**	(62,351)
Total assets less current liabilities		**18,589**	21,921	**17,524**	21,095
Creditors: amounts falling due after more than one year	19	**(929)**	(728)	**(929)**	(728)
Provisions for liabilities	20	**(1,554)**	(1,533)	**(1,554)**	(1,533)
Net assets excluding pension liability		**16,106**	19,660	**15,041**	18,834
Multi-employer pension scheme liability	23	**(120)**	(244)	**(120)**	(244)
Defined benefit pension scheme liability	23	**(3,704)**	(3,059)	**(3,704)**	(3,059)
Net assets/liabilities including pension liabilities		**12,282**	16,357	**11,217**	15,531
Funds					
Endowments	24	**1,036**	1,020	**1,037**	1,021
Restricted funds	25	**3,923**	4,127	**3,923**	4,127
		4,959	5,147	**4,960**	5,148
Unrestricted funds					
Unrestricted funds excluding pension liability		**(9,644)**	(8,392)	**(10,710)**	(10,406)
Revaluation reserve		**20,791**	22,905	**20,791**	24,092
Pension reserve		**(3,824)**	(3,303)	**(3,824)**	(3,303)
Total unrestricted funds		**7,323**	11,210	**6,257**	10,383
Total charity funds	26	**12,282**	16,357	**11,217**	15,531

The financial statements were approved by the Board of Trustees on 14th August 2024.

Trustees

M Hart

G Turnock

Company registration number: 00282555.

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

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Consolidated statement of cash flows

	Note	2024 £'000	2023 £'000
Cash flows from operating activities			
Net cash provided by operating activities	27	**648**	1,339
Cash flows from investing activities			
Investment income (including interest received)	7	**163**	33
Proceeds from sale of tangible fixed assets		**16,903**	15,516
Purchase of tangible fixed assets	12	**(4,877)**	(10,057)
Purchase of intangible fixed assets	13	**(195)**	(367)
Net cash provided by investing activities		**11,994**	5,125
Cash flows from financing activities			
Repayment of borrowings		**(10,632)**	(3,205)
Capital element of finance lease rentals	30	**(130)**	(123)
Interest paid	8	**(4,210)**	(3,032)
Net cash used by financing activities		**(14,972)**	(6,360)
Change in cash and cash equivalents in the reporting period		**(2,330)**	104
Cash and cash equivalents at the beginning of the reporting period		**11,438**	11,334
Cash and cash equivalents at the end of the reporting period	28	**9,108**	11,438

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

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Notes to the financial statements

1. Company information

YHA is a company limited by Guarantee (company number 00282555). The registered office is Trevelyan House, Dimple Road, Matlock, Derbyshire DE4 3YH.

2. Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards including 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) and the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

YHA (England and Wales) meets the definition of a public benefit entity under FRS 102 and applied the sections in FRS 102 as applicable.

The financial statements are presented in Sterling £'000.

Going concern

Despite the challenging market conditions encountered during the year, our cashflows have remained strong throughout the period, significantly helped by the sale of the three city hostels in July 2023.

In May 2023 the Trustees approved our three-year Business Plan. This involves a concentrated focus on a smaller number of strategic hostels which will also help us to reduce our central overheads.

As part of this plan, we identified a number of hostels that will move away from being directly operated by YHA and these will either transfer to an alternative model operated by a franchise operator, or other independent party or be sold. As part of this plan some of these hostels were put up on the market in June 2023 and further changes will be made over the duration of the plan.

The first of these hostels, YHA Kington, was sold in February 2024, and since the end of the financial year a further 12 hostels have been sold. The sales proceeds have been used to repay some of our outstanding loans with HSBC with the remaining balances bolstering our cash reserves.

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2. Basis of preparation (continued)

HSBC have continued to support YHA over the last year and, following a short term extension to the loan facility to 31 July 2024, we have now put in place a longer term arrangement that takes us to 31 December 2025.

The Trustees have reviewed our reserves policy and agreed that given the current market conditions and to ensure there are sufficient cash balances to meet our ongoing liabilities and unforeseen financial difficulties that the charity would endeavour to maintain cash reserves of between £6.75m and £7.5m during the year.

The Trustees have also assessed our ability to continue as a going concern. The Trustees have considered several factors when forming their conclusion including a review of updated forecasts to August 2025, a consideration of key risks, including the appropriateness of the hostel disposal programme, the ability to secure the required reductions in our central services cost base and the impact of changing economic factors such as inflation and interest rates that could impact the charity and the latest management information available. This included a number of downside financial sensitivities, incorporating reduced trading, incremental costs, and delays to the hostel transition programme. A more extreme worse case scenario, sometimes referred to as a reverse stress test, was also produced, and this removed some of the higher value hostel sales proceeds from the cash forecasts and assumed no reductions in interest rates over the forecast period.

The Trustees have concluded that the charity will be able to meet its liabilities for a period of at least 12 months as they fall due and have plans and resources to manage its business risks successfully and consider it is appropriate for the financial statements to be prepared using a going concern basis.

Basis of consolidation

The group financial statements consolidate those of YHA and of its subsidiary undertaking (see note 14). Subsidiaries are defined as entities where the parent charity has control and derives financial benefit and are consolidated on a line-by-line basis.

3. Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The items in the financial statements where these judgements, estimates and assumptions have been made include:

Retirement benefit schemes

The determination of the pension cost and defined benefit obligation of the Group's defined benefit pension schemes depends on the selection of certain assumptions which include the discount rate, inflation rate, salary growth and mortality. Differences arising from actual experience or future changes in assumptions will be reflected in subsequent periods. Note 23 provides information on the assumptions used in these financial statements.

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3. Significant judgements and estimates (continued)

Retirement benefit schemes (continued)

The Group also participates in a multi-employer defined benefit scheme, which is accounted for as a defined contribution scheme, administered by The Pensions Trust, who are responsible for the above assumptions in relation to determining the total liability of the overall scheme.

As a participating employer, the YHA's share and contribution to the liabilities of the scheme is reviewed and agreed by the Trustees every 3 years. Under the provisions of FRS 102 this liability is included in these statements on a discounted net present value basis. Further details on the accounting policies relating to the multi-employer defined benefit scheme are provided in notes 4 and 23.

Provisions

These financial statements include provisions for liabilities as at 29 February 2024 that have arisen as a result of a past event, and that are judged probable to materialise at a future date. Where precise factual valuations of the liability are not available, judgement has been used to estimate the size and probability of the liability. Specifically, these provisions include estimates of dilapidation liabilities under property leasehold contracts and are stated on a net present value basis.

Assets under construction

These represent spend and work-in-progress on partially complete assets that are not in productive use in the business. This will principally be (but not exclusively) major refurbishment and development projects in YHA's estate portfolio and business systems/ IT infrastructure projects. Where projects stretch over more than one year the values are reviewed to ensure that the spend still represents a tangible or intangible asset.

Grants

The recognition of grants and capital contributions in these financial statements involves judgements as to whether performance or other relevant entitlement conditions have been met. The recognition of grants in restricted funds involves a judgement as to the Useful Economic Life of the asset to which it relates.

4. Principal accounting policies

Income

Income generated from the operation of youth hostels represents the fair value of the amount receivable by YHA for goods supplied and services provided, excluding value added tax and net of trade discounts. Consequently, the income due from a particular guest is recognised when that guest stays with YHA. Payment received from guests in advance of their stay is recorded as deferred income (see note 18).

Membership income is recognised over the life of the membership.

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4. Principal accounting policies (continued)

Income (continued)

Where hostels have been leased to organisations to provide accommodation for charitable purpose these amounts have been recognised as income.

Income from YHA Trading Limited represents commercial goods supplied and services provided by that YHA company to its customers and income is recognised when the goods or services are delivered. Donations, gifts and legacies are recognised in the statement of financial activities when it is probable that the income will be received, and all entitlement conditions will be met.

The Charity carries out work for government bodies and income under these contracts is recognised once milestones attached to income have been met. Incoming resources on government contracts are included in the statement of financial activities when the Charity is entitled to the income and the amount can be quantified with reasonable accuracy.

In accordance with the Charities SORP (FRS 102), the value of services provided by volunteers is not recognised within these accounts. Information about the valued contribution made by volunteers to the organisation is provided elsewhere in the annual report.

Grants

Revenue grants are credited as incoming resources when they are receivable provided conditions for receipt have been complied with, unless they relate to a specified future period, in which case they are deferred.

Grants for the purchase of fixed assets are credited to restricted incoming resources when receivable.

Income from investments

Investment income is recognised when receivable.

Endowments

Endowment income is credited to the income and expenditure account on a receivable basis. Income from restricted endowments not expended in accordance with the restrictions of the endowment, is transferred from the income and expenditure account to restricted endowments. Any realised gains and losses are retained within the endowment in the balance sheet.

Restricted permanent endowment

This relates to funds where the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

Restricted expendable endowment

This relates to funds which were permanent endowments but given the small scale of the specific individual funds, agreement was received from the Charities Commission that these could be spent in line with the original objective of each fund.

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4. Principal accounting policies (continued)

Fund accounting

Restricted funds are those for which specified purposes were laid down by the donor or grant-giving body. Expenditure for those purposes is charged to the appropriate fund.

Unrestricted funds are donations and other income received or generated for expenditure on the general objectives of YHA.

When grants and donations are received for a specific purpose involving capital investment, the cash will be recorded against a restricted fund. When the investment has been made, the relevant capital asset will be recorded against the relevant fund, and depreciation of the asset charged against the fund. Once any restrictions on the use of the asset have expired, the asset will be transferred from the restricted fund to YHA's unrestricted funds.

Tangible and intangible fixed assets

Fixed asset accounting policy

Tangible and intangible fixed assets are stated at cost, net of depreciation. No depreciation is charged during the period of development or construction.

Depreciation is calculated to write down the cost or estimated residual value of all tangible fixed assets over their expected useful lives. All depreciation is on a straight-line basis, and assets are amortised as follows:

Freehold properties	:	land not amortised
Freehold properties	:	buildings superstructure up to 50 years
Freehold properties	:	buildings sub-structure / other between 10 and 30 years
Leasehold properties	:	long term leases: market value over length of lease
Leasehold properties	:	building shorter of economic life or length of lease
Fixtures & Fittings	:	between 3 and 15 years
Intangible assets	:	up to 4 years

Assets under construction represent spend and work-in-progress on partially complete assets that are not in productive use in the business. This will principally be (but not exclusively) major refurbishment and development projects in YHA's estate portfolio and business systems/ IT infrastructure projects.

Assets under construction are carried at cost and are not depreciated until they come into use and are capitalised in the asset register. Where the date of capitalisation is later than the date of productive use, a retrospective depreciation adjustment is made to correct Net Book Value (NBV).

Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss.

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4. Principal accounting policies (continued)

Investment in subsidiaries

The consolidated financial statements incorporate the financial statements of the company and entities controlled by the group (its subsidiaries). Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

Investments

Assets held for investment purposes are measured at fair value. Changes in fair value are recognised in the income and expenditure accounts. Fair value is estimated using value at the balance sheet date.

Net gains and losses on revaluations and disposals during the year are included in the statement of financial activities.

Expenditure

Expenditure, which is charged on an accruals basis, is allocated between:

- Expenditure incurred directly in the fulfilment of YHA's objectives (direct charitable). This includes head office support costs which are directly attributed to the operation of youth hostels.
- Expenditure incurred directly in the effort to raise voluntary contributions (membership, fundraising and publicity).
- Expenditure incurred in the governance of YHA. This includes internal and external audit costs, chief executive costs and similar governance costs.

Staff costs

A range of benefits are provided to employees, including paid holiday arrangements and defined benefit and or defined contribution pension plans. Short term benefits including holiday pay and other similar costs are recognised as an expense in the period in which the service is received.

Redundancy and termination payments

All redundancy and termination payments, including ex-gratia payments and amounts in lieu of notice are charged or accrued as incurred.

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Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions.

Provisions for liabilities

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in the SOFA in the period it arises.

The group recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employers are entitled to carry forward and use within the next 12 months. The provision is measured at the salary cost payable for the period of absence.

Financial instruments

Financial liabilities are classified according to the substance of their governing contractual arrangements.

Where the contractual obligations of financial instruments are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the statement of financial activities. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability. Financial liabilities are initially recognised at fair value then subsequently at amortised cost using the effective interest method.

Stocks

Stocks are stated at the lower of cost using the first in, first out method and net realisable value.

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4. Principal accounting policies (continued)

Leases

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

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

Rentals payable under operating leases are charged to the SOFA on a straight-line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the group recognises annual rent expense equal to amounts owed to the lessor.

The aggregate benefit of lease incentives is recognised as a reduction to the expense recognised over the lease term on a straight-line basis.

Retirement benefits

Defined contribution group personal pension schemes

Contributions payable to the schemes in respect of each accounting period are included in the statement of financial activities in that period.

Defined benefit pension scheme (closed)

The scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the attained age method on the basis of triennial valuations and are discounted at appropriate high-quality corporate bond rates. The net surplus or deficit is presented separately from other net assets on the balance sheet. A net surplus would only be recognised to the extent that it is recoverable by the group.

The current service cost and costs from settlements and curtailments are included in the statement of financial activities. Past service costs are spread over the period until the benefit increases. The difference between interest on the scheme liabilities and the expected return on scheme assets is included in interest payable or investment income as appropriate. Actuarial gains and losses are reported in the consolidated statement of financial activities.

Multi-employer defined benefit scheme

YHA participates in a multi-employer scheme, administered by The Pensions Trust, which provides benefits for 854 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for YHA to obtain sufficient information to enable it

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4. Principal accounting policies (continued)

Multi-employer defined benefit scheme (continued)

to account for the scheme as a defined benefit scheme. Therefore, YHA accounts for the scheme as a defined contribution scheme. The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a "last person" standing arrangement. Therefore, the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

Where the scheme is in deficit and where YHA has agreed to a deficit funding arrangement, YHA recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Gift aid payment to parent charity

The trading company pays all its taxable profits for the year to its parent charity under the gift aid scheme. These gift aid payments are recognised as distributions to owners in equity within retained earnings.

At the reporting date the Board had indicated its intention to pay the taxable profits to the parent charity in respect of the reporting period. The payment is expected to be made within nine months of the end of the reporting date.

The change in accounting policy for gift aid payments results in the company recognising a taxation charge on its profits for the year. However, the application of the exception under paragraph 29.14A of FRS 102 provides relief in respect of the accounting for the tax charge. This results in an overall £nil charge for tax in the income statement. This exception is only applicable as its probably that the gift aid payment will be made by the company to the parent charity within 9 months of the reporting date.

5. Grants and contracts

	2024 restricted funds (capital) £'000	**2024 restricted funds (other) £'000**	**Total 2024 £'000**	Total 2023 £'000
Other grants	**102**	**361**	**463**	972
Grants receivable in the year	**102**	**361**	**463**	972

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5. Grants and contracts (continued)

All grants receivable in the year related to restricted funds (see note 25).

Other grants totalling £366,826 were received from a range of organisations including Sport England (£190,607), the UK Youth Fund (£114,484), and Pilgrims Trust (£47,645).

6. Charitable income

	2024	2023 (restated)
	£'000	£'000
Income from operating youth hostels	**47,119**	40,736
Membership income received directly by the group	**1,070**	1,010
Total income from operating youth hostels	**48,189**	41,746

7. Investment income

	2024	2023
	£'000	£'000
Listed stocks and shares	**25**	23
Cash and deposits	**138**	10
	163	33

8. Interest and financing costs

	2024	2023
	£'000	£'000
Net pension cost	**142**	76
On bank loans, overdrafts and other loans	**4,111**	2,897
Financing costs amortised	**99**	132
Finance charges in respect of finance leases	**—**	3
	4,352	3,108

Interest payable is included within other direct costs (see note 9).

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9. Total expenditure

Due to the structure of YHA it is considered that any allocation of support costs from costs of operating youth hostels would be immaterial.

	Direct staff costs £'000	Other direct costs £'000	Deprec'n £'000	Total 2024 £'000	Total 2023 £'000
Costs of operating youth hostels	**25,295**	**29,144**	**4,289**	**58,728**	54,891
Costs of operating YHA Trading Ltd	**1,834**	**2,980**	**—**	**4,814**	4,058
Other fundraising costs	**379**	**33**	**—**	**412**	353
Other costs — governance costs	**—**	**269**	**—**	**269**	178
Total expenditure	**27,508**	**32,426**	**4,289**	**64,223**	59,480

	Total 2024 £'000	Total 2023 £'000
Depreciation comprises:		
Depreciation on owned tangible assets	**4,056**	4,353
Depreciation on owned intangible assets	**218**	290
Depreciation on tangible assets held under finance lease	**15**	15
Impairment on owned tangible assets	**—**	795
	4,289	5,453
Other direct costs comprise:		
Repairs and maintenance of buildings — ongoing	**3,680**	4,357
Repairs and maintenance of buildings — dilapidation provision	**64**	(18)
Fuel, heat and light	**4,122**	3,686
Food and beverage costs	**5,633**	4,409
Activity and transport providers	**769**	1,219
Restructuring costs (including redundancy)	**257**	24
Travel	**723**	712
Communication costs	**528**	472
Cleaning and laundry	**3,070**	2,745
Interest payable	**4,352**	3,108
Marketing and publications	**645**	724
Insurance	**691**	576
Auditors' remuneration — audit for the year	**110**	67
Auditors' remuneration — audit for prior year recognised in the current year	**31**	—
Auditors' remuneration — non-audit services taxation (inc.IXBRL)	**8**	9
Operating lease rentals — land and buildings	**2,280**	2,169
Operating lease rentals — fixtures & fittings	**1,123**	653
Other direct costs	**4,340**	4,275
	32,426	29,187

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10. Trustees and employees

All Directors are Trustees and all Trustees are Directors.

	Group	
	2024	2023
	£'000	£'000
Staff costs during the year were as follows:		
Wages and salaries	**23,551**	20,861
Social security costs	**1,774**	1,599
Other pension costs	**840**	794
Redundancy costs	**266**	32
	26,431	23,286

The average number of employees of YHA during the year was 1,164 (2023: 1,088). The full-time equivalent number of employees was 669 (2023: 641).

The main factor causing the increase in wages and salaries costs during the year was the 9.7% increase in the National Living Wage.

The annual salary of the Chief Executive in 2023/24 was £133,397 per annum (2022/23: £132,067). The Chief Executive is not a Trustee of the charity. The Chief Executive used payroll giving to make charitable donations to YHA totalling £5,658 in the year.

The Board of Trustees neither received nor waived any emoluments during the year (2023: £nil).

Total redundancy and termination payments during the year were recognised as an expense and were fully funded at the balance sheet date. Included in the redundancy costs are compensation payments of £92,860 (2023: £nil) made to three employees.

Where redundancy, termination and compensation payments were made they were managed in line with policy and authorised appropriately.

The number of other staff whose total emoluments, including termination payments, for the year exceeded £60,000 was as follows:

	2024	2023
£60,000 - £69,999	**10**	5
£70,000 - £79,999	**4**	2
£80,000 - £89,999	**4**	1
£90,000 - £99,999	**1**	–
£100,000 - £109,999	**–**	2
£110,000 - £119,999	**2**	1
£120,000 - £129,999	**–**	–
£130,000 - £139,999	**1**	1
£140,000 - £149,999	**–**	–
£150,000 - £159,999	**–**	–
£160,000 - £169,999	**–**	–
£170,000 - £179,999	**1**	–

During the year YHA awarded a pay review to staff of 5% which was below inflation. This resulted in a number of people moving up the bandings.

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10. Trustees and employees (continued)

Overall, the size of the Executive and the senior leadership team reduced in the year as part of wider changes, but this did require some one-off redundancy payments. As a result, there were two people (2023: nil) disclosed in the bandings above where individuals received a payment on the termination of employment.

YHA made payments totalling £46,730 (2023: £35,920) into defined contribution schemes for 17 (2023: 13) of these employees.

The key management personnel of the parent charity, the Trust, comprised the Trustees, the Chief Executive, three Executive Directors and the Finance Director. The total earnings, including benefits and employer pension contributions, of these key management personnel of the YHA were £633,688 (2023: £541,941).

Out of pocket expenses were reimbursed to Trustees as follows:

	2024 number	2023 number	**2024 £'000**	2023 £'000
Travel and attendance at meetings	**13**	17	**2**	3

During the year no goods were purchased from companies in which Trustees held an interest. No amounts were owing to such companies at the end of the financial year.

The remuneration of the key management personnel is determined by the Board's Remunerations Committee. In determining this, the Committee makes use of external consultations and comparisons to ensure that the pay and emoluments of YHA staff are fair in value to those having similar responsibilities and circumstances in organisations in the not-for-profit and commercial sectors. Salaries are set at the lower quartile of recognised industry wide benchmark surveys.

11. Charitable company results

The charitable company has taken advantage of Section 408 of the Companies Act 2006 and has not included its own income and expenditure account in these financial statements. The results of YHA are summarised below:

	2024 £'000	2023 (restated) £'000
Total income	**55,123**	51,818
Total expenditure:	**(59,409)**	(55,422)
Net (expenditure)	**(4,286)**	(3,604)
Net investments gains	**16**	(55)
Net (expenditure)	**(4,270)**	(3,659)

During the year the charitable company received a gift aid donation amounting to £1,010,000 (2023: £582,000) from its trading subsidiary.

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12. Tangible fixed assets (group and company)

	Freehold L&B £'000	Long leasehold L&B £'000	Short leasehold L&B £'000	Fixtures, fitting & equipment £'000	Assets under construction £'000	Total £'000
Cost						
At 1 March 2023	75,434	32,469	21,776	19,681	3,987	153,347
Transfers	2,197	971	—	60	(3,228)	—
Additions	2,791	83	799	942	262	4,877
Disposals	(3,322)	(11,118)	—	(948)	—	(15,388)
At 29 February 2024	77,100	22,405	22,575	19,735	1,021	142,836
Depreciation						
At 1 March 2023	26,982	12,191	15,025	17,293	—	71,491
Provided in the year	1,955	130	1,347	639	—	4,071
Disposals	(293)	(3,077)	—	(627)	—	(3,997)
At 29 February 2024	28,644	9,244	16,372	17,305	—	71,565
Net book amount						
At 29 February 2024	**48,456**	**13,161**	**6,203**	**2,430**	**1,021**	**71,271**
At 28 February 2023	48,452	20,278	6,751	2,388	3,987	81,856

All tangible fixed assets were used for charitable purposes.

Tangible fixed assets with a carrying value of £59,726,000 (2023: £61,496,000) (corresponding to freehold land and buildings) are charged as security for the charity's bank loan.

The net book amounts stated above include fixtures, fittings and equipment held under finance leases and similar hire purchase contracts of £nil (2023: nil) and freehold property held under finance leases and similar hire purchase contracts of £925,000 (2022: £940,000).

Depreciation of assets held under finance leases and similar hire purchase contracts was £nil (2023: £nil) on fixtures, fittings and equipment and £15,000 (2023: £15,000) on freehold property.

Land values were increased on transition to FRS 102 in 2016 to reflect fair market value and are now held at depreciated deemed cost. A post year-end review of these values based on valuations received as part of the refinancing exercise in 2017 found no reason to impair these values. However, a valuation of some of our high value properties was undertaken in 2023, as required under the terms of the loan facilities agreement. This valuation did identify one property which necessitated a further impairment provision of £795,000.

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13. Intangible fixed assets (group and company)

	Software £'000	Assets under construction	Total £'000
Cost			
At 1 March 2023	1,758	–	1,758
Additions	105	90	195
At 29 February 2024	1,863	90	1,953
Depreciation			
At 1 March 2023	1,189	–	1,189
Provided in the year	218	–	218
At 29 February 2024	1,408	–	1,408
Net book amount			
At 29 February 2024	**455**	**90**	**545**
At 28 February 2023	569	–	569

The depreciation for the above is reported under depreciation on owned intangible assets under note 9.

14. Fixed asset investments

Total fixed asset investments comprise:

	Group		Company	
	2024 £'000	2023 £'000	**2024 £'000**	2023 £'000
Interest in group undertakings	**–**	–	**1**	1
Other fixed asset investments	**1,036**	1,020	**1,036**	1,020
Market value	**1,036**	1,020	**1,037**	1,021

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14. Fixed asset investments (continued)

Interests in group undertaking

At 29 February 2024 the charitable company held 100% of the allotted share capital of the following:

	Country of incorporation	Class of share capital held	Company number	Capital and reserves £	Result for the financial period £
YHA Trading Limited	England and Wales	Ordinary shares	05373368	100	1,010,379

	£'000
YHA Trading Limited	
Turnover	6,063
Expenditure	(4,814)
Result for the period before tax	**1,249**

Other fixed asset investments

	Group and company £'000
Market value as at 1 March 2023	1,020
Additions	276
Disposals	(262)
Realised loss	(20)
Unrealised gain	22
Market value at 29 February 2024	**1,036**

At 29 February 2024 the other fixed asset investments were held as follows:

	2024 £'000	2023 £'000
Listed stocks and shares	**1,030**	991
Cash	**6**	29
Market value at 29 February 2024	**1,036**	1,020

There were no specific investments that represented more than 5% of the portfolio by market value.

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15. Stocks

Group and company

	2024	2023
	£'000	£'000
Goods for resale	**293**	280

16. Debtors

Group and company

	2024	2023
	£'000	£'000
Trade debtors	**441**	317
Prepayments and accrued income	**1,327**	1,131
Other debtors	**1,356**	1,191
	3,124	2,639

17. Creditors: amounts falling due within one year

	Group		**Company**	
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
Bank loans	**48,569**	59,102	**48,569**	59,102
Trade creditors	**2,153**	3,120	**2,153**	3,120
Amounts due to group undertakings	**—**	—	**1,066**	827
Social security and other taxes	**2,100**	1,459	**2,100**	1,459
Other creditors	**209**	822	**717**	822
Accruals	**2,780**	2,246	**2,780**	2,246
Deferred income (note 18)	**10,977**	9,002	**10,469**	9,002
Amounts due under finance leases	**—**	130	**—**	130
	66,788	75,881	**67,854**	76,708

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18. Deferred income

Group and company

	2024	2023 (restated)
	£'000	£'000
At 1 March 2023	**10,120**	7,231
Released during year	**(10,120)**	(7,231)
Deferred during year	**11,848**	10,120
At 29 February 2024	**11,848**	10,120

The deferred income consists of:

Advance bookings	**11,630**	10,040
Un-allocated cash receipts	**218**	80
	11,848	10,120
Creditors: amounts falling due within one year	**10,977**	9,453
Creditors: amounts falling due after more than one year	**871**	667
	11,848	10,120

19. Creditors: amounts falling due after more than one year

Group and company

	2024	2023
	£'000	£'000
Deferred income	**871**	667
Other amounts	**58**	61
	929	728

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20. Provision for liabilities

	General provisions £'000	Dilapidation provision £'000	Total provisions £'000
Balance at 1 March 2023	92	1,441	1,533
Released during the year	(92)	—	(92)
Arising in the year	49	64	113
Balance at 29 February 2024	**49**	**1,505**	**1,554**

The general provision includes the holiday balances accrued as a result of services rendered in the current period and which employees are entitled to carry forward.

The dilapidations provision represents obligations for rented properties. £418,000 of the provision (2023: £404,000) relates to YHA London St Paul's.

21. Borrowings

Borrowings are repayable as follows:

Group and company 2024

	Within one year £'000	After one year and within two years £'000	After two years and within five years £'000	After five years £'000	Total £'000
Bank loans	48,569	—	—	—	**48,569**
Other loans	—	—	—	—	**—**
Finance leases	—	—	—	—	**—**
Total borrowing	48,569	—	—	—	**48,569**
Cash at bank and in hand					**(9,108)**
Net borrowings					**39,461**

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21. Borrowings (continued)

Group and company 2023

	Within one year £'000	After one year and within two years £'000	After two years and within five years £'000	After five years £'000	Total £'000
Bank loans	59,102	—	—	—	59,102
Other loans	—	—	—	—	—
Finance leases	130	—	—	—	130
Total borrowing	59,232	—	—	—	59,232
Cash at bank and in hand					(11,438)
Net borrowings					47,794

The bank loans are secured by fixed charges over certain properties of YHA and a floating charge over all the assets of YHA. Interest (excluding margin) is charged at variable rates.

22. Financial instruments

Group

	2024 £'000	2023 £'000
Financial assets measured at amortised cost		
Trade debtors	**441**	317
Other debtors	**1,356**	1,191
Cash	**9,108**	11,438
	10,905	12,946

	2024 £'000	2023 £'000
Financial liabilities measured at amortised cost		
Bank loans	**48,569**	59,102
Other loans	**—**	—
Trade creditors	**2,153**	3,120
Accruals	**2,780**	2,246
Amounts due under finance leases	**—**	130
	53,502	64,598

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23. Retirement benefits

Group and Company

Historically YHA has operated a number of different Pensions Schemes:

A final salary defined benefit scheme administered by the Pensions Trust. This scheme is now closed but the residual liabilities of this scheme are disclosed within our accounts in line with FRS 102 Section 28 definitions.

YHA employees also had the opportunity to join the Pensions Trust Growth Plan. This is a multi-employer scheme which has progressed through four versions (or Series).

Although set up as defined contribution schemes, because of the guaranteed benefits they offered, Series 1 & 2 have subsequently been deemed to be defined benefit schemes. Series 3 which carried a guarantee that the value of investments would not fall, has also now be re-classified as a defined benefit scheme. Only Series 4 can be classified as a defined contribution scheme. Although Series 1 to 3 are defined benefit schemes as defined within FRS 102 Section 28, YHA is unable to identify its share of the underlying assets and liabilities of the schemes. Accordingly, the contributions have been accounted for as if they were defined contribution schemes.

YHA operates a defined contribution scheme administered by Scottish Widows as well as the auto enrolment pension scheme for all new employees (and for those existing employees who were not members of either the Growth Plan or the defined contribution scheme). All auto enrolment contributions are paid into the Peoples Pension administered by B&CE.

Defined benefit pension scheme

YHA operated a defined benefit pension scheme for the benefit of staff. The assets of the scheme are administered by Trustees in funds independent from those of YHA and its subsidiary undertaking.

Pension costs are assessed, on a triennial basis and in accordance with the advice of a qualified actuary using the projected unit method. The assumptions, which have had the most significant effect on the results of this year's valuation are those relating to the assumed discount rate used to value the scheme's liabilities, the rate of return on investments and the rates of increase in salaries and pensions.

In order to minimise future liabilities, the scheme was closed to new entrants at 31 December 2002, and to future accrual from 31 December 2011.

A full actuarial valuation was carried out at September 2020, which showed that the value of those assets was sufficient to cover 74% of the benefits that had accrued to members, after allowing for expected future increases in earnings.

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23. Retirement benefits (continued)

Pension cost

The charge for the year was as follows:

	2024	2023
	£'000	£'000
Defined benefit scheme — expenses	**88**	88
Defined contribution pension schemes	**548**	491
Multi-employer defined benefit scheme	**292**	303
Net (expenditure)	**928**	882

Included within the multi-employer defined benefit scheme contributions above are amounts of £576,087 (2023: £540,078) relating to additional contributions as part of the recovery plan agreed with the Pension Trust.

The above charge is exclusive of top up contributions for the final salary pension scheme of £286,466 (2023: £297,352).

In accordance with FRS 102 the net pension liability of the defined benefit scheme is included on the balance sheet of YHA. The most recent actuarial valuation of the scheme has been updated by an independent qualified actuary, taking account of the requirements of FRS 102 to assess the liabilities of the scheme at 29 February 2024. Scheme assets are stated at their market value.

The principal assumptions used by the actuary were:

	2024	2023	2022	2021
Inflation CPI	**2.8%**	2.9%	3.3%	2.9%
Rate of increase in salaries	**4.0%**	5.0%	3.6%	3.2%
Rate of increase of pensions	**2.7%**	2.8%	3.1%	2.9%
Rate of increase for deferred pensions	**3.2%**	3.2%	3.6%	3.2%
Discount rate	**5.2%**	5.1%	2.6%	2.1%

The post-retirement mortality assumptions used to value the liability at 29 February 2024 is based on the SAPS table S3PXA (all pensioners – Pensions Amounts) with a scaling factor of 0% (pre-retirement) and 116% (post-retirement) projected using CMI-2022 improvements with a 1.5% pa long term improvement rate for males and a 1.25% long term improvement rate for females.

The life expectancy of a male member reaching age 65 in 2043 is projected to be 22 years (2023: 23 years) compared to 21 years (2023 21 years) for someone reaching 65 in 2024. The life expectancy of a female member reaching age 65 in 2043 is projected to be 25 years (2023: 25 years) compared to 23 years (2023: 24 years) for someone reaching 65 in 2024.

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23. Retirement benefits (continued)

The split of assets in the scheme and the expected long-term rates of return were:

	2024 value £'000	2023 value £'000	2022 value £'000	2021 value £'000
Equities	**1,232**	456	2,656	2,188
Bonds	**1,673**	1,730	4,945	7,027
Property	**1,426**	1,683	1,977	1,071
LDI	**6,852**	6,615	8,312	6,359
Other	**4,788**	5,835	7,170	6,963
Total market value of assets	**15,971**	16,319	25,060	23,608
Present value of scheme liabilities	**(19,675)**	(19,378)	(28,166)	(29,010)
Net pension liability	**(3,704)**	(3,059)	(3,106)	(5,402)

The movement in the deficit in the year, included in the financial statements, was as follows:

	2024 £'000	2023 £'000
Contributions	**88**	88
Additional contributions	**576**	540
	664	628
Net contributions less expenses of the scheme	**(113)**	(119)
Expected return on pension scheme assets	**827**	660
Interest on pension scheme liability	**(969)**	(736)
	409	433
Actuarial loss (see below)	**(1,054)**	(386)
	(645)	47
Deficit in scheme at beginning of year	**(3,059)**	(3,106)
Deficit in scheme at end of year	**(3,704)**	(3,059)
Actual return less expected return on pension scheme assets	**(1,001)**	(9,310)
Experience gains and losses arising on the scheme liabilities	**(982)**	(1,504)
Changes in the assumptions underlying the present value of the scheme liabilities	**929**	10,428
Actuarial loss	**(1,054)**	(386)

The net of the expected returns on pension scheme assets and interest on pension scheme liabilities of £142,000 (2023: £76,000) is shown in interest payable. Changes in the present value of the defined benefit obligation are as follows:

	2024 £'000	2023 £'000
Opening defined benefit obligation at 1 March	**19,378**	28,166
Interest cost	**969**	736
Actuarial gains	**53**	(8,924)
Benefits paid	**(725)**	(600)
Closing defined benefit obligation at 29 February	**19,675**	19,378

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23. Retirement benefits (continued)

Changes in the fair value of plan assets are as follows:

	2024	2023
	£'000	£'000
Opening fair value of scheme assets at 1 March	**16,319**	25,060
Expected return	**827**	660
Expenses	**(113)**	(119)
Actuarial losses	**(1,001)**	(9,310)
Employer contributions	**664**	628
Benefits paid	**(725)**	(600)
Closing fair value of scheme assets at 29 February	**15,971**	16,319

	2024	2023	2022	2021
	£'000	£'000	£'000	£'000
Fair value of scheme assets at 29 February	**15,971**	16,319	25,060	23,608
Present value of defined benefit obligation at 29 February	**(19,675)**	(19,378)	(28,166)	(29,010)
Deficit in the scheme	**(3,704)**	(3,059)	(3,106)	(5,402)
Experience adjustments on scheme assets	**(1,001)**	(9,310)	1,641	159
Experience adjustments on scheme liabilities	**(982)**	(1,504)	(150)	(345)

Multi-employer defined benefit scheme

Under the definition set out in FRS 102, the Pensions Trust Growth Plan Series 1, 2 and 3 are multi-employer pension schemes. YHA is unable to identify its share of the underlying assets and liabilities of the schemes. Accordingly, the contributions have been accounted for as if they were defined contribution schemes. Schemes 1 and 2 closed to new members in 2001, members of scheme 3 have the opportunity to remain in the scheme or join the Scottish Widows defined contribution scheme. The last actuarial valuation concluded and published by the Pensions Trust was at 30 September 2020. The assets and liabilities and comparison to the previous triennial valuation in September 2017 were as follows:

	30 September 2020	30 September 2017
	£ million	£ million
Assets	**800.3**	794.9
Present value of liabilities	**(831.9)**	(926.4)
Deficit	**(31.6)**	(131.5)

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23. Retirement benefits (continued)

The assumptions that had the most significant effect on the valuation were as follows:

	30 September 2020	30 September 2017
Financial assumptions		
Market implied inflation	**3.15%**	3.4%
Long term gilt yield	**0.67%**	1.8%
Discount rates		
Pre-retirement rate	**—**	3.1%
Post retirement rate	**—**	2.3%
Inflation		
RPI	**3.2%**	3.4%
CPI	**2.3%**	2.5%

The discount rate assumption used in the valuation process has been revised and no longer has a separate rate for pre- and post-retirement. The discount rate is now based on the initial rate of gilt yield curve plus 1.23% p.a. at the valuation date tapering to gilt curve plus 0.5% p.a. over a period of 10 years.

The deficit of £31.6 million represents a funding level of 96.2%. At the 2011 valuation the Trustees put in place a recovery plan with the aim of eliminating this deficit via a combination of additional contributions from employers and investment returns over a period of 10 years from 1 April 2013. As a result of the 2014 valuation the recovery plan had been extended by 2 years and 5 months until 31 August 2025. However, under the 2017 valuation this repayment period reduced to 31 January 2025 timeframe but to reduce the annual deficit payments accordingly.

The Pensions Trust had previously notified YHA that the additional contributions required from YHA (England and Wales) from 1 April 2013 would be £385,220 rising by 3% per year. This was subsequently revised from 1 April 2016 to £403,318 and then from 1 April 2019 to £436,021. Under the 2020 valuation the annual deficit payment is £133,333.

Multi-employer Pension Scheme movements

	2024 £'000	2023 £'000
Balance at 1 March	**244**	406
Paid in the year	**(133)**	(161)
Interest expense	**9**	6
Decrease in liability	**—**	(7)
Balance at 29 February	**120**	244

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23. Retirement benefits (continued)

In May 2022 we were notified by the Trustee of our Schemes that it has performed a review of the changes made to the benefits of both the defined benefit and multi-employer defined benefit schemes over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. This process is ongoing, and the matter is unlikely to be resolved before early to mid 2025 at the earliest. It is recognised that this could potentially impact the value of Scheme's liabilities, but until Court directions are received, it is not possible to calculate the impact of this issue with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.

24. Endowments

Permanent endowments (group only)

	At 1 March 2023 £'000	Realised gain £'000	Unrealised loss £'000	**At 29 February 2024 £'000**
Wilderhope Funds	134	(3)	7	**138**
Richard's Bequest	416	(9)	20	**427**
Peter Grant Fund	82	(2)	4	**84**
Peter Grant Endowment Fund	102	(2)	6	**106**
Merseyside YH Golden Jubilee Trust	145	—	(9)	**136**
	879	(16)	28	**891**
Expendable endowments	141	(2)	6	**145**
	1,020	(18)	34	**1,036**

The Wilderhope Manor Fund and the Wilderhope Fund were created to provide financial support for the continuing use of Wilderhope Manor as a youth hostel.

The Richard's Bequest generates income to pay for providing "various equipment for inside and outside sports & games, and material for handicrafts".

The Peter Grant funds were given to generate income for the maintenance of our hostels, (the endowment fund) and to give disadvantaged youngsters the opportunity to experience YHA.

The Merseyside Youth Hostel Golden Jubilee Trust endowment provides assistance, financial or otherwise to "enable needy or disabled young persons to enjoy the benefits of youth hostelling activities".

Also included in the company are investments in YHA Trading Limited of £100.

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25. Restricted funds

Group and company

	At 1 March 2023 £'000	Incoming resources £'000	Expenditure £'000	Transfers to/from unrestricted fund £'000	**At 29 February 2024 £'000**
Breaks 4 Kids/No Child Left Behind	429	261	(397)	—	**293**
Small hostels fund	400	67	(80)	—	**387**
Capital grants and donations	3,076	102	(113)	—	**3,065**
Revenue grants and donations	17	367	(362)	(7)	**15**
Other	205	34	(76)	—	**163**
	4,127	831	(1,028)	(7)	**3,923**

	2024 £'000	2023 £'000
Restricted funds (capital)	**3,065**	3,076
Restricted funds (other)	**858**	1,051
	3,923	4,127

The Breaks fund has been a long-standing fundraising appeal designed to give financial support to groups of disadvantaged youngsters and provide the opportunity of a stay with YHA. In 2019/20 we extended this project to expand the scope of the scheme to cover a wider group of disadvantaged young people and families as part of our 90th anniversary celebrations and more latterly for our No Child Left Behind appeal.

The Small Hostels Fund is supplemented by donations and legacies from people wishing to support the maintenance and development of YHA's small rural hostels. Donations of £67,000 (2023: £1,000) were gratefully received in the year with £80,000 being spent from the fund this year to support the refurbishment of a number of hostels throughout the network.

During the year capital grants of £102,000 (2023: £10,000) were received.

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26. Analysis of net assets between funds

Group

	Unrestricted funds £'000	Realised funds £'000	Endowment funds £'000	Total £'000
Tangible fixed assets	68,206	3,065	—	**71,271**
Intangible fixed assets	545	—	—	**545**
Investments	—	—	1,036	**1,036**
Current assets	11,667	858	—	**12,525**
Current liabilities	(66,788)	—	—	**(66,788)**
Long term liabilities	(2,483)	—	—	**(2,483)**
Pension liability — Defined benefit	(3,704)	—	—	**(3,704)**
— Multi-employer	(120)	—	—	**(120)**
	7,323	3,923	1,036	**12,282**

Company

	Unrestricted funds £'000	Realised funds £'000	Endowment funds £'000	Total £'000
Tangible fixed assets	68,206	3,065	—	**71,271**
Intangible fixed assets	545	—	—	**545**
Investments	—	—	1,037	**1,037**
Current assets	11,667	858	—	**12,525**
Current liabilities	(67,854)	—	—	**(67,854)**
Long term liabilities	(2,483)	—	—	**(2,483)**
Pension liability — Defined benefit	(3,704)	—	—	**(3,704)**
— Multi-employer	(120)	—	—	**(120)**
	6,257	3,923	1,037	**11,217**

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27. Reconciliation of changes in resources to net cash inflow from operating activities

	2024 £'000	2023 £'000
Net expenditure for the reporting period (as per the statement of financial activities)	**(3,021)**	(2,627)
Adjustments for:		
Depreciation	**4,289**	4,658
Impairment losses	**–**	795
Pension contributions to reduce liabilities	**–**	(837)
Pension cost expenses non cash	**113**	119
Pension net interest non cash	**142**	76
Borrowings – non cash items (amortisation)	**99**	132
Losses/(gains) on investments	**(16)**	55
Gains on sale of tangible fixed assets	**(5,512)**	(7,555)
Interest charge	**4,210**	3,032
Investment income – cash element	**(163)**	(33)
Increase in stock	**(13)**	(106)
Decrease/(increase) in debtors	**(485)**	244
Increase in creditors	**984**	3,501
Decrease/(increase) in provisions	**21**	(115)
Net cash provided by operating activities	**648**	1,339

28. Analysis of cash and cash equivalents

	2024 £'000	2023 £'000
Cash in hand	**9,108**	11,438

29. Reconciliation of net cash outflow to movement in net debt

	Group	
	2024 £'000	2023 £'000
Increase in cash	**(2,330)**	104
Cash outflow from movement in debt and lease financing	**10,663**	3,328
Change in net debt resulting from cashflows	**8,333**	3,432
Non cash changes	**–**	(132)
Movement in net debt	**8,333**	3,300
Net debt at 1 March	**(47,794)**	(51,094)
Net debt at 29 February	**(39,461)**	(47,794)

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30. Analysis of changes in net debt

	At 1 March 2023 £'000	Cash flows £'000	Non-cash changes £'000	**At 29 February 2024 £'000**
Cash in hand and at bank	11,438	(2,330)	—	**9,108**
Debt within one year	(59,102)	10,533	—	**(48,569)**
Debt after more than one year	—	—	—	**—**
Finance leases	(130)	130	—	**—**
	(47,794)	8,333	—	**(39,461)**
Cash in hand and at bank	11,438	(2,330)	—	**9,108**
Total borrowing & finance leases	(59,232)	10,663	—	**(48,569)**
	(47,794)	8,333	—	**(39,461)**

31. Capital commitments

	2024 £'000	2023 £'000
Contracted for but not provided for in these financial statements	**251**	2,159

Capital commitments are included for any remaining expenditure required to complete major projects. This is intended to reflect YHA's commercial intent and any material commitments to full completion of these projects and may be in excess of the contractually binding liability as at 29 February 2024.

32. Leasing commitments

Operating lease and rental payments fall due as follows:

Group and company

	2024		2023	
	Land and buildings £'000	**Other £'000**	Land and buildings £'000	Other £'000
In one year or less	**2,367**	**816**	2,245	720
Between one and five years	**9,502**	**121**	9,008	92
Between five and twenty-five years	**58,363**	**—**	54,431	—
Twenty-five years or more	**100,881**	**—**	3,262,086	—
	171,113	**937**	3,227,770	812

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32. Leasing commitments (continued)

YHA holds a long lease on a property it intends to sell. In view of this it is no longer appropriate to recognise the lease commitment more than 25 years. This explains the apparent reduction in the leasing commitments as at 29 February 2024.

33. Transactions with Trustees and other related parties

There were no transactions with Trustees other than those disclosed in note 10.

Other related party transactions for the year were limited to the procurement of services for the YHA Festival of Walking project from a consultancy owned by the spouse of one of the executive directors amounting to £2,500 (2023: £32,500).

As YHA Trading Limited is a wholly owned subsidiary of YHA, YHA is exempt from the requirements of FRS 102 Section 33 to disclose transactions with this company.

34. Post balance sheet events

Since the year end, and as part of the plan to focus efforts on a smaller number of core strategic hostels, we have completed the sale of 12 hostels to third parties, six of which have remained in the YHA network as franchises.

The combined sales value of these transactions was £11.1m, with an associated net asset value including disposal costs of £5.6m. Upon completion of the sales, £4.2m of the HSBC loan was repaid.

A further 11 hostels remain on the market with a potential sales value of around £11.2m.

On 30 July 2024, a loan arrangement for £47.1m was put in place with HSBC. This loan arrangement extends to 31 December 2025.

35. Prior year restatement

The method for recognising membership income has been changed. Previously, membership income was recognised as received which was incorrect. Going forward, on the basis that members receive benefits over the course of 12 months, membership income is recognised over the course of the membership.

This has created prior year adjustments to Income from Charitable activities, Creditors: amounts falling due after more than one year, Deferred Income, and Unrestricted Funds. Accordingly, balances have been restated as per below.

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35. Prior year restatement (continued)

	As reported £'000	Prior year adjustment £'000	Restated £'000
Consolidated statement of financial activities			
Income from Charitable activities (note 6)	41,768	(22)	41,746
Balance sheets			
Creditors: amounts falling due within one year (note 17)	(75,430)	(451)	(75,881)
Deferred income: deferred during year (note 18)	9,669	451	10,120
Unrestricted Funds excluding pension liability	(7,941)	(451)	(8,392)

Below is a copy of the previous year's Consolidated statement of financial activities for comparison.

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36. Consolidated statement of financial activities for the year ended 28 February 2023

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2023 £'000	Total 2022 £'000
Income					
Income from charitable activities	**41,768**	—	—	**41,768**	22,318
Income from trading activities (YHA Trading Limited)	**5,068**	—	—	**5,068**	3,676
Donations, gifts and legacies	**1,346**	**166**	—	**1,512**	1,809
Grants receivable	—	**972**	—	**972**	5,714
Coronavirus Job Retention Scheme payments receivable	—	—	—	—	1,691
Investment and similar income	**10**	**23**	—	**33**	21
Total income before net gain on disposal of tangible fixed assets	**48,192**	**1,161**	—	**49,353**	35,229
Net gain on disposal of tangible fixed assets	**7,555**	—	—	**7,555**	332
Total income	**55,747**	**1,161**	—	**56,908**	35,561
Expenditure					
Costs of charitable activities	**53,713**	**1,356**	—	**55,069**	41,397
Costs of trading activities (YHA Trading Limited)	**4,058**	—	—	**4,058**	3,095
Fundraising	**353**	—	—	**353**	405
Total expenditure	**58,124**	**1,356**	—	**59,480**	44,897
Unrealised gains on investments	—	—	**26**	**26**	28
Realised (losses)/gains in investments	—	—	**(81)**	**(81)**	3
Net expenditure before tax and refinancing costs	**(2,377)**	**(195)**	**(55)**	**(2,627)**	(9,305)
Tax on commercial activities	—	—	—	—	—
Net income/(expenditure)*	**(2,377)**	**(195)**	**(55)**	**(2,627)**	(9,305)
Transfer between funds	—	—	—	—	—
Net income/(expenditure) after transfers	**(2,377)**	**(195)**	**(55)**	**(2,627)**	(9,305)
Other recognised gains and losses					
Actuarial gain/(loss) on defined benefit pension scheme	**(386)**	—	—	**(386)**	2,044
Actuarial gain on multi-employer pension scheme	**7**	—	—	**7**	1,008
Other losses	—	—	—	—	(104)
Net movement in funds	**(2,756)**	**(195)**	**(55)**	**(3,006)**	(6,357)
Fund balances brought forward at 1 March 2022	**14,417**	**4,322**	**1,075**	**19,814**	26,171
Fund balances carried forward at 28 February 2023	**11,661**	**4,127**	**1,020**	**16,808**	19,814

All income was from continuing operations.
*Information up to and including net income/expenditure represents the information required by the Companies Act 2006.
The accompanying accounting policies and notes form an integral part of these financial statements.

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We are YHA.

We transform young lives forever through travel and real adventure.

Because where you go changes who you become

stay | join | give | volunteer yha.org.uk

YHA (England & Wales), Trevelyan House, Dimple Road, Matlock, Derbyshire DE4 3YH Company No. 00282555 Reg. Charity No. 306122

YHA (ENGLAND AND WALES)

England & Wales - Charity number 306122

Accounts

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Annual report

2022/2023

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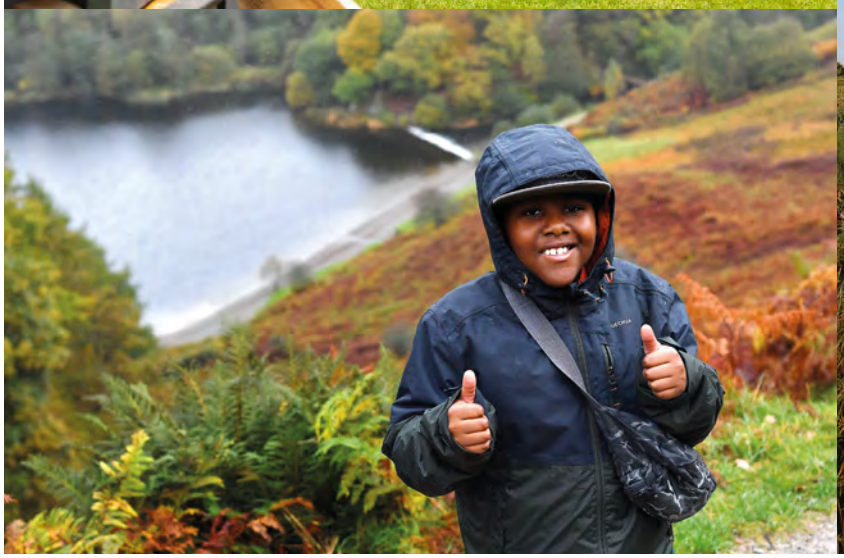

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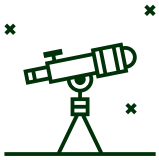
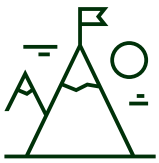


Vision

Everyone has access to the benefits of adventure, for the first time and a lifetime.

By 2030, every child is able to stay away from home, travel, experience adventure and access the outdoors, nature, culture and heritage. YHA will work with others to end the inequity that means some children have never been to a beach, visited a museum or rolled down a hill.



Mission

To enrich the lives of all, especially young people, by providing brilliant hostel stays and experiences that improve physical health, mental wellbeing and life skills.

Charitable objects

To help all, especially young people of limited means, to a greater knowledge, love and care of the countryside, and appreciation of the cultural values of towns and cities, particularly by providing youth hostels or other accommodation for them in their travels, and thus to promote health, recreation and education.

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Foreword

Welcome to YHA's annual report for 2022/23. In the following pages we'll describe how, despite huge challenges, we pursued our strategic priorities and met our income targets. And we'll expand on the major projects through which we delivered impact for our guests and beneficiaries in a difficult year.

With the lifting of remaining COVID restrictions in spring 2022, it was fantastic finally to be able to open hostels again on a near normal basis, and welcome hundreds of thousands of domestic and international guests to enjoy the hostelling experience to its fullest. However, though relieved that the problems of the pandemic were largely behind us, YHA now faced multiple and far-reaching new challenges — a perfect storm of huge cost rises, rapidly rising interest rates and lower demand as the cost-of-living crisis started to bite. Regrettably, the continuing economic volatility has meant that we have ended the year with a £6.1m underlying trading deficit and have not been able to meet our impact targets as fully as we would have liked.

As you will see from the report, we are carefully managing our way through these complexities adjusting for changing demands and consumer behaviour. We are maximising revenue and efficiency in the best interests of the future of the charity — altering our operating models in a number of hostels, driving savings in central services costs and energy use, and improving our digital infrastructure and systems for the benefit of both customers and staff.

This year, despite the multiple external crises we have faced, we have welcomed 817,220 people. And we have forged ahead with our long-term strategy to increase the scale and breadth of our impact, promoting social inclusion and equity of access. We officially launched the Outdoor Citizens community of practice to break down barriers to the outdoors, connecting smaller organisations already doing great work with funding opportunities and the knowledge to increase their capacity to make change. We successfully piloted a new Festival of Walking — encouraging hundreds of people to come together at hostels across England and Wales to participate in social walks, and making important strides with partners BMC, The Ramblers, Ordnance Survey, Cotswold Outdoor and Sport England. We concluded the landmark Generation Green project which connected over 115,000 young people to nature and, from it, developed two brand new residential experiences to encourage the next generation to protect and enjoy the natural environment. And thanks to our supporters and the success of our No Child Left Behind appeal, we've been able to make outdoor learning and school trips accessible for thousands of children who would have been left out because squeezed budgets at home and school are putting these formative experiences out of reach.

There is much to be proud of and I pay tribute to the tenacity, passion, energy, dedication and skill of our people, volunteers, supporters and partners through these difficult times.

Thank you.

Margaret Hart
Chair

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We are YHA.

We believe in the power of travel and adventure. To connect people to each other, to nature and the outdoors, to culture and to heritage.

Hostelling makes travel and adventure accessible to everyone, everywhere. Since 1930, YHA has operated a unique network of hostels throughout England and Wales — a community of shared spaces, open to all and for the benefit of everybody.

We provide inclusive adventures, in extraordinary buildings, in amazing places. Yet we offer much more than accommodation.

YHA is a sector-leading residential provider, a champion of inclusive volunteering and work experience, and an Investors in People Gold employer.

We are a leading social enterprise and a charity on a mission to enrich the lives of all, but especially young people, and improve physical health, mental wellbeing and life skills through the experiences we create.

We are YHA.
Because where you go changes who you become.

stay | join | give | volunteer

Public benefit statement

Our Trustees give careful consideration to the Charity Commission's general guidance on public benefit during our planning processes and delivery of our work.

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Operating Plan 2022/23

Key

- Highest priority and urgency ■
- High priority and urgency □
- Medium priority and urgency ⁘

Recovery

Enabling recovery and return to annual surplus and financial sustainability.

- Achieving income targets and key KPIs
- Long term cashflow and refinancing
- Cost savings and efficiencies

Growth

Growing the education market and attracting more informal and diverse groups.

- Educational growth plan
- Non-educational groups

Capital strategy

Delivering a viable network of quality hostels ad digital infrastructure.

- Capital network strategy
- Enterprise framework and integration
- IT and Digital transformation

Underpinning priorities

- Equity, diversity and inclusion
- People strategy
- Campus — life skills and employability
- Environmental sustainability
- CRM change programme
- Membership and supporter engagement
- YHA brand
- Data strategy
- Communities

The 2022/23 Operating Plan set out to deliver a number of projects which:

- support our recovery from COVID-19 and return to annual surplus and financial sustainability.
- enable us to focus on growing our education market and attracting more informal groups from diverse backgrounds.
- deliver a viable network of quality hostels and digital infrastructure.
- deliver the foundations and enablers that will deliver our long-term strategy.

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Key Performance Indicators (KPIs)

KPI	Delivering YHA's charitable objects	Actual 2019/20	Actual 2020/21	Actual 2021/22	Target 2022/23	**Actual 2022/23**
Number of people staying at YHA overnight	To help all	1,024,964	N/A	455,515	845,000	**817,220**
Those who stay with us, benefit from our provision and support, our employees and volunteers, reflect the demographics of England and percentage. Percentage of job applications from people from ethnic minority backgrounds.		N/A	N/A	19%	20%	**42% achieved in Q4**
Number of young people staying at YHA overnight	Especially young people	412,652	N/A	114,879	295,000	**265,207**
Young People as a % of the total number of people staying at YHA overnight		40%	N/A	25%	35%	**32%**
Number of young people with challenging lives staying at YHA overnight	Of limited means	4,875	N/A	3,346	25,000	**8,382**

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KPI	Delivering YHA's charitable objects	Actual 2019/20	Actual 2020/21	Actual 2021/22	Target 2022/23	**Actual 2022/23**
Young people with challenging lives as % of young people staying at YHA overnight		1.2%	N/A	2.9%	8.5%	**3.2%**
Customer satisfaction score	Particularly by providing youth hostels or other accommodation for them in their travels	89%	N/A	93%	90% of all open hostels achieving a score of at least 90%	**76% achieved Q4**
Financial performance – annual trading cash surplus/(deficit) (excluding depreciation, impairment costs, capital grants and profit on asset disposals)		£1.5m	(£11.0m)	(£6.3m)	(£4.0m)	**(£6.1m)**
Financial performance – annual net income/ (expenditure) – as per financial statements		(£1.3m)	(£14.3m)	(£9.3m)	£0.2m	**(£2.6m)**

Impact KPIs are not available for 2020/21 as the hostel network was closed during the majority of the year due to COVID-19 restrictions.

In addition, from a governance and compliance perspective, the Board and its committees received regular reports covering the following key areas:

- Environmental sustainability
- Loan covenant compliance
- Reportable incidents
- Employee engagement

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Commentary

All of our planned activities were delivered in 2022/23, although we did fall short on the achievement of some of our KPIs.

Impact measures

Our key measure is the number of people staying with us. We almost achieved our target — with a total of 817,220 people staying with us. This is a significant increase from the number of people staying the year before. We also came close to achieving our target for the number of young people staying with us this year but this was hindered by the slower recovery in schools group. We expect the number of young people staying with us will increase year on year and in the long-term we have retained our target for the number of young people as a proportion of people staying with us to be at 50%.

Though we are delighted so many people benefited from a YHA experience, the number of children and young people with challenging lives staying with us this year is lower than our KPI target — despite it being our best ever year, as shown in the trend data. Noting our target reflects our long-term aspiration and we will endeavour to rephase this target as part of the development of the KPI's in 2023/24 to allow us to monitor our achievements more appropriately.

We have only reported the number of young people with challenging lives who received directly funded breaks against this target. We have realised that this doesn't reflect all the young people with challenging lives that we've supported this year. Next year we intend to revise our KPI definition to also include young people from special schools, alternative provision, and schools.

Customer satisfaction

Our target is 90% of open hostels achieving 90% customer satisfaction. In Q4, 76% of our sites scored 90% or more, with an average score of 91.8%. Across the whole year, 80% of our sites achieved the KPI, with an average score of 91.8%.

Various external issues impacted the hospitality sector and our score — such as difficulties with supply chains, staffing and recruitment. Laundry and food, both of which are fundamental to operations, were most severely affected. As a result, we were unable to offer the full range of services in some locations. In addition, the removal of COVID restrictions, whilst mostly beneficial, also meant a return to shared toilets and showers, the reopening of dorm rooms and our city centre sites becoming significantly busier. This had a knock-on negative effect on satisfaction levels.

For comparison, the UK customer satisfaction index, as reported bi-annually by the Institute of Customer Service was last reported at 77.7%. Although UKCSI questions aren't an exact match to our survey questions, it's likely to be very similar and gives a benchmark, covering 281 organisations across 13 sectors. The average score in our sector (tourism) is 80.9%. Our results are well ahead of the industry standard, although below the YHA KPI which was set as a stretch target.

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Financial overview

We met our income targets but fell short of our targets on volume due to ongoing challenges with recruitment, which led to restrictions on operations in the early part of the year, along with a slow recovery in school group and international bookings.

Costs were significantly ahead of budgeted levels, driven almost entirely by unanticipated increases in energy related costs (utilities, laundry, food, maintenance) and interest rates, given the budget was set before the start of the war in Ukraine.

Taking these factors together led to an end year position of a trading cash deficit of £6.1m, £2.1m worse than budget, but £0.5m better than the autumn re-forecast, reflecting a stronger end to the trading year in our city sites and a slightly improved energy cost position. We use the trading cash deficit position as the key financial measure to monitor our financial performance as this gives a better reflection of the underlying trading position and this calculation excludes depreciation and impairment costs, the profit or loss on asset disposals, grant income and other pension changes. These other items are, however, included in overall net expenditure position of £2.6m as set out within the financial review on page 72.

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Major projects in brief

Here's a snapshot of the year's major projects. For more detail, please turn to the relevant section.

R

Recovery

17 Achieving income targets and key KPIs

- A total of 817,220 people stayed with us.
- 265,207 of these were young people.
- We directly funded stays for 8,382 young people who would have missed out on adventures without this support.

21 Long-term cashflow and refinancing

- We decided to work with HSBC to extend our loan facility rather than undertake a full market assessment which enabled focus on our medium-term financial plan.
- We commenced our central services review to optimise our structures in alignment with the needs of the hostel network and our growth ambitions.

21 Cost savings and efficiencies

- Across our hostel network, we introduced an update to our operating standards to help teams follow a consistent and clear approach to standards and service.
- We developed new ways of tracking progress against operating KPIs and trading data — essential to achieving greater cross-departmental efficiency.

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G

Growth

22 Educational growth plan

- We developed a groups growth plan to:
  - retain schools already choosing YHA
  - target new schools through a first-of-its-kind acquisition campaign
  - make planning and booking as simple as possible
  - maintain standards across our hostel network
- We increased the value of financial support fundraised and distributed to schools through grants, subsidies and bursaries, removing barriers to participation through projects like our No Child Left Behind appeal.
- We completed the landmark Generation Green project.
  - It connected more than 115,000 children and young people to nature and outdoor opportunities.
  - Across the Access Unlimited partnership, 39,476 young people experienced a facilitated day or residential trip, or self-led experience.
  - A third (33%) of young people who undertook a residential trip were from an ethnic minority background (compared with 18% in the populations as a whole).
- We launched three new education products:
  - The first dedicated transition residential
  - Caring for Nature
  - Connecting to Nature

33 Non-educational groups

- We successfully delivered our first Festival of Walking, a large-scale pilot event designed to get more people walking and encourage the use of our amazing bases and facilities. The festival resulted in strengthened partnerships with other walking communities and outdoor brands, plus the publication of almost 200 free route maps.

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C

Capital strategy

36 Network and capital strategy projects

- We reviewed each hostel in our network to consider their impact, income and costs. This has helped us identify additional capacity in the network that we are using to increase reach and to consider which hostels might suit a different operating model.
- In London, we made significant progress with our plan to consolidate our network in England's capital.
  - With YHA London St Paul's façade and YHA London St Pancras cladding prohibitively expensive to overhaul, we placed them on the market.
  - In line with our strategic commitment to group's growth, we committed to investment in YHA London Thameside.
  - We concluded YHA's involvement with land originally identified for a potential hostel in Stratford, London. We exercised our option to buy and then sold the land on to a hotel operator with a provision for YHA to benefit financially as and when the site is developed.
- Elsewhere, with a slowdown in demand for city stays since COVID-19, we placed YHA Newcastle Central and YHA Liverpool Central on the market.

39 IT and digital transformation

- We recruited an in-house website development team and began reaping the benefits earlier than planned.
- We improved our online customer journey, delivering self-service booking amendments and cancellations functionality.

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U

Underpinning priorities

40 Equity, Diversity and Inclusion

- We appointed our EDI lead, developed an EDI plan and refreshed our inclusion policy.
- We commenced hostel accessibility audits.
- Across the organisation, inclusion champions have helped embed our values and staff have received inclusion training.
- We launched Outdoor Citizens with the aim of bringing together groups and organisations working to break down barriers to accessing the outdoors.
  - We hosted a tri-partite launch event with Natural England and All the Elements.
  - So far 84 groups have joined our community of practice.
  - We have realised various funding opportunities that are now supporting a number of these groups.

48 People strategy

- We focussed on attracting more diverse applications to our job roles to ensure our people are representative of society and all the beneficiaries we seek to serve.
- We reviewed our pay and policies and made improvements to learning and development, and reward and recognition.

54 Environmental sustainability

- We published our commitment to sustainability, detailing the environmental measures implemented across the hostel network and at national office, and pledging ourselves to key relevant UN Sustainable Development Goals.
- We assembled an energy project team tasked with delivering our energy consumption reduction plan.

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As the year progressed and market conditions changed due to crises in cost of living, inflation, energy and recruitment, some underpinning priorities changed in scope:

Data strategy and the CRM change programme developed as part of the IT and digital transformation project. The communities, campus, brand projects and membership and supporter engagement projects became departmental activities instead of operating plan priorities and will continue for a number of years.

Impact enabling foundations and projects in detail:

- YHA Breaks Programmes
- Youth voice at the heart of decision making
- Volunteering and work experience
- YHA in Wales
- Heart of the Community

With over 130,000 members, our membership has remained strong throughout the year. Renewal rates remained above 83%, whilst over 21,000 new members joined us during the year.

Welcome to those who have joined and thank you to all those who continue to be an integral part of our movement.

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Recovery

Achieving income targets and key KPIs

Hostel opening and trading information

With the news that the final COVID-related restrictions would lift by 1 April 2022, we devised our accommodation opening patterns for the year based on what we thought would best match demand. We were also able to pilot the return of dormitory accommodation at YHA Manchester. This was then rolled out at selected locations, with some availability in every region, from May.

While some guests were keen to have the option of dorms, we didn't experience sufficient demand to open them at every hostel. In contrast, over the last two years, whole hostel hire has proved very popular. So, while we returned to more usual operating patterns overall, we optimised our plans by continuing to offer more opportunities for YHA Exclusive Hire — anticipating that this would continue to make an important contribution to the longer term financial viability of some of our sites.

To improve our customer journey, we integrated YHA Exclusive Hire booking functionality into our main website. Now customers have a single place to browse and book a bed, a room, YHA Camping & Cabins accommodation or a whole hostel. We also improved our member benefit by replacing the £30 YHA Exclusive Hire discount with a 10% discount on the entire booking — plus an extra 5% off if the booking includes anyone under 26. This is part of our fundamental commitment to improving access to travel and adventure for young people.

We reviewed customer feedback on our food and beverage offer to ensure we're continuing to provide good choice, consistency of delivery, quality and value. Our refreshed menus went live from 1 April, with the return of the buffet breakfast and the addition of a 'classic comforts' menu replacing supper club in the evenings. We relaunched the 'kids eat free menu' for the evening and extended it to include our breakfast offer — publicising our commitment to affordability for all, including families with children.

Overall demand recovered relatively well but behaviour tended towards more last-minute bookings than pre-COVID and prone to short-notice changes and cancellations. While international demand has returned, it remains below 40% of pre-COVID levels for international groups (compared to 2019). Ongoing concerns over COVID have been compounded by Brexit for school groups — due to additional costs associated with buying all pupils a passport. For the families and individuals market, as reported in the national media, staycation demand was softer with holidaymakers returning to breaks abroad. We did, however, see a strong short-term uplift in bookings following media reports of airport cancellations and flight disruptions over the summer.

Happily, with the removal of restrictions, we were finally able to welcome back a number of our volunteer hostel managers who covered 95 weeks managing small rural hostels. Overall, however, in line with sector-wide issues, we experienced real challenges in paid staff recruitment. We had significantly fewer applicants — especially from overseas — for seasonal roles and the wider recruitment crisis meant greater competition from other operators able to offer higher salaries. Consequently, we were unable in the early part of the year to put all of our accommodation and facilities on sale.

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Inflation significantly affected key cost lines such as energy, utilities, laundry and food. Energy cost rises were particularly concerning. Over the winter, despite Government support, our energy costs rose £1.8m, £1.4m more than we had anticipated in budgeting.

To protect the charity, we had to adjust our prices. In line with our published Fair Pricing Promise, however, we continue to keep rates as affordable as possible — particularly outside of peak periods. For more information, please see yha.org.uk/stay/book-direct#fairpricingpromise.

While trends in demand and the impact of inflation on the cost base affected us acutely this year, we recognise there will be longer term impacts — particularly on our ability to return quickly to a break-even position. From summer, into autumn, the executive team therefore turned their focus on a recovery plan for the next three years.

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Inspired by our members and guests

We exist to encourage and deliver travel and adventure for everybody, so it's a delight when members and guests share with us the real difference it makes to their health and happiness.

It was a treat to hear from long-time hosteller and family ambassador, Jenny Lunnon at our AGM. She spoke of the impact YHA has on all her family but especially on her son, Alex, who is autistic. Here are a few excerpts from her story.

"

In the five years since our first stay with YHA, we've visited 24 hostels across England and Wales. At YHA Boggle Hole, our children loved the freedom of being able to run around on the beach and up on the moors. And they did so many things for the first time: flying a kite, going on a steam train, visiting a waterfall, an ice cream farm, a sculpture park.

For some autistic children, going on holiday is stressful because they are happier with familiar places and routines. While this is not true of our son, there is a familiarity about hostels that he finds reassuring. He likes to find them on the YHA map, and the fact that they form a network. He knows there will be a self-catering kitchen, bunk beds, the YHA logo, even the same green colour and typeface on the notices.

The experience of travel has benefited Alex in all kinds of ways. Above all, it's helped him engage with the wider world and to learn to communicate with us... because he has things he wants to talk about. He loves the peace of the countryside, he's fascinated by the sight and sound of the sea, he enjoys the feel of mud and sand, he's interested in animals and things that make music. Whereas once we had to push him up hills, he will now walk seven miles or more in almost any weather or terrain, motivated by the enjoyment of the experience... and sometimes a piece of cake at the end.

YHA has celebrated diversity of places, and people, ever since it was founded, and I have so appreciated the warm welcome you have extended to me and my family.

Jenny Lunnon

"

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Engaging with the international hostelling movement

In September, Chief Executive James Blake and Chair Margaret Hart attended the bi-annual Hostelling International conference. Rekindling the flame of global cooperation and community, it was attended by senior leaders from over 30 countries, plus several more online, and offered a great opportunity for us to re-engage with colleagues across the international hostelling movement.

Margaret led a session on inclusion and diversity, and participated in a panel on youth engagement. James chaired a panel on new initiatives, facilitating the sharing of best practice on operating models coming out of the pandemic, and co-chaired a workshop on future international strategy with Hostelling International CEO Brianda Lopez.

Overall, despite the various challenges and crises impacting not-for-profit hostelling organisations around the world, Margaret and James left feeling positive about the opportunity to make hostelling the number one choice for young people seeking affordable, safe, sustainable and ethical travel.

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Long-term cashflow and refinancing

The decision to extend the current loan with HSBC, rather than undertake a full re-tender exercise enabled more time to develop our medium-term financial plan and helped to move the work associated with the re-financing to the 2023/24 financial year.

We kicked off the central services review to understand our future requirements and optimise central services structures with the needs of the hostel network — all with the aim of supporting growth opportunities, the delivery of improved ways of working and to secure an overall reduction in our central overheads.

Cost savings and efficiencies

In the hostel network, we introduced new and improved physical menus and point of sale collateral for hostels to increase awareness of our food and beverage offer.

An update to our operating standards introduced a framework of hardlines and guidelines for hostel teams to follow, providing a consistent approach to standards and service.

We developed a new balanced scorecard, providing a dashboard reporting suite to track progress against KPIs and other trading data. This provides essential insight and has improved efficiencies for cross-departmental ways of working from one central data viewpoint.

To make life easier for all our people, expenses and time rostering solutions have been trialled ahead of roll out.

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Growth

Educational groups growth

Prior to the pandemic, school residential trips represented over 30% of YHA's annual income. Between March 2020 and February 2022, all existing school bookings were cancelled and refunded.

To recover, we would need to grow our schools market share, but our financial position meant a freeze on the marketing budget. We applied for and received a Government Culture Recovery Fund (CRF3) grant of £30,000 to deliver a schools marketing campaign to build back our school residentials business on the back of goodwill we'd achieved by treating our customers well — in comparison to competitors who had refused to return schools' deposits through the pandemic.

Between March and July 2022, the schools marketing campaign aimed to attract new schools and re-engage previous bookers. Working with a specialist education data partner we developed tailored communications to decision makers to encourage them to switch provider when they were ready to recommence planning school residentials.

Recognising that squeezed school budgets and family purses were putting school trips out of reach for millions of children, we campaigned to raise funds to support struggling families with the cost. Our No Child Left Behind appeal, launched at Christmas 2021 and publicised through 2022, was generously supported by members and donors. Thanks to that support, we have raised over £200,000 so far — allowing us to offer bursaries that part-fund schools unable to meet the whole cost of a residential trip and make sure all children have the opportunity of an unforgettable trip.

Our schools campaign resulted in over 400 new bookings worth £1.9m, including 200 schools that booked with YHA for the first time.

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St Joseph's Roman Catholic Primary School visits YHA York

In November 2022, 19 children from this Sheffield primary school came to YHA York for a two-day history package. The school had been offered CRF funding of £1,000 towards the residential. Despite this offer, the school made contact with us as they were struggling to afford the booking. We were able to offer a further £250 through No Child Left Behind funding which meant the booking could go ahead.

"

Without support from YHA, we couldn't have gone on a residential. We cancelled the Year 6 trip because that wasn't affordable for parents; the cost of transport alone was £700 just to get from Sheffield to York. And without the bursary, this residential wouldn't have happened because our parents couldn't afford it.

This is the first time some of the pupils have stayed away from home. One of the little boys said, 'this is the best two days I've ever had at school.' He's late for school every day and he's got low attendance, so for him to say that speaks volumes.

Our young people don't have much outdoor space. A lot of our pupils live in back-to-back houses that don't have gardens, so it's great to get them outdoors. After this trip, they seem more confident and independent.

Laura Atkinson, headteacher

"

"

This trip links really well with what we're studying at the moment, which is Vikings. It's great to have museums near the hostel for the kids to visit. It's so important to get them out and about and see things they've never seen before.

Teaching assistant

"

"

Where the children are from is very much a working class area, so some of them don't really venture out. The trip has been excellently priced and almost every child has been able to come, so that's been really beneficial. Some kids were even excited to get on the motorway as they'd never seen it before. In a way, we get to live the experience again through their eyes.

Teaching assistant

"

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No Child Left Behind

We launched our No Child Left Behind appeal at Christmas 2021 and fundraised for it throughout 2022/23. We are grateful to all those who have donated.

We have begun distributing bursary funds raised through the appeal.

In 2022/23, 29 schools from areas of high deprivation were supported with bursaries through No Child Left Behind.

We continue to fundraise to save residentials for more children at risk of missing out.

You can support the appeal at yha.org.uk/child-appeal.

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Beech Hill Community Primary School visit YHA Chester Hall

In November 2022, students from Beech Hill Community Primary School were supported with bursary funding and enjoyed a residential at YHA Chester Trafford Hall. Here's what Headteacher Michelle McCarthy and some of her students had to say about their experience.

"Given the financial situation that we all find ourselves in at the moment, budgets are tight, not only in schools but in our families, the possibility of a residential wouldn't be on the horizon unless we had the bursary. It just made it more affordable for families. School subsidised some of it and the bursary from YHA helped children who couldn't ordinarily come on a residential to attend.

We are always amazed when we take our children out of school. The children that we don't expect to come forward as leaders come forward. It's the children who are quiet that succeed and do really well.

Michelle McCarthy, headteacher"

"It's really nice because I love fresh air. It's more of a countryside because I live on a main road. There's loads of wildlife like horses and all that.

Pupil"

"Most children just play on electronics and stuff now, so it's good to be outside.

Pupil"

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Transition residentials

In September 2021, we piloted a new residential aimed at supporting young people through transition from primary to secondary school. From February 2022, we built on the findings of that pilot and delivered the finished product transition residential.

Instead of a standard activity package delivered during the period of transition, our pioneering programme has been specially developed as a bespoke transition product. The impact of residentials on pupil attainment are well documented — with benefits tailored to improved learning and educational outcomes. In comparison, research into transition residentials is scarcer. And it's here that YHA is breaking new ground with partner schools.

During the period of transition, both pupils and parents are most concerned about the social and emotional adjustment rather than the academic step up. Our new transition residential therefore prioritises social aspects of transition as well as developing emotional support.

During product development, we piloted our residential design, which had been researched ahead of time, and used evaluation methods to test the impact. We found that adventurous activities were really important. A mixture of high and low activities proved optimal, with high ropes courses and the leap of faith combined with team games and new experiences like weaselling. Activities where success and mastery were probable not just possible — activities that inspired pride and confidence — contributed to pupils' development and improvements in their perceptions of themselves. Children who are more likely to struggle with transition are more likely to experience the positive effects of a residential.

Crucially, building on the lessons of the pilot, our programme designers recognised that school staff participation in activities created a unique opportunity for bonding between new pupils and staff. By taking part in positive stress activities in wild environments together, staff and students got to know each other better.

To ensure educators could keep their energy high during interactions, this residential has more teacher downtime built in than a usual residential. As a result of participating in activities together with pupils, teachers collected successes to celebrate back at school. They had experiences to replay to support pupils' understanding of themselves as a learner and apply that awareness when faced with new challenges in the classroom - "remember when you overcame that challenge, and how you did it, what can you apply here?"

Key residential outcomes

45%

of pupils said their confidence improved

68%

of pupils reported relationships with peers improved

58%

of pupils reported relationships with staff improved

54%

of pupils reported that they felt happier

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> “You can be free and with your friends.
>
> Jeremy”

> “This has been the best day of my entire life!
>
> Inbha”

> “I think everyone is finding it really valuable because they are all making new friends.
>
> Olivia”

Next steps

Two further visits to the participating school will measure impact over time to see if the effects are lasting. We will look to collect future data on attendance, behaviour and attainment of the pupils that took part.

With this data, YHA will share findings with schools and policy makers to make transition smoother for more pupils. As part of our core commitment to equitable access, our next steps are to scope how transition residentials can work best for different groups – for example, how might it be optimised for children in alternative provision or pupils in other age groups facing different changes and challenges.

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Generation Green

The Generation Green project was delivered by the Access Unlimited coalition, led by YHA and formed of four other national charities and the 10 English National Parks. It was funded by the Government's Green Recovery Challenge Fund — delivered by The National Lottery Heritage Fund in partnership with Natural England and the Environment Agency.

The 16-month project launched in spring 2021 and ended in autumn 2022 and reached more than 115,000 children and young people. It created jobs, apprenticeships, and new opportunities for thousands of young people. Importantly, Generation Green prioritised young people living in deprived areas, Black and minority ethnic groups, and those from disadvantaged backgrounds.

Generation Green was launched against the background and challenges of the COVID-19 pandemic where 2 million households had gone through lockdowns without a garden, and half a million children had missed out on residentials with Access Unlimited partners alone. The pandemic only compounded and further exposed the levels of inequity in accessing the outdoors and green spaces that existed pre-COVID.

Exposure to nature has many varied health and wellbeing benefits — particularly for young people. Increased concentration, greater attention capacities, higher academic performance, better motor coordination, reduced stress levels, increased social interaction with adults and other children, and improved social skills are all among the positive outcomes. Plus, connection to nature develops responsible long-term environmentally conscious behaviour.

It is remarkable that in just 16 months, Generation Green connected more than 115,000 children and young people to these benefits even within the constraints of a pandemic. With further support and without social distancing restrictions — we can create an even bigger impact. Through the Access Unlimited coalition, YHA continues to campaign for further funding to support opportunities for more young people.

You can read the full evaluation report for Generation Green at yha.org.uk/generationgreen

Project achievements

During 16 months between spring 2021 and autumn 2022, Generation Green connected more than 115,000 children and young people to nature and outdoor opportunities including education, wellbeing, volunteering and employment — exceeding its projected reach.

- 39,476 young people experienced a facilitated day or residential trip, or self-led experience.
- A third (33%) of young people who undertook a residential trip were from an ethnic minority background.

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- 767 professional or skilled volunteer outdoor leaders were trained.
- 33 individuals were employed through jobs or apprenticeships with Access Unlimited partners.
- Digital learning resources, created by the National Parks, increased the reach of the project by an additional 75,000.

Thanks to Generation Green funding, YHA was able to develop new products and provide 1,600 funded places to 62 schools.

The feedback from these opportunities has been amazing.

One teacher told us of a pupil who had regular absence seizures – as often as every five minutes during lessons – yet during the scavenger hunt and nature art activities which lasted over an hour, he only had one seizure.

On the back of Generation Green, so far, 23 new schools have continued to use YHA for their education residentials. One such school is Welford School, Birmingham.

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A new school discovers the magic of a YHA residential thanks to Generation Green

Welford Primary School is a two-form entry primary school situated in the heart of Handsworth, in inner Birmingham. There are approximately 450 children on role (including Nursery) and of these 54.4% are in receipt of pupil premium funding. The school serves a very rich and diverse community with children coming from a multitude of ethnic and religious backgrounds; this diversity means around 68% of pupils are registered as speaking English as an additional language. The school also lies in a ward that is classed as being within the thousand most deprived in the country (the top percentile on the Government's indices of deprivation) which means many of the school's families deal with a wide variety of challenges in their day-to-day lives.

Welford School first encountered YHA when their assistant headteacher applied for, and was subsequently offered, a place on the Generation Green initiative: an initiative which aimed to connect children with limited access to the countryside with the great outdoors. This proved a huge success as, thanks to a bursary covering part of their accommodation and travel costs, the school were able to extend their day trip into an overnight stay at YHA Castleton Losehill Hall.

"

Our children were blown away by the scenery (lots of oohs and aahs) and their faces upon climbing to the peak of the hill behind the hostel — with huge grins splitting their faces in two — were a sight to behold. Indeed, the current Year 6 still rave about this trip to this day!

Andrew Wills, assistant headteacher

"

"

This year, desperate to provide a similar experience for our current Year 5 children (and a little disheartened by the costs of many outdoor / residential experiences) I applied to YHA for a bursary to support a two-night stay at YHA Ilam Hall where the children would hopefully be taking part in a variety of Generation Green and outdoor education experiences. Thankfully, YHA couldn't have been more helpful, and at relatively short notice were kind enough to provide us with a substantial bursary that quite literally made the difference in terms of many of our families being able to afford and access this trip.

Andrew Wills, assistant headteacher

"

As a result, over half of the Year 5 cohort were able to enjoy an incredible experience in the southern Derbyshire Dales, where they participated in a wide range of exciting outdoor pursuits from hill walking and orienteering to natural art, zip lining and abseiling. As one of their teachers said,

"

This incredible trip meant our children gained new experiences in a beautiful setting that they might otherwise not have encountered. I believe that for many this has fostered a first real love for the countryside and several of them have undoubtedly become both more resilient and independent as a result of this unforgettable couple of days.

"

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Everyone was universally complimentary of the brilliant staff and food they encountered at YHA Ilam Hall.

> “It was really fun and exciting, and we loved all the nature surrounding us.
>
> Jaylah
>
> ”

> “It was full of amazing views, especially from the top of the mountain.
>
> Sahejpreet
>
> ”

> “I loved the experience from start to finish – especially the orienteering.
>
> Amaana
>
> ”

> “It was incredible being out amongst the animals all day. Zip lining and bouldering were both awesome!
>
> Eva
>
> ”

New packages

Building on the success of Generation Green funded day trips and residentials, YHA launched two brand new packages for school groups. Caring for Nature and Connecting to Nature have been specifically developed to foster the understanding that nature is not something to be feared but something to be explored.

Connecting to Nature focuses on the restorative benefits of observing and being immersed in nature. Caring for Nature supports skills development, conservation efforts and natural craftsmanship in the outdoors. Both enable pupils to continue their journey of nature discovery after the residential so they can reap the mental and physical benefits for years to come. Among the activities easily replicated at home and school are scavenger hunts, shelter building, nature art and guided walks.

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Non educational groups growth

YHA Festival of Walking

The first ever YHA Festival of Walking took place across September and October 2022, with various free social walks being held across England and Wales, alongside the offer of new self-guided routes. The seven-week event aimed to get more people from different backgrounds involved in walking for health and wellbeing.

To encourage more people to make use of the places and spaces we hold in trust for all, we offered a number of perks – including 25% off stays at selected hostels, 25% off group packages and a free cuppa for walkers at participating properties over the course of the festival.

As you can see from the numbers opposite, through the first Festival of Walking we increased and diversified our reach to deliver impact for new as well as existing users.

Of the dozens of trails completed and the thousands of miles covered – in places as varied as the New Forest, the Peak District, Hadrian's Wall and the Brecon Beacons – one of the stand-out highlights was our Accessible and Sensory Walk from YHA Malham. It attracted a great turn-out. The wild and wonderful scenery of the Yorkshire Dales, combined with some of the National Park's superb accessible paths, made it a day to remember. Among those taking part were a group from Zest, a not-for-profit organisation supporting people from disadvantaged areas of Leeds.

"That was like something out of Jurassic Park – I'll remember that forever!"

Participant

"I'm so grateful to you – this is my first time in the Yorkshire Dales. I've never had a chance like this before."

Participant

Another highlight of the festival was the Connecting Leaders Walk from YHA South Downs. It brought together over 30 CEOs and senior leaders from across the outdoor, environment, heritage, youth and charity sectors to offer a prime opportunity for decision-makers to make fresh connections and discuss issues in common.

"It was really good to catch up with colleagues, practising what we preach and getting out in nature."

Participant

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22

diverse community organisations participated.

engaging 441

people in walking from predominantly culturally diverse communities and other underrepresented groups including women and girls, people with disabilities, and people from lower socio-economic groups.

66

routes published for the festival.

with 4,444

downloads during the festival period.

Production commenced on more circular routes to expand the number of walking opportunities available across YHA's network of hostels.

120

further routes were published by the end of January 2023.

12

social walks took place, which were led by The British Mountaineering Council (BMC) and YHA volunteers, for people less confident about walking alone.

229

people participated in the social walks.

a further 80

participants joined walks from YHA hostels led by The Ramblers.

4 partners

Ordnance Survey, Cotswold Outdoor, The British Mountaineering Council (BMC) and The Ramblers all helped make our first Festival of Walking a success.

18

walking organisations have expressed interest in involvement in a future festival.

We surveyed those that took part and found:

83%

of participants are more likely to call in at a hostel café.

73%

of participants are more likely to stay at a YHA hostel.

100%

of social walks participants would do it again.

To facilitate the first YHA Festival of Walking, we mobilised a new cohort of volunteers to check the routes being mapped. A total of 203 volunteer route checkers worked across 62 hostels in 282 days, contributing 1,974 hours in just two months. A massive achievement. And we are very grateful to all involved.

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Capital strategy

Network and capital strategy projects

London

London will always be of vital importance to YHA but changes brought about by the pandemic necessitated a review of our offer in England's capital.

Prior to the pandemic, 15% of our total beds were in London and these seven hostels contributed 20% of our income. The pandemic significantly disrupted trading in London, especially because of the drop in international travellers and groups. The pandemic has also accelerated existing trends, such as a preference for private and en-suite rooms over dormitories and shared facilities.

The London network has significant maintenance challenges, with over £11m of investment required — including £5m worth of urgent work needed. As a result of the pandemic, YHA no longer has the cash or borrowing headroom to invest in refurbishments in London. Any further investment will therefore have to be financed by the sale of assets.

Our long-term strategy, published in 2020, placed a greater emphasis on schools and groups. This is an area we have a better competitive advantage, compared to the market for short breaks by families and individuals which is saturated with budget accommodation, Airbnbs and hotels.

We have made important decisions this year, acting now to protect the long term-future of YHA in London — ensuring we can continue to offer accessible and affordable accommodation to all who what to explore its culture and heritage.

We placed YHA London St Paul's and YHA London St Pancras on the market. Though both have been great assets to YHA over the years, the huge investment now required to address maintenance issues meant the hostels were sadly no longer viable for YHA. YHA London St Pancras left the YHA network in July 2023 but will remain a hostel, run by another operator.

YHA London Thameside is now our only groups-focused hostel in London. It is therefore critical to our recovery. We prioritised a partial refurbishment during 2022/23 and the hostel will reopen in August 2023.

In December 2023, we exercised our option to purchase a piece of land in Stratford, East London, and then sold the land onto a hotel operator with a provision for YHA to benefit financially as and when the site is developed.

Other network changes

With a decline in interest in city centre stays, we made the decision to seek interest in YHA Newcastle Central and YHA Liverpool Central. Both left the network in early July 2023. YHA Litton Cheney was sold.

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Enterprise framework and integration

Through the formation of Hostelling Together, joining with other UK and Irish associations and independents, we have been able to lobby for and win support for the hostelling cause nationally.

We also recognise the continuing importance of partnership working locally. Since 1931, our network has included hostels run by private owners. Today, these franchise hostels and are an important part of our network make up. To further our knowledge and strengthen our partnerships, this year, we wanted to learn from our existing franchise teams.

The Board met with the owners at YHA Okehampton to hear how their partnership had a positive effect on impact and income for both organisations. We also heard from YHA Hawes as they set out their ambitious programme to support young people with learning difficulties.

This discovery work has informed the proposal to further develop a renewed franchise model for YHA.

One of the newest members of the franchise network is YHA Youlgreave in the beautiful Peak District National Park. Owner Colin Trigg shared his experience with us.

> “Two years ago I bought the YHA at Youlgreave. When I bought the youth hostel it was obviously to continue running it under the YHA franchise scheme. The branding is fantastic. The support I’ve had is fantastic. YHA will take all the bookings for me and tell me who is coming and on what days. I wouldn’t do it without YHA. I’m able to do the bits that I’m good at and YHA do all the bits that I wouldn’t know how to do. I can’t praise YHA enough for the support they’ve given me. I love what they do. I’m really proud.”

There are currently 30 hostels in our franchise network.

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IT and digital transformation

We continue to transact nearly all of our family and individuals (F&I) bookings through our website and maintain positive customer feedback on the booking system.

This year, we recruited an in-house website development team and began reaping the benefits earlier than planned. Work continued on our IT and digital strategy, developed alongside a review of user experience at all stages of the customer journey. To improve our online customer journey, we delivered self-service booking amendments and cancellations functionality to our website. We are striving to improve where possible and see how we can make it easier for groups to book online too.

Our internal systems have been improved too. We completed a major upgrade to our finance and accounting system. Following a review, our health and safety system was retained.

Customer relationship management (CRM) change project

It has been a long-held ambition to bring all of our data into a single-customer view so that we can engage our users and supporters in the aspects of the charity that most interest them.

Our aim is to deliver best-in-class customer relationship management capability and embed this within our organisational culture to achieve the best possible customer experience. Over the last year, we have made enormous strides towards the completion of our CRM change project to realise this ambition.

Over the course of 2022/23, our CRM system and integrations were made ready for go live and 1.8 million records were cleansed, merged and deleted. The first phase of the project went live in June 2023. The remaining elements of the project will be delivered in stages for the remainder of 2023/24.

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Underpinning priorities

Equity, Diversity and Inclusion

In 2022 we published our Equity, Diversity and Inclusion (EDI) strategy and appointed our EDI manager. To assist people in planning their trips, we began refreshing and improving the usability of YHA's access statements. And, beginning in October 2022, we commissioned the first cohort of hostel audits resulting in site-specific action plans. When complete and taken together over the next three years, these will enable us to improve access to our hostels, considering mobility and sensory issues, neurodiversity, learning disabilities and the hidden disabilities of service users within our buildings.

Also this year, we updated our Inclusion Policy and associated EDI policies following feedback from external consultants and with input from internal stakeholders. Changes reflect good practice on policy development in this area related to content, structure and approach to emerging EDI themes.

We have appointed staff inclusion champions who will be instrumental in delivering our EDI work within their teams and throughout the organisation.

Diversity in the workplace

We have taken great strides in our commitment to being a truly inclusive employer — delivering a range of benchmarking, recruitment and training initiatives that are contributing to the development of a more diverse workforce. All of which are detailed in the People section on page 48.

In line with our strategic priority to ensure YHA is for all, we are delighted to report on the successful launch of a pioneering access programme called Outdoor Citizens.

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Outdoor Citizens

As a 93-year-old charity, YHA has long campaigned for access for all to the outdoors. While we are committed to connecting people to the outdoors — up to a million annually — we know we still have much more to do to increase access and challenge current inequities, some of which were compounded by the pandemic. This could only be done by acknowledging and using our power and influence as a large charity to support, collaborate and learn with expert community groups to tackle some of the access challenges head on. We set out on a journey to find practical solutions to getting funding, help grassroots organisations to build capacity, and foster collaboration through networking events and more.

We identified that the solution to increasing access to outdoor spaces and protected public landscapes lay in the creation of a community of front-line organisations. Through Outdoor Citizens, we could offer a more streamlined route to funding and resources and begin the process of connecting a community of practitioners who are all committed to creating a more equitable outdoors. Outdoor Citizens launched in September 2022.

To prepare the project for launch, we collaborated with All the Elements and other community members, who act as critical friends and advisory partners.

YHA has a track record of distributing/targeting funding and support through several well-established programmes and projects, including Generation Green, YHA Breaks Programmes, No Child Left Behind bursaries and National Citizen Service (NCS). Using our experience, we became the legal host organisation to Outdoor Citizens. YHA is both a funder and resource partner.

To support this community of organisations, we offer members discounts on YHA accommodation, free hire of meeting rooms and we distribute third party funding to member organisation projects that directly or indirectly connect more people from their communities to the outdoors.

To date, a total of £529,097 of funding has been achieved for Outdoor Citizens. YHA secured funding from Sport England (£284,079), Natural England (£190,000), Pilgrim Trust (£50,000) and Cotswold Outdoor (£5,000).

Of these externally secured funds, over £320,000 is being used for onward granting. This has, so far, supported over 84 community group activation and capacity building projects. £123,500 is being used for resilience building programmes which include workshops and events focussed on meeting the identified needs of member organisations. The remainder has funded the employment of a community manager to manage activities and events and provide practical support to the community members.

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To date, Outdoor Citizens has provided funding to 84 projects across 49 organisations.

90% of beneficiary organisations reported that they have been able to offer more opportunities for people in their communities to be active outdoors.

87% reported they have been able to attract more people to their activities.

70% reported that they have been able to upskill people from their communities.

"We have an outdoor sector, an outdoor space, that lacks massively in diversity. It's not representative and unless we make it easier for organisations to access the resources that they need and the services that they need, then we're going to continue with that lack of diversity."

Gina McCabe, Outdoor Citizens community manager

Outdoor Citizens is a truly innovative project, building on YHA's experience and heritage in ensuring access for all to the outdoors. It is built on the belief that community organisations hold the key to tackling inequity of access. Through onward granting, we enable member organisations to build their capacity and help them engage more people from their communities in outdoor activity and/or nature connections.

By targeting support to currently underrepresented groups and engaging community organisations in the outdoors, we have reached and attracted a wider range of people to make use of our places and spaces which are held in trust for the benefit of all. We are delighted to welcome these organisations to YHA, many of whom have engaged and stayed with us for the first time.

Given our size and spread across England and Wales we recognise that we have a key role to play in ensuring access for all and bringing about systemic change.

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Timeline

2022

January - March 22

Outdoor Citizens is set up.

March 22 onwards

Community group members are recruited.

- Sport England funding secured for onward granting to member projects that connect people from underrepresented groups to outdoor physical activity.
- Natural England funding secured for onward granting to member projects that connect people from underrepresented groups to nature.

February 22

A community manager is appointed.

August - October 22

Outdoor Citizens members are offered bursaries to put on taster events to engage more people from their communities in walking linked to the YHA Festival of Walking (Sep/Oct 22).

September 22

The official launch of Outdoor Citizens at The Outdoor Connections event held at YHA London Lee Valley — an event developed in association with Natural England and All the Elements, attended by over 70 representatives from community organisations

December 22

The Pilgrim Trust invests in Outdoor Citizens further boosting funds for onward granting.

2023

September 22 - March 23

Onward granting continues.

By March 23

A total of 69 (this now stands at 84) community groups had joined the community of practice.

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Become United

With over 20 years of experience working with the South Asian and BME communities, Become United aims to create a structurally safe place for all people, promoting equality, inclusivity, and social cohesion. The charity, based in Greater Manchester, provides a wide range of services, including education support, advice and guidance, weekend school for children, and emergency food assistance for vulnerable Black, Asian, Minority Ethnic and Refugee (BAMER) people and residents facing poverty in Rochdale and Oldham.

Being a part of Outdoor Citizens has brought valuable opportunities for the organisation to engage with the community and break down barriers to outdoor engagement. Already, it has delivered a residential adventure programme for 45 disadvantaged children at a YHA hostel plus Become United has been supported to offer walk leader training for community members.

“

Outdoor Citizens has provided us with resources, support, and expertise in outdoor engagement, helping us improve our capacity to facilitate outdoor activities and create positive experiences for community members.

The training courses have equipped our organisation with valuable skills and knowledge to lead outdoor activities safely and effectively, while also building confidence and competence among our team. This has enabled us to expand our offerings and create a more inclusive and diverse outdoor engagement programme that caters to the needs and interests of our BAME community members.

Outdoor Citizens has been instrumental in helping us enhance our organisation’s ability to provide meaningful experiences that promote health, wellbeing, and inclusivity in our community. Our walking lead training course will enable the BAME community to feel more comfortable and engage with the outdoors.

Mohammed Towhasir, Become United project manager

”

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Loughborough Female Fitness

The club based in Loughborough, Leicestershire, aims to improve women's health and wellbeing by building their confidence in spending time outdoors. The club provides a variety of physical activity opportunities for women and girls such as walking, hiking, cardio sessions, basketball training, spinning and more. The organisation seeks to normalise being active in female-only spaces and empower local women by providing a 'training ground' for women to become walk-leaders, run-leaders, and first aid trained.

All activities are organised, led and attended by women. Sessions are open to all, but the club specifically invite and encourage women from ethnic minority communities and faith groups to participate. As a result, the majority of attenders are ethnic minority and Muslim women.

"The women we serve through our club are not the ones who can drive to a remote location in the Peak District and participate in a hike organised by relative 'strangers'. The barriers to get to that point are endless; lacking means, confidence and trust of family members being a few. Through our consistent work, we try to tackle each of these invisible barriers, in the hope that this will slowly start changing — which it is!

COVID made things worse; we all know this, but for women who may previously not have been so active, the barriers and lack of confidence had become even worse. We have had women turn up to our walks, who stopped leaving home since COVID, and had become even more reclusive after all the lockdowns. Spending time in smaller groups with other women, while in outdoor spaces has been the best result, as this has brought many out of their shells and increased the confidence in so many others."

Samin Mughal, founder

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Membership of Outdoor Citizens has brought support and opportunities to bring women into the outdoors. The biggest learning has been seeing what can be achieved by working alongside other like-minded groups. Outdoor Citizens pointed Samin in the direction of funding opportunities for the group which has resulted in help with transport and other costs so that the group could bring women to hikes and explore further afield in a safe environment. As part of YHA's Festival of Walking, the group brought 16 women to YHA Eyam for example.

"

The trips to the Peak District have sparked so much joy and experience for our women in spending time outdoors; everything from packing your bag for a day out to recognising that walking routes exist across National Parks in our country, to so many practical learnings and discovery of visiting points (such as Chatsworth House). All of this increases the confidence in our women to explore the outdoors and start feeling comfortable in these spaces/areas, and makes the journey of improving health/fitness, more exciting.

Samin Mughal, founder

"

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People strategy

Investing in our people

We proudly maintained our Investors in People Gold accreditation in 2021/22. Over the course of 2022/23, we completed a pay review, committed to paying the Living Wage and launched the Employee Assistance Programme. We also improved our staff handbook and learning management system. Our revised recognition and rewards platforms demonstrate our commitment to the wellbeing of our people.

INVESTORS IN PEOPLE®
We invest in people Gold

Investing in our people

Beginning in 2021 and progressing through 2022/23, we have intensified our efforts in specialist training in unconscious bias and EDI awareness through funding and collaboration with external training providers.

Following the delivery of a general 'respect at work' training programme, we identified that we couldn't adequately cover all topics at once. We set about prioritising.

Responding to the prominence of menopause in the news and throughout HR forums, as well as an internal request for awareness raising, the EDI project team looked for resources, wrote a topic-specific policy, created a menopause intranet page and awareness module that was later released on our training platform in November 2022.

At the beginning of 2023, the team put together a tactical plan and began to look at training around neurodiversity. As a result, our focus will commence with training specifically on autism and dyslexia, looking at how these conditions impact employees, users and stakeholders. We will then expand to further topics on neurodiversity in coming years.

Practically, we have begun to capture and support reasonable adjustment requests by revising our candidate journey to include information so that people know how to let us know about any additional needs ahead of interview and in their training and development.

In January 2023, we launched a significantly improved learning management system, Mapal, following consultation with internal stakeholders through the tender process. So far we have issued learning modules including mental wellness and disability awareness.

In February 2023, we signed up to the National Autism Society 'Autism Friendly Award'. This 12-month accreditation is designed to support customer-facing organisations providing a welcoming and inclusive service for people who are on the autism spectrum.

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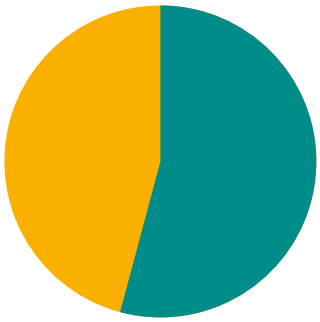
Working to eliminate the gender pay gap

This year, we made progress towards eliminating the gender pay gap. On the mandatory snapshot date of 5 April 2022, we reported the mean hourly rate paid to females was 5.06% lower than the average hourly rate paid to males. The median was 6.34% lower for females.

We are pleased that there have been improvements in the mean data, a change of 0.78% compared to 2019 (which offers a more accurate comparison than 2021 and 2022 when furlough was in effect and therefore headcount atypical). There has however been a 0.29% increase in the median since 2019.

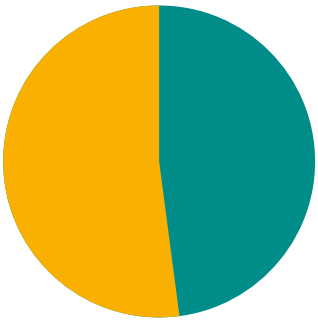
Our split by pay quartile

on 5 April 2022



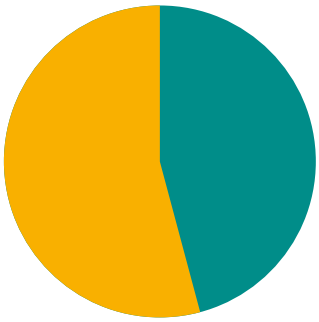
Upper

- Female 46%
- Male 54%



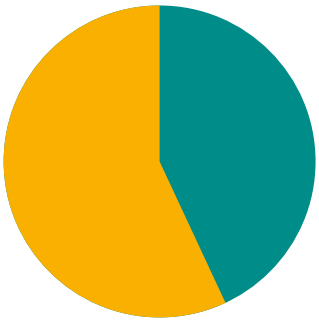
Upper middle

- Female 52%
- Male 48%



Lower middle

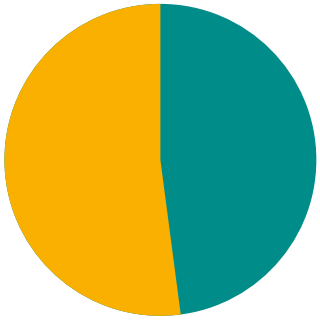
- Female 54%
- Male 46%



Lower middle

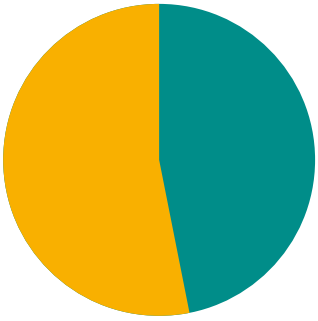
- Female 57%
- Male 43%

on 5 April 2019



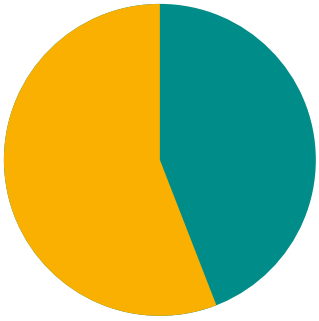
Upper middle

- Female 52%
- Male 48%



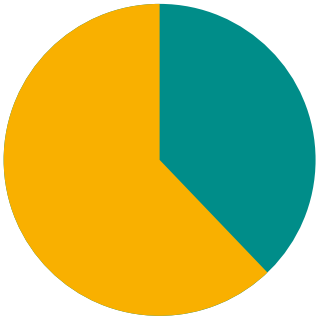
Upper middle

- Female 53%
- Male 47%



Lower middle

- Female 56%
- Male 44%



Lower

- Female 62%
- Male 38%

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Commentary

The charts above identify the number of females versus males employed in each pay quartile in 2022 and the last comparable full year in 2019. The upper quartile has seen a shift with fewer females than males employed, mainly due to a higher proportion of males in technical and IT roles, typical of this sector, however, at the most senior level (Associate Director and Executive Director level) roles are held by females. The number of females employed in the lower and lower middle quartiles are primarily held by staff within the hostel network, in hospitality/catering/housekeeping and customer service roles, which is typical of the gender balance in these types of roles across the UK.

We will continue to work towards eliminating the pay gap.

Attracting a broad range of people

In recent years, we have achieved a significant increase in the proportion of staff from diverse backgrounds. We now have EDI data for 87% of YHA staff and Trustees, enabling us to monitor changes in our workforce make up. During 2021/22, we increased the proportion of staff from ethnic minority backgrounds from 2% to 8%.

In 2022 we became aware of a change in official government groupings in ethnic diversity monitoring. Stepping into line with this change, for 2022/23 we can report 18.2% of our workforce as being from an ethnic minority.

We are engaging a broader range of people in our recruitment process too, with 42% of applicants from ethnic minority backgrounds.

How we compare with others in the sector

The environment and conservation professions are amongst the least diverse in the UK.

Racial Action for the Climate Emergency (RACE) is working with organisations to drive transparency that will create the impetus to go further and faster on diversity and inclusion.

The RACE Report was created to highlight the need for greater representation in sustainability and climate action.

In 2022 we submitted data to The RACE Report, along with 90 other charities, trusts and foundations that predominantly work on environmental, climate, nature or sustainability issues. It was submitted in the form of staff headcount for each race/ethnicity. These numbers were totalled across all organisations to calculate the percentage of representation for each race/ethnicity and total number of staff.

The report found that, across the 91 organisations, 7% of staff identify as people of colour and racially/ethnically marginalised groups.

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Pledging our support for change

Chief Executive James Blake signed up to eight leadership principles that address equity, diversity and inclusion. These principles are part of the Racial Diversity in the Charity Sector report, a collaboration between the Association of Chief Executives of Voluntary Organisations (ACEVO) and the Institute of Fundraising.

The pledges can be found at acevo.org.uk/eight-principles-to-address-the-diversity-deficit-in-charity-leadership.

We have made several strategically important steps forward in equity, diversity and inclusion — particularly in the area of recruitment and workplace inclusion. Without the lessons of the Sport England apprenticeship programme, completed in 2022, this progress would not have happened so quickly.

SPORT ENGLAND

Instructor Apprenticeships

In 2018/19, YHA developed a project focused on the lack of ethnic diversity and underrepresentation of women in outdoor sector jobs. We planned to use our scale and networks to address this issue in activity instructor recruitment and encourage a broader range of people to consider this career path.

Between September 2021 and November 2022, we delivered Sport England Diversity in Workplace Outdoor Education Instructor Apprenticeships. We ran a recruitment event with an adventurous activity and problem-solving session. Participants experienced first-hand the types of activities they would deliver through the apprenticeship scheme.

Due to candidate withdrawals or lack of suitability to the role, unfortunately there were no successful applicants from ethnic minorities. With Sport England permission,

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we therefore refocussed the apprenticeship to target female participants and others who struggle to otherwise access a career in the outdoors due to personal experience, mental health or socio-economic reasons.

During the course, two apprentices withdrew. From the remaining four, three successfully completed the end point assessment with YHA and the final candidate completed their apprenticeship with our partner provider at another venue. Of the three completing with us, one has gone on to be employed by YHA. The other two plan to remain in the outdoor sector and have applied for jobs at outdoor centres. We achieved some significant successes and lessons from this project that will help shape future projects.

- Annually we advertise more than 50 activity roles. Prior to the four applicants to this programme, no one disclosing an ethnic minority background had applied for these roles. Unable to identify a single factor that prevented us reaching more diverse groups, we concluded that it will take longer to affect change in this area through multiple approaches.
- This first-of-its-kind apprenticeship for YHA was delivered against the backdrop of COVID-19 and a recruitment crisis. However, growing through the challenges, our apprentices reflected that they had learnt so much more than how to deliver activities.
- Without the restrictions of COVID-19, we believe an adaptation to this programme has the potential to provide YHA with more diverse, highly trained and motivated outdoor activity instructors.

“

Life changing, with lots of moving around, and I’ve grown so much throughout. A massive journey. It’s been great.

”

“

Life forming.

”

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Environmental sustainability

In November 2022, we published our renewed commitment to environmental sustainability statement. It detailed our progress to date, the development of YHA's energy reduction plan, and plans for the future — based around key relevant UN Sustainable Development Goals.

Prior to the pandemic we had carried out a comprehensive environmental audit across the organisation to inform our strategy. The pandemic significantly affected our operating model and ways of working — in many cases accelerating our ability to reduce our carbon use.

Here are a few examples of the changes implemented since the pandemic that are making an impact:

- We have continued to develop and implement our 'world class operating manual' to further reduce energy consumption, increase recycling and reduce environmental impact.
  - We introduced new Tersano cleaning technology into our hostels, resulting in a 43% reduction in chemical use across our network at a time of significantly enhanced cleaning due to COVID-19.
  - We introduced hand dryers across the network, resulting in an 85% reduction in paper towels.
  - We introduced home-made yoghurt, removing 220,000 plastic yogurt pots per year.
- We introduced hybrid working across the organisation, which over the last year resulted in a 40% decrease in our Scope 1 and 2 emissions.
- We extended our trial in EV charging to include National Office and three of our hostels.
- We initiated and supported local sustainability projects across our network, from tree and hedgerow planting to beach cleans to working with local community groups to reuse and recycle unused food and furniture.
- We have increased signposting of public-transport-accessible hostels and car-free travel — including marketing that supports pro-environmental choices such as use of the £2 bus fare cap for single journeys, and the publication of multiple pieces on hostel-to-hostel walking and cycling routes.

In 2022/23 we assembled a cross-organisational energy project team tasked with identifying the highest priority areas to save energy and costs — targeting a 5% reduction through behaviour change in 2023/24.

YHA is committed to achieving net zero emissions no later than 2050. We will develop meaningful and realistic targets which allow us to measure progress, building on our Carbon Reduction Plan, which sets out how we intend to reduce our emissions by a further 26% by 2027.

You can read environmental sustainability statement at yha.org.uk/environment-policy.

For more on projects encouraging and educating on environmental sustainability, see p28 for the landmark Generation Green project and p33 for our Festival of Walking.

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Foundations and impact enabling projects

YHA Breaks Programmes

Adventures with YHA improve health, wellbeing and life skills through connections to nature, the outdoors, culture and heritage. Whether you're a paying guest or supported with a funded stay, you are receiving the benefits of our charity. Every stay makes up our charitable impact.

Our fundamental belief is that everyone should have access to travel and adventure. But they don't. Sometimes the cost of a stay or kit is the barrier. For others, a lack of confidence stands in their way. For others, the obstacle might be caring responsibilities at home or acclimatising to a new country having fled your own.

Through the YHA Breaks Programmes, we offer free and funded trips for young people and families who need extra help — those facing challenges that make travel and adventure hard to access.

Our Breaks Programmes are designed for groups of young people and groups of families who need additional support while they're away with us. To ensure we support those with the greatest need, we work in partnership with organisations and other charities to plan and deliver these breaks — which are typically two nights, with full board and activities.

In 2022/23, 38 groups and a total of 981 young people received support through the Breaks Programmes. We hosted a variety of groups, supporting young carers, young people with disabilities and/or health conditions, young people with additional needs, refugees and migrant groups, and low-income families.

Helping Kids Achieve

Founded in Nottingham in 2018, Helping Kids Achieve exists to empower disadvantaged and vulnerable young people through sport. They help young people become the best versions of themselves — through multi-sport sessions (from BMX to basketball), community engagement and outreach that includes mentoring and raising awareness of the risk of anti-social behaviour.

In October 2022, a group of 18 young people and five adults came on a fully funded two-night residential to YHA Ilam Hall. Here they got the opportunity to try adventurous, outdoor physical challenges including canoeing, abseiling and mountain climbing. Here's what some of the young people said about their experience.

“

My favourite part of the trip was canoeing and abseiling, because it was very fun and cool.

”

“

I enjoyed spending time with friends, having deep talks at night and relaxing.

”

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LEAPS Suffolk

This not-for-profit organisation provides community-based support for people with a variety of additional needs including Autism, ADHD and GDD. They organise different experiences for individuals and families, including school holiday clubs, respite for parents and carers, and outings such as cinema and theatre trips, bowling, and zoo visits.

We welcomed LEAPS Suffolk back in October 2022 for a fully funded, adventure filled, three-night residential for 11 young people. Activities included a night hike up Mam Tor, canoeing, archery, and abseiling.

“

Some of those that attended have never been on holiday. The reasons vary. Some parents feel unable to take their child away due to their needs, some are young carers with their own needs, some due to low income, or a combination of these factors. So, to make these memories and to give everyone a sense of pride and a huge boost to their confidence is unforgettable. We left with a group of superheroes on the bus, who had all conquered the world! Thank you YHA. We could not do this without you.

LEAPS Suffolk founder and managing director

”

“

I really enjoyed abseiling the most and I also enjoyed canoeing. To be honest, I really enjoyed all of it. These four days have been absolutely amazing. I really like the people that work here. Everything about this trip is very brilliant and I would like to come here again.

Young participant

”

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LS29

LS29 is a local support group in Ilkley, Yorkshire for children and young people with additional needs and their families. It was founded in 2006 by a group of parents unhappy with the lack of support in their area. The group organises new challenges and experiences for young people as well as social events for parents.

In August and September 2022, we welcomed a group of families including 72 young people over two trips to YHA Edale – our dedicated activity centre in the Peak District. Our guests participated in a range of activities that many of the young people were experiencing for the first time.

“

The weekend has been mind-blowing. We are a family with a severely disabled young adult and we never thought it possible he would have been able to access canoeing. The positive ‘can do’ approach of staff has made it possible.

Parent

”

“

My little boy is non mobility and he managed to do every activity with the support from staff. It was very emotional seeing him do things he could never have done. Thank you!

Parent

”

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Manor Park Farm Sports Club

The sports club has been providing sports and leisure activities to the community in Walsall since 1977. The organisation offers enrichment, educational and support activities to young people too — including job clubs for people with additional needs as well as social events.

Joining us in May 2022, 140 people were funded for an activity break at YHA Chester Trafford Hall. This group brought a group of families - many from ethnic minorities and some were refugees and migrants.

“We had a very beautiful trip and a great time to meet everyone. We have only been in this country for a few years and finally our children had fun and we as adults were able to feel less lonely and now have a big family.”

Parent

“As a single mother, it’s really hard to be able to take my children out of Birmingham, and I always become anxious during holidays as we can’t afford to go away. This weekend was our holiday and the children have not stopped speaking about it. Thank you so much.”

Parent

“I had so much fun, I really enjoyed shooting arrows and lighting fires. It was amazing.”

Child

Support us

YHA Breaks Programmes are wholly funded by fundraised and voluntary income.

Show your support with a donation and we will turn your gift into more life-changing, confidence-boosting, hope-inspiring adventures for those with the fewest chances in life.

yha.org.uk/yha-breaks-programmes

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Youth voice at the heart of decision making

As a charity set up to help all but especially young people, it's vital that we place young people at the centre of decision making. The Youth Advisory Team (YAT) was set up in 2021 to help shape YHA by bringing a varied group of young people into YHA's governance. They have been involved in all aspects of the charity's decision making. They made the following recommendations.

They said, we did

- We should make greater inroads into university societies so that YHA is front of mind when they're planning group travel.
  - We engaged the YAT sub-committees in promoting our first Festival of Walking to young people via universities.
- Young people needed a voice in the development of equity, diversity and inclusion at YHA.
  - A sub-committee supported our EDI manager and outputs included assisting with the review of our EDI policy, the development of a diversity calendar and involvement in preparing for hostel accessibility audits.
- Young people could be more closely involved in the work of YHA departments.
  - A YAT member joined our Nominations Committee responsible for the recruitment of new Trustees.
  - Another got involved in the development of our strategy for YHA in Wales.
  - YAT members were involved in the Generation Green Project, providing feedback on project assets and communications.
  - Working with our executive director of investment and infrastructure, YAT members supported YHA's sustainability planning by inputting into the 10 guiding principles.
  - A number of YAT members have contributed blogs for our main content hub livemore.yha.org.uk.

The Youth Advisory Team has now been paused pending a review of the first two years so we can further develop our youth voice model. In the meantime, members of the Youth Advisory Team will continue their work in the key focus area of EDI. The thing that has generated most interest for many is finding ways to encourage young people who wouldn't normally access YHA to become involved and benefit from new opportunities. We welcome their continued insight and invaluable contribution.

This interview with two members of the team demonstrates their commitment and the value of their experience — to themselves and to YHA in turn.

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Q. How, and why, did you first get into volunteering?

“

Due to my natural desire to support people and good causes, I have always been interested in the idea of volunteering. I was keen to gain experiences outside of my degree, so I applied to the YHA youth advisory role. Since taking on this role, I’ve become incredibly passionate about volunteering, and I’m currently leading a charity project in my workplace.

Hannah

”

“

It’s really important to offer commitment to charities as an act of vocation, where I can learn life skills and boost my employability.

Christopher

”

Q. Which projects have you been involved in at YHA?

“

During my two years as a youth advisor, I worked closely on the Generation Green project — an initiative providing 115,000 opportunities to connect young people to nature. I’m currently working on a project to encourage more young people from different groups to come together to socialise, enjoy the outdoors and have fun.

Hannah

”

“

As a volunteer team leader at YHA Edale, I’ve supported with outdoor activity planning and enrichment for children on summer camp programmes. I have contributed to sustainability and youth workshops, while also helping to paint and decorate at the YHA Brecon Beacons Danywenallt working party.

Christopher

”

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Q. What are the benefits to young people of taking part in volunteering?

“

It allows you to meet a range of people from different backgrounds, helping you to gain key people skills. I’ve gained so much confidence in myself since joining the volunteering community here. Not only that, but volunteering can open many doors to other exciting career opportunities.

Hannah

”

Q. What skills have you developed?

“

Volunteering at YHA has allowed me to build on my people, teamwork and confidence skills.

Hannah

”

“

I’ve enhanced my teamwork, leadership and interpersonal skills, along with the ability to relate to others in shared values and ethos at YHA.

Christopher

”

Q. How do you feel volunteering has improved your employability?

“

I now stand out to employers, as during interviews I have been able to reference experiences I’ve had while volunteering. Choosing to volunteer with charities that I’m passionate about has given me the opportunity to demonstrate who I am, and what my values are.

Hannah

”

“

It’s a real benefit to see how a national charity works. I’ve had the chance to meet many new people and expand my skill set which will be transferable to future roles.

Christopher

”

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Volunteering and work experience

Duke of Edinburgh Gold residentials

YHA is the biggest provider of low to no cost Duke of Edinburgh (DofE) residentials. As we don't charge anything to participants, we attract a large volume of applications. Historically, we've only been able to respond to a quarter of applications. To address this oversubscription, in 2021/22 we created a new volunteering programme: DofE youth support leader.

By engaging volunteers to support other volunteers, we have been able to build capacity and assist more young people in the completion of their DofE award.

DofE youth support leader programme

The YHA DofE youth support leader programme allows us to give participants meaningful work experience with mutual benefits for volunteers, young people and hostel teams.

"

My YHA volunteering journey started a while back, when I had been a volunteer manager at a small remote YHA hostel. During my time, I welcomed many DofE groups to the hostel at the end of their multi-day expedition. I was struck by the determination, team spirit, and care for each other that the scheme had engendered. YHA is an approved activity provider of DofE Gold awards and when they called for volunteers to support the delivery of these residentials it seemed like an excellent opportunity to get involved.

This year, I supported DofE volunteers through their residentials at YHA Snowdon Ranger and YHA Hathersage. The group took on the redecoration of en-suite dorms, a drying room and games room At YHA Hathersage, volunteers revamped the seasonal staff accommodation. Others got involved with the relaying of turf, creation of deadwood hedge and removal of brambles.

I always come away with a feeling of quiet satisfaction and very proud of the work that groups have done willingly — the greatest inspiration to join this programme was from the participants themselves. It's also brilliant to see how impressed the hostel managers are by what these young adults have achieved in a short period. How has it changed me? Well, I recall the old Bob Dylan lyric: 'I was so much older then, I am younger than that now.

Stephen Mulcahy, YHA DofE youth support leader

"

"

This week has been a huge success. The team have worked brilliantly and the tasks achieved have made a massive difference to me and the site.

Stacy, hostel manager at YHA Hathersage

"

"

Thank you to the YHA team for making this residential so enjoyable! This experience helped me develop lots of key skills. Thank you.

DofE Gold residential participant

"

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Working parties

We're grateful to all the volunteers who have joined our working parties this year. They have worked hard to keep our hostels looking ship shape and we appreciate all their efforts with painting, decorating, cleaning, gardening and grounds work. We're an organisation built by volunteers and, as a charity with finite resources, truly appreciate everyone who gives their time and energy for free for the benefit of others. And it's brilliant to hear that our volunteers get something out of the experience too!

"I had a lovely time and it was pleasing to see the difference we had made by the end. It was very nice to meet everyone and work together as a team. There is something very special about YHA which means that members are willing to do things like this for an organisation they really value.

Martin Tiller, after the YHA Jordans working party"

"Thanks to all for your good company and chatter.

Hannah"

"Work completed included painting of the dining room, games and foyer. Some gardening was carried out too... Margaret did a brilliant job on this. The campers wash area was given a bit of a face lift too. And finally, the social part... equally enjoyable.

Helen-Maurice Jones, after the YHA Manorbier working party"

Thanks to funding from Generation Green, 47 hospitality students from North Lindsey College joined us for working parties at YHA Haworth and YHA Sherwood Forest and gained hands-on industry experience.

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Traineeships

This year, 18 young people completed YHA Mencap traineeships.This 16-week programme for young volunteers with special educational needs consisted of six weeks pre-work training and 10-week non-residential placements at a hostel. Hostel staff received co-designed guidance and training and the trainees were fully supported by Mencap job coaches and support workers.

At the end of the programme, we're delighted to say that five participants received job offers, with trainees taking up employment at two London hostels.

The remainder moved on to further education. Congratulations to all involved.

YHA in Wales

In spring 2022 we shared our conversation document containing draft proposals for the implementation of our 2020 strategy in Wales – taking into account Wales's own unique history, heritage, language, landscapes, communities and government to ensure we tailor our exiting strategy to Wales and its specific strengths, challenges and priorities.

We engaged members, partners, teams and stakeholders with an accompanying survey to gather views on how best to deliver adventure for the first time and a lifetime for people and communities in Wales.

Over 300 organisations contributed to its development and, over the summer, YHA's executive team held a number of positive conversations with stakeholders from the Welsh Government, Visit Wales, National Parks, and the voluntary and youth sectors in Wales as part of the process to finalise the strategy.

On Tuesday 29 November 2022, we launched our strategy for YHA in Wales at the Senedd with five pledges.

1. We pledge to strengthen the role our hostels and YHA play in celebrating Wales's natural and cultural heritage, and better connect with local communities in our inspirational locations.
2. We pledge to improve the use of the Welsh language across our organisation by signing up to the Welsh language Commissioner's Cynnig Cymraeg initiative.
3. We pledge to support more young people and families living in Wales to experience adventure, working more closely with partners to engage more young people and families with our various programmes and projects — including our funded breaks, our Campus and work readiness programmes, and tailoring our schools/education residential offer to support the implementation of the new curriculum in Wales.
4. We pledge to ensure we have the right mix of hostels in the right places in Wales, all offering quality stays — considering all of our potential income streams and operating models to ensure we have the best mix for a modern charity and large social enterprise.
5. We pledge to make sure our programmes and operations across the organisation consider the specific context of Wales.

In the time since we launched the strategy, we have begun work in earnest in these areas — making progress, in particular, with embedding use of the Welsh language and committing to consistency in our translation of key documents into Welsh. We have also cemented important partnerships to deliver opportunities for young people in Wales. Here's just one example.

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Residential delivered in partnership thanks to Deaf Access Cymru

Thanks to funding from Deaf Access Cymru, YHA was able to help a group of D/deaf and hard of hearing young people from South Wales and North West England to take part in a residential at YHA Brecon Beacons Danywenallt in October 2022. The residential was delivered in partnership with Deaf Hub Wales, Cardiff Council Youth Services Inclusion Team and Deaf Hub North West. Fourteen young people were able to experience a range of outdoor activities, supported by BSL interpreters and youth workers from across the partnership.

As well as physical activities, the young people also took part in mindfulness sessions. These sessions focussed on supporting mental wellbeing, offering them techniques and tools to support positive mental health and help build resilience.

“

This project paved the way to promote wellbeing and mindfulness to D/deaf young people in a meaningful way, rather than relying on an interpreter and hearing trainer which often do not meet the cultural or linguistic needs of the groups.

Stuart Parkinson from Deaf Hub Wales

”

The residential was a learning experience for the hostel team too. YHA staff took part in awareness training as part of the project, learning basic BSL phrases and how to finger spell their own name. Following the success of this residential, and with further funding from Deaf Access Cymru, we are planning further residentials of this kind. Thanks to Eric and Barry at Deaf Access Cymru. Your support has had such a positive impact on the young people who took part.

Heart of the Community

In spring 2022, we launched The Heart of the Community appeal to raise funds to install life-saving defibrillators at our hostels for the benefit of guests and the local community. So far, we have raised £17k which will fund 10 defibrillators, plus we have received additional gift in kind donations at several hostels.

NCS

Over the summer we welcomed over 4,700 participants on the Government’s National Citizen Service (NCS) for the first time since 2019.

Summer camps

We ran our summer camps programme with the armed services families for almost 600 young people.

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Financial performance review

	2023 £ million	2022 £ million	2021 £ million	2020 £ million
Revenue from operating youth hostels	**40.8**	21.3	10.6	46.0
Commercial trading income	**5.1**	3.7	2.0	6.9
Donations, grants and legacies	**2.5**	9.2	12.5	1.9
Membership income	**1.0**	1.0	0.9	1.1
Other income including gains on hostel disposals	**7.5**	0.4	0.3	—
Total income	**56.9**	35.6	26.3	55.9
Operating costs from operating youth hostels				
Direct operating costs	**(32.0)**	(21.7)	(21.0)	(30.6)
Maintenance costs	**(4.4)**	(3.8)	(2.6)	(4.2)
Central costs	**(9.9)**	(8.6)	(8.2)	(9.6)
Interest costs	**(3.1)**	(1.7)	(1.5)	(1.6)
Depreciation and impairment costs	**(5.5)**	(5.5)	(5.2)	(5.4)
Total operating costs from operating youth hostels	**(54.9)**	(41.3)	(38.5)	(51.4)
Commercial trading costs				
Direct operating costs	**(3.5)**	(2.6)	(1.6)	(4.5)
Central costs	**(0.6)**	(0.5)	(0.2)	(0.8)
Total commercial trading costs	**(4.1)**	(3.1)	(1.8)	(5.3)
Fundraising costs	**(0.4)**	(0.4)	(0.3)	(0.4)
Governance costs	**(0.1)**	(0.1)	(0.1)	(0.1)
Total expenditure	**(59.5)**	(44.9)	(40.7)	(57.2)
Gains from investments	**—**	—	0.1	—
Net expenditure*	**(2.6)**	(9.3)	(14.3)	(1.3)
Restricted Funds	**5.2**	5.4	5.4	5.0
Unrestricted Funds	**11.6**	14.4	20.8	36.1
Total charity funds	**16.8**	19.8	26.2	41.1

*Net expenditure is shown before other actuarial gains and losses in respect of our pension schemes.

During the 2022/23 year we have continued to be impacted by the lasting effects of COVID-19. The number of international travellers has not yet returned to pre-COVID levels, and we have been hit by several significant factors outside of our control — principally, the war In Ukraine and the consequential impact on our energy prices, high inflationary pressures across all our cost lines, hikes in the interest rates attributed to our loans and the effects of the cost-of-living crisis on our customers in general. This has resulted in a very financially challenging environment in which we have needed to operate.

Like many other hospitality providers across the country, we encountered difficulties in recruiting the right levels of staff to operate our hostels, particularly early on in the financial year. This meant that,

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at certain times and at specific hostels, we needed to reduce the number of beds on sale or reduce the food and beverage services provided. This situation was carefully managed but this did have a detrimental impact on our financial performance in the year.

Despite this backdrop of external factors, revenues from operating our hostels at £40.8m were 92% up on those reported in 2021/22 and we have now returned to income levels of around 89% of those reported in 2019/20.

YHA Camping & Cabins products — cabins, tents, tipis, Landpods, Airstreams and pitch-up camping — proved very popular again and this contributed £1.9m to the income pot, an increase of £0.2m on the previous year.

We continued to offer out some of our hostels on a YHA Exclusive Hire basis and this secured £2.4m of income which is largely comparable to the previous year.

In year we have reported £7.5m of other income and gains on hostel disposals and this is largely associated with the gain on disposal of YHA Oxford, sold as part of the redevelopment of the Oxford train station and this has really helped to bump up our overall income levels in-year.

Our activities under our commercial trading arm saw increasing revenues as we saw our cafés and other commercial business up by 35% year on year, and this is tracking at 74% of the levels achieved in 2019/20.

Donation, grants and legacies continue to play a key part in our in-year performance and our fundraising team worked hard to take advantage of the funding opportunities available. Grants in the year were £1m, £0.65m of this related to the final monies associated with the Generation Green project with further monies received from Sport England, the National Heritage Cultural Recovery Fund, Kickstart funding, Waitrose, Podpoint and the Pilgrims Trust.

We were fortunate to receive £1.2m of legacies during the year and this was supplemented by £0.3m of other donations and gifts.

We work hard to maintain a wide membership base and this helped our income levels by £1m in the year.

Overall, our total income for the year was £56.9m, £21.3m or 60% above the previous year.

Like other hospitality and charity organisations, 2022/23 has been very challenging from an operating cost perspective. Whilst we have made every effort to reduce our operating costs wherever we could, this has proved very difficult given the cost increases we have seen due to rising cost inflationary pressures and the war in Ukraine affecting not only energy prices but many other costs lines too.

We saw our energy costs increase by over £1.8m in the year and above inflationary increases on many of our cost lines particularly laundry and maintenance costs.

We carefully managed the maintenance programme at our hostels to try to mitigate some of the inflationary pressures but we needed to spend £4.4m, which was £0.6m up on the previous year.

The significant hike in interest rates during the year has resulted in over £1.4m of additional interest costs in the year.

The costs incurred by our trading arm increased by £1m but this is attributed to the combination of higher sales activity and inflationary pressures.

Fundraising and governance costs remained in line with the previous year.

Our central costs, cover a plethora of central and management activities ranging from overseeing our

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hostel teams and buildings to ensuring we have the infrastructure and systems in place to help to ensure the hostel network runs smoothly. These include our central sales and business development teams, the traditional back office teams, including finance, IT, and people and the other costs to deliver some of our volunteering programme and special projects. Our overall central costs inclusive of both the charity and trading arm came in at £10.5m, and despite the backdrop of inflationary pressures this was only £0.1m above the levels incurred in 2019/20. Central costs are under constant review and minimised wherever possible and it was pleasing to report that these costs came in below budget for the year.

During the year some of our high value properties have been revalued as required under the terms of the HSBC loan facility agreement. As part of this exercise, the value of one of our hostels, YHA London St Pauls, has significantly reduced in value and we have therefore included a £0.8m impairment charge to reflect this revaluation. Even with this specific charge our overall depreciation and impairment costs are broadly in line with previous years, at £5.5m.

Total expenditure amounted to £59.5m, which was a £14.6m increase on the previous year.

The net expenditure position for the year came in at £2.6m, which is £6.7m lower than the previous year but has been flattered by the £7.5m of gains on hostel disposals.

Our financial performance is constantly monitored against our budget throughout the year and unfortunately due to the factors outside of our control we missed our budget by £0.8m.

Our restricted funds, including our endowment investments, other funds of a restricted nature, for example our Breaks programme, No Child Left Behind campaigns and small hostel investment fund have seen a small, £0.2m, reduction in the year. Further information on these restricted funds can be found in note 25 on page 141.

The balance of our unrestricted funds has been affected by the challenging financial environment in which we have had to operate and overall we have seen a £2.8m reduction in the year.

Going concern

These accounts cover the trading period from 1 March 2022 to 28 February 2023 and they reflect the challenging market conditions in which we have needed to operate, with significant events which have largely been outside of our control — principally, the war In Ukraine and the consequential impact on our energy prices, high inflationary pressures across all our cost lines, hikes in interest rates attributed to our loans and the effects of the cost of living crisis on our customers in general.

Positively, however, our cashflows have remained strong throughout the period, and this was helped by the sale of YHA Oxford in March 2022.

At the time of signing the accounts the Heads of Terms for a one-year extension to our loan facility have been signed and this will provide financing until 24 November 2024. The process to obtain full Credit approval has commenced as noted in the strategic report.

Our cash balances have been further increased in July 2023, by over £6m, net of loan repayments, through the sale of YHA London St Pancras, YHA Liverpool Central and YHA Newcastle Central, and these monies will help us to navigate the continuing challenging environment in the 2023/24 financial year.

In May 2023 the Trustees approved our three-year business plan. This will involve a concentrated focus on a smaller number of strategic hostels which will also help us to reduce our central overheads. This

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plan will also free up some additional monies that will be used to invest in maintenance works within the retained network.

As part of this plan, we have identified a number of hostels that will move away from being directly operated by YHA and these will either transfer to an alternative model operated by a franchise operator, or other independent party or be sold. As part of this plan 20 hostels were put up on the market in June 2023 and further changes will be made over the duration of the plan.

The Trustees have reviewed our reserves policy and agreed that given the current market conditions and to ensure there are sufficient cash balances to meet our ongoing liabilities and unforeseen financial difficulties that the charity would endeavour to maintain cash reserves of between £6.75m and £7.5m during the year.

The Trustees have also reviewed the financial forecasts to October 2024, incorporating both a most likely management case together with various financial sensitivities, incorporating reduced trading, incremental costs and interest rates, and delays to the hostel transition programme and have concluded that the charity will be able to meet its liabilities as they fall due and have plans and resources to manage its business risks successfully.

Notwithstanding this it is also possible, though unlikely, that HSBC will withdraw Credit approval before a formal facilities agreement is signed. In these circumstances this would represent a material uncertainty which could cast significant doubt on the company's ability to continue as a going concern.

Nonetheless the Trustees expect that YHA has sufficient resources to enable it to continue to adopt the going concern basis in preparing the financial statements. These financial statements do not include any adjustment that would arise if the going concern basis of preparation was not considered appropriate.

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Our priorities in 2023/24

We have agreed our three-year business plan which runs from 2023 to 2026. Its primary focus will be our recovery and the transformation required to deliver the growth, cost savings and efficiencies needed to support our return to surplus and financial sustainability.

The 2023-26 Business Plan consists of 11 projects which bring together our income, impact and educational growth plans, our focus on maximising opportunities within our strategic network of hostels, delivery of change in ownership and operation of hostels in the transition network, our plans for IT and digital transformation, the optimisation of our central services and underpinning projects which support our recovery and enable our long-term strategy.

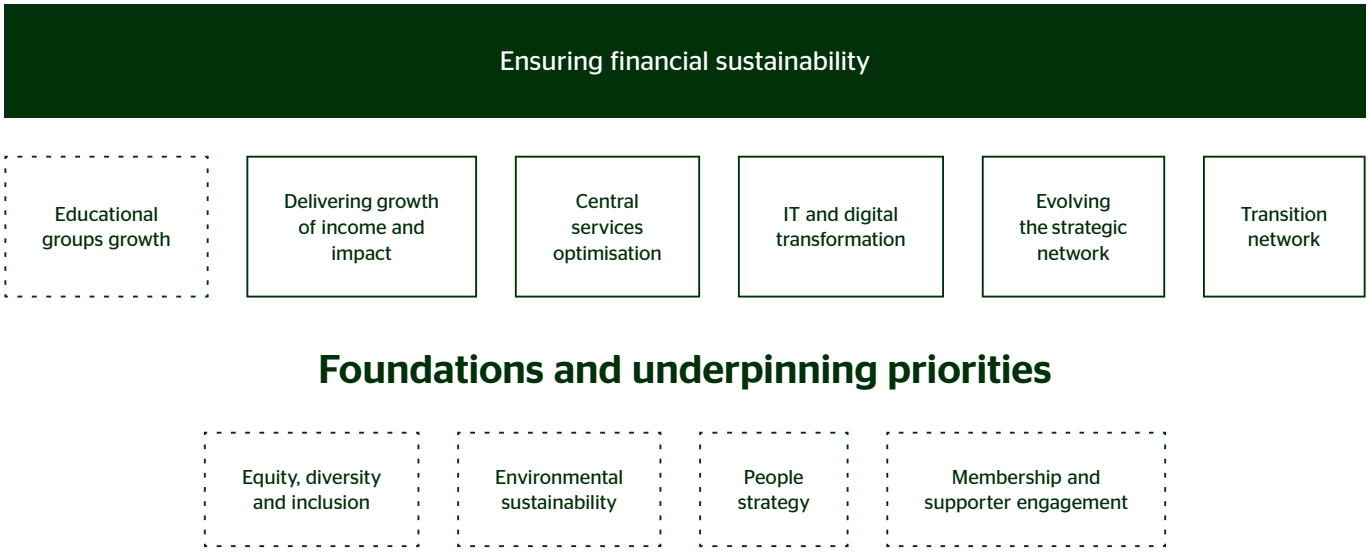
Key

Primary focus ■

Priority focus □

Supporting project ⁚⁚

2023-26 Business Plan



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Background to our approach

1. Impact and income depend on growing volumes and increasing occupancy

The more people who stay with us, the greater our income and impact. This is fundamental to the charity's future. Our approaches to growing volumes include:

- Continuing our successful tactics on attracting families and individuals (F&I) sales through marketing, online sales and online travel agents (OTAs). We will continue to encourage customers to book direct to reduce OTA fees. Driving repeat bookings, increasing lifetime value and reducing acquisition costs will be vital.
- Developing our central sales team to ensure our personal support is given to those who need it most.
- Minimising the amount of accommodation that's off sale.
- Making best use of latent capacity through business to business (B2B) sales and business development — driving school and groups growth in particular.
- Continue building programmes and initiatives targeted at specific groups to bring under-served communities into our hostels, with a focus on Outdoor Citizens and schools/youth groups.

2. There are a range of business opportunities and areas for growth that can increase our income and impact

There are three large growth areas:

- Making best use of shoulder seasons (period between peak and offseason) and winter seasons is a core growth opportunity which overlaps with our ambition to grow our share of school groups and the outdoors market.
- Increasing returns from our food and beverage offer — serving both residents and our café customers — brings us income and enhances the user experience.
- Fundraising — from members, supporters, grants and government — will add over £2m to the bottom line over the next five years.

In addition, we are investing in capital business opportunities across our hostels. We will invest in digital, IT and business systems recognising the potential for growth, efficiencies and enhanced user experience. We are also progressing numerous business opportunities that don't require additional investment but will lead to great returns, projects such as reviewing our booking terms and conditions.

3. We will focus on profit and loss across all parts of the charity

Our margins matter. We will improve our margins within the parameters of our pricing strategy, while maintaining customer satisfaction above 88%.

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4. Central services optimisation

We have already made savings. And we will continue to look to optimise our ways of working and make further efficiencies to cut central costs. Moving the groups journey online, for example, will free up staff to support more complex sales and account manage high value partnerships. At the same time we must ensure changes to service delivery do not adversely affect trading and help us develop growth so we will ensure resources are targeted where they are needed. We recognise there is a resource gap behind associate directors (ADs) and the senior leadership team (SLT). We will invest to plug this gap to make change and grow.

5. We have a model for changing the shape of the hostel network

The changes we're making will enable us to:

- have hostels in the places we know improve wellbeing
- ensure our buildings are maintained to a high standard and configured to get more people to stay with us
- have operating models that work for the charity, including franchise and through partnerships. For example, we will offer franchises to local people and organisations keen to combine running a hostel with their other interests/businesses which allows an operating model most effective for small hostels
- sell hostels that don't attract interest as franchises
- pay down debt-to-asset ratio

Since 1931, our network has included hostels run by private owners, so the franchise model is nothing new. So too, we have operated hostels in partnership with other organisations throughout our history — including the National Trust, The Regenda Group (a housing association) and Eden Project. We will remain the guardians of the hostelling movement in England and Wales through prudent shaping of our accommodation offer.

6. We are committed to partnership working

We are leaders in partnership working across multiple sectors. We will continue to nurture strong partnerships at every level. At hostel level in our local communities. At regional and country level. And with not-for-profit, strategic, funding and corporate partners.

7. We are the leading social tourism charity

We are leaders in the environmental, social, and governance (ESG) agenda for tourism. We are a core part of youth sector infrastructure and want to be residential provider of choice for school and youth groups. We know how we do things is as important as what we do. So our HEART values and four underpinning priorities will drive our behaviours towards people and the environment.

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8. Our business plan has been developed with input from staff and partners and has been approved by the Board

Our business plan has been rigorously explored and has been signed off by the Board of Trustees.

Our Trustees are elected by our members.

Our bank and financial advisors KPMG have reviewed the plan. Progress against the business plan will be monitored through our Programme Board, where each project is assessed, at least monthly, against its targets.

9. We have a comprehensive communications plan

We are communicating our business plan internally through our departments, and externally with our main partners and stakeholders, through a coordinated communications schedule.

10. We will review our strategy in 2025/26

Over the next three years we will further develop how we measure and report against impact and income. In 2025/26 we will review our strategy and start to set the direction for our 100th anniversary and the next 10 years.

The work of all of our teams over the last three years, and the decisions we have taken, have put us in the best possible position to move forward, increase our reach and ensure we thrive long into the future.

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Thank you

Thank you to all our guests, members, donors, volunteers, staff, partners and supporters.

We are proud to have worked with some amazing people and organisations this year and we are immensely proud of all we have achieved together.

Funders

Culture Recovery Fund for Heritage

The National Lottery Heritage Fund

Historic England

Department for Digital, Culture, Media & Sport

Culture Recovery Fund for Heritage — Phase 3

Funded by the Department for Digital, Culture, Media & Sport (DCMS) and delivered by The National Lottery Heritage Fund and Historic England.

Green Recovery Challenge Fund

Department for Environment Food & Rural Affairs

HERITAGE FUND

Environment Agency

NATURAL ENGLAND

Green Recovery Challenge Fund

Funded by the Department for Digital, Culture, Media & Sport (DCMS) and delivered by The National Lottery Heritage Fund in partnership with Natural England and the Environment Agency.

SPORT ENGLAND

Workforce Diversity Great Ideas Fund

Together fund

De Cymru Comisiynydd yr Heddlu a Throseddu Police and Crime Commissioner South Wales

Police and Crime Commissioner For South Wales — Comisiynydd yr Heddlu a Throseddu De Cymru

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East Midlands Accelerator

Part-funded by the UK Government through the UK Community Renewal Fund and led by East Midlands Chamber.

Protecting the beauty of the Downs

Funded by Department for Work and Pensions

The 29th May 1961 Charitable Trust

The Privy Purse Charitable Trust

The CB and HH Taylor 1984 Trust

The Peter Harrison Foundation

The Fisherbeck Charitable Trust

The Charles Brotherton Trust

♡ Thank you

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Gifts in Wills and In Memory donations

- Edna Sturman
- Helen Miller
- Derek Barbanell
- David Porter
- Richard Garstang
- Terence Egan
- Roy Haycock
- Mary Ramsell
- Dr F G Pink
- Bernard Colton
- Ian Goldthorpe
- Edward Shutler
- Trevor Whatley
- Arnold Morris
- Sheila Champion
- Robert Shopland
- John Stebbings
- John Alderton
- Pamela Daly
- Dame Margaret Weston
- Dilys Overnell
- Jean Muir
- Jill Hughes
- Arnold Cronshaw
- Arthur Barlee
- Helen Annan
- Peter Manson
- Alison Fort
- Jennifer Rendle
- Martin Green
- John Coles
- Ivan Hodbod

Thank you to everyone who has made a personal donation or given a regular gift. YHA is ever grateful to each and everyone for their amazing support for our charity.

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London Marathon

Thank you to the nine runners who completed the London Marathon for YHA and raised £14,420.

Awards

◇

2022
Trip Advisor Travellers' Choice Best of the Best

Many of our hostels were selected thanks to their 'best rated' listings based on guest reviews.

◇

2022
Visit England Tourism Superstar

Peta and Andy Nugent, hostel managers at YHA Boggle Hole, were finalists in this award.

◇

2022
The Great Outdoors Awards

YHA Borrowdale awarded Best Hostel or Bunkhouse.

◇

2023
School Travel Awards

YHA was selected as a finalist for the Best Residential Experience award.

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CLOtC

YHA was selected as a finalist for the Best Residential Experience award.

2022 The Charity Awards

Shortlisted in the Environment and Conservation category.

2022 Third Sector Awards

Generation Green was a finalist in the Big Impact Award category.

Investors in People

Gold accreditation, retained 2013-2024.

Disability Confident Employer 2022/23

Inclusive Employer 2022/23

Committed to being a menopause friendly employer 2022/23

HIT Heroes

Winner of Employer of the Year and Best Community Outreach Programmes at the Hospitality Industry Training Awards

Registered with FUNDRAISING REGULATOR

Hostelling International
Discover the real hostel experience

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Tribute to Her Majesty

Our Patron, Her Majesty Queen Elizabeth II died in September 2022. It was an honour for James Blake to attend The Queen's funeral on behalf of YHA. The Queen was a supporter of youth hostelling and took a keen interest in our progress – opening five hostels during her long reign, most recently YHA South Downs in 2013. We thank Her Majesty for her patronage and support.

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Risk review

YHA seeks to embed risk management into day-to-day working practices. Leading this is the identification and treatment of the key organisational risks, which comes to the Board for formal review once a year and is tabled at each meeting of the Audit and Risk Committee. More detailed risk registers are also prepared for more specific risks facing individual departments or in respect of significant projects.

The key organisational risks are reported to the February Board meeting. This year, the report identified a total of 14 key risks. Post mitigation, there are two very high risks, two high risks, seven medium risks and three low risks.

Very high risk

1.

YHA is unable to return to a cash surplus position due to reduced trading levels and increasing cost pressures.

2.

YHA is unable to fund its long-term capital needs.

High risk

3.

Resource shortages impact on the availability and delivery of service in hostels, and/or lead to failure to deliver operating plan projects.

4.

Failure to deliver network transformation as unable to realise hostel sales, terminate leases and transfer transition hostels to franchise in a timely manner and impacts on financial sustainability.

Medium risk

5.

Failure to protect YHA from a major cyber security attack.

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6.

Inadequate or ineffective safeguarding policy or practice resulting in, or contributing to, serious harm to a young person.

7.

Lack of employee awareness of data protection leads to breach of data protection regulations.

8.

Lack of investment in hostel standards impacts on revenue, repeat business or customer satisfaction levels.

9.

Lack of investment in IT and digital solutions leads to degradation of services, reduced revenue, failure to meet customer expectations and inefficient business processes.

10.

Failure of supply chain – reduce service, lack of availability of services and single point of failure.

11.

Lack of investment in the hostel network leads to significant system failure (mechanical or electrical), impacting on ability to trade a major hostel.

Low risk

12.

Failure to deliver our impact targets, and/or demonstrate our commitment to these leads to our assets not being used for the benefit of all.

13.

Ongoing impact of global pandemic leads to further restrictions to operations, reduced demand and revenue.

14.

Environmental, Sustainability and Governance: YHA being unable to move to a positive Equity, Diversity and Inclusion and Sustainability position.

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Streamlined energy and carbon reporting ('SECR')

We are committed to developing policies and initiatives to support the reduction of greenhouse gas emissions.

Energy efficiency and environmental sustainability are considered in all our activities and sustainability is a key part of our 10-year strategy. We have a specific project in the 2023-26 Business Plan to develop our work in this area.

We have published our commitment of sustainability as set out on page 54.

We have also published our carbon reduction plan which confirms our commitment to achieving Net Zero emissions by 2050 at the latest and sets out some of the measures that we hope to implement in the future.

We have set up a cross organisational energy management group with the key focus on reducing our energy consumption levels across the network. We will work closely with our energy consultants to implement behavioural focus techniques and process to reduce our consumption levels. We have also included an energy consumption KPI into our key KPIs reported to Board for the 2023/24 financial year.

yha.org.uk/environment-policy

Methodology

This report (including the Scope 1, 2 and 3 consumption and CO2e emissions data) have been developed and calculated using theGHG Protocol — A Corporate Accounting and Reporting Standard (World Business Council for Sustainable Development and World Resources Institute, 2004); Greenhouse Gas Protocol – Scope 2 Guidance (World Resources Institute, 2015); ISO 14064-1 and ISO 14064-2 (ISO, 2018; ISO, 2019a); Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting Guidance (HM Government, 2019).

Government Emissions Factor Database 2022 version 1 has been used, utilising the published kWh gross calorific value (CV) and kgCO2e emissions factors relevant for reporting period 01/03/2022-28/02/2023.

The figures below detail the regulated SECR energy and emission sources from the current reporting period as compared to the previous year.

We have seen an improvement year-on-year, with a 38% reduction in the intensity ratio, and this reflects that our hostels are becoming more efficient as we increase the occupancy rates achieved.

We will be looking at ways to extend the measures we use to monitor performance and we look to see how we can use the level of overnights within the calculation.

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	2023 energy kWh	**2023 emissions tCO2**	2022 emissions kWh	2022 emissions tCO2
Scope 1				
Gaseous and other fuels	**17,352,770**	**3,615**	16,399,377	3,373
Transportation	**195,044**	**47**	352,380	87
Total scope 1	**17,547,814**	**3,662**	16,751,757	3,460
Scope 2				
Grid-supplied electricity	**6,472,286**	**1,252**	5,711,650	1,213
Scope 3				
Transportation	**383,170**	**95**	—	—
Total energy and SECR emissions	**24,403,270**	**5,009**	22,463,407	4,673
Intensity ratio: tCO2e per £m of income from charitable and trading activities	**107**		180	

Scope 1 consumption and emissions include direct combustion of natural gas, and fuels utilised for transportation operations, for example, company vehicle fleets.

Scope 2 consumption and emissions refer to indirect emissions related to the consumption of purchased electricity in day-to-day business operations.

Scope 3 consumption and emissions cover emissions resulting from sources not directly owned by us. This relates to grey fleet (business travel undertaken in employee-owned vehicles) only.

Energy efficiency improvements

We are committed to year-on-year improvements in our operational energy efficiency. A register of energy efficiency measures has been compiled, with a view to implementing these measures in the next five years.

Measures ongoing and undertaken through 2022/23

Appoint energy network manager

We have appointed a business optimisation manager and part of his duties is to act as the lead for energy for our network. He will focus on increasing efficiency throughout the network.

Energy briefing for hostel managers

We have hosted our very first energy briefing for all of our hostel managers at our annual Ready to Trade event. This included an overview of our historical energy consumption, discussing how we can save energy throughout the organisation, as well as highlighting energy champions in the organisation.

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Introduce energy champions

We have begun to introduce energy champions at all of our locations to assist our management teams in bringing down energy consumption across our sites. This includes new energy audits which will aid in reducing consumption.

Consumption reduction targets

We have now introduced energy consumption reduction targets for all our hostel locations.

Update reporting dashboard

We are updating our reporting dashboard to have up-to-date consumption figures for all sites.

External consulting

We use our energy consultants to assist us with our energy efficiency programme and reporting.

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Governance and administration

Board of Trustees

Organisation

The Board of Trustees has overall responsibility for the work of YHA, setting strategy, direction and targets. All Trustees are responsible for the decisions of the Board. The YHA Articles of Association, the governing document, govern the Board's conduct.

During 2022/23 the Board met seven times. The Board has appointed a number of committees consisting of certain Trustees. As at the date of this report, the following are the principal committees: the Audit and Risk Committee ("ARC"); the Finance Committee ("FC"); the Impact and Engagement Committee ("I&E"); the People and Remuneration Committee ("PremCo"); and the Nominations Committee ("NomCo"). The London Committee supported and guided the executive in bringing forward options to the Board for the development of the YHA London network of hostels throughout 2022/23. As the work relating to the London hostels drew to a close, the Network Transition Committee was established in place of the London Committee with effect from February 2023 to oversee the implementation of the agreed hostel Network and Capital Strategy approved by the Board.

The Board delegates day-to-day management to the chief executive and executive team.

The Board of Trustees has up to 15 members and may co-opt a further two. None of the Executive, including the chief executive, are members of the Board. The tenure on the Board is a maximum of two, four-year terms. This may be extended if taking up a National Officer position. All the Trustees are unpaid volunteers recruited from the wider YHA membership.

Principles of governance

With regard to governance, YHA supports the principles of good governance set out in the Charity Governance Code for larger charities and the continuous improvement model that it promotes. During 2022/23, YHA continued to progress actions to enhance compliance with the provisions of the Code. In addition, Russell-Cooke Solicitors undertook an external governance review in 2021 which focused on two key sections of the Code for larger charities: Integrity; and, Equality, Diversity and Inclusion. The results of the review were positive, and action is ongoing in those areas identified for improvement.

During the year the Chair and the Vice Chair held annual Trustee reviews to discuss the Board's own performance and that of individual Trustees. The Vice-Chair held a performance review of the Chair.

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Training

All new Trustees attend an appropriate virtual induction course. The training is based on the guidelines set down by the National Council for Voluntary Organisations (NCVO) and covers:

- Governance — the role and responsibility of Trustees, governance structure and reform, Articles of Association, and key YHA governance documents.
- Briefings on key issues currently being discussed by the Board. Meetings with each member of the executive team and their support staff to gain an insight into the operational areas of the organisation.
- Trustees are supplied with a comprehensive manual containing key policies and documents and papers from recent and relevant Board meetings.
- Trustees complete safeguarding training annually and upon induction.

In addition, Board workshops are held after Board meetings focusing on key themes to support Trustees in their role. The key workshop in 2022/23 focused on sustainability and the recovery strategy.

Elections to the Board

Candidates to fill vacancies on the Board in 2022 were proposed by the Nominations Committee (NC).

The Board advised the NC of the skills, knowledge and experience desirable among new Trustees in order to achieve a balance of skills and experience in the Board of Trustees.

The NC was tasked with advertising for and interviewing potential Trustees with the requirement to draft a shortlist of suitable individuals to be included in a vote bearing in mind the skill gaps identified by the Board.

There were three Board Trustee vacancies in 2022. Thirty-three people applied to become Trustees in 2022 from whom the NC nominated seven candidates, including three existing Trustees.

The vote for the election of the Trustees was held online in advance of the 2022 AGM with the result announced at the meeting.

Simon Reeve was re-elected to the Board for a further term and Sarah Lusty and Caleb Stevens were appointed as Trustees for an initial term of four years at the AGM on 5 November 2022. Caleb Stevens had previously been co-opted as a member of the Board from the conclusion of the 2020 AGM. Tegryn Jones and Josie Murray stood down as members of the Board at the end of the 2022 AGM.

Gareth Cunningham was co-opted as a member of the Board from the conclusion of the 2022 AGM for a term of one-year.

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Members of the Board of Trustees at 28 February 2023

Margaret Hart, Chair

Margaret was appointed as a Trustee of YHA in 2016 and became Vice Chair in 2017 and Chair in 2019. A geographer by background, she has had a long career covering social work, the children's voluntary sector and higher education, in roles ranging from front line service delivery and teaching to national director level roles in both the charity and university sectors.

An underpinning theme has been her passion for enhancing the lives of young people, particularly those from disadvantaged backgrounds, and she brought this with her into YHA, together with her love of the outdoors.

As corporate director for one of Britain's largest children's charities, Margaret pioneered innovative ways of involving young people in management and governance, and is delighted to see the establishment of YHA's Youth Advisory Team as a significant step along our journey to becoming an increasingly diverse and inclusive organisation.

Margaret has been an enthusiastic hosteller since her teenage years, staying with YHAs as a base for climbing all the Wainwrights and Munros, and walking long distance paths such as the Pennine Way and the Great Walks of New Zealand. She is currently enjoying introducing the third generation of her family to YHA.

Marcus Holburn, Vice Chair

Marcus is a passionate believer in YHA's charitable purpose and values. He has enjoyed hostelling for many years, for adventure and exploration in different parts of the UK, first as a teenager and now with family. Marcus has been on the YHA Board since 2016 and currently serves as Vice Chair.

Marcus is also a qualified chartered accountant with more than 20 years' experience in both large and small businesses. He is currently chief financial officer of a specialist consumer lending business, and previously spent 14 years at M&G Prudential in a number of senior finance, risk and commercial roles.

Graham Turnock, Treasurer

Graham has been a member of the Board since 2015 and the Treasurer from the end of 2019. He has been a member of YHA since childhood, continues to enjoy hostelling in the UK and Europe, and is active in spreading the hostelling bug to others most directly through the leadership of youth hostelling weekends for members of his cycling club.

Graham is an experienced senior leader in the public sector. He is currently a special advisor to the European Space Agency having previously served as chief executive of the Space Agency, a role for which he was awarded the Royal Aeronautical Society's Geoffrey Pardoe Award in 2021, and as a career civil servant for almost 30 years across a wide range of UK Government departments beginning his career at HM Treasury and including a period as finance director at the Department of Culture Media and Sport.

He is a keen cyclist, having occupied at various times the positions of membership, road racing secretary and road racing and time trials event organiser in his club. In 2021 he was silver medallist in the British Masters National Criterium Championship.

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Darren Barker

Darren trained in business management and then qualified as a chartered management accountant, spending the early years of his career in finance roles specialising in decision support and investment appraisal. He has broad sector knowledge spanning retail, telecoms and travel. He is currently working in the telecoms industry leading a commercial team.

Prior to that, Darren spent 12 years in the hospitality and travel industry in general management roles and served for six years as CEO of Hostelling International, working closely with YHAs from all around the globe.

Darren loves travel and hostelled both at home in the UK and internationally. He is passionate about young people having previously served as a Scout leader and worked in partnership with the likes of the International Duke of Edinburgh Award and World Association of Girl Guides.

Darren is partially sighted and also serves as a Trustee for the Vision Foundation.

Hayley Barnard

Since 2014, Hayley has served as the managing director of MIX Diversity Developers, helping many large organisations shift their culture to one that is more inclusive of diversity. Her clients range from NHS Trusts to global companies such as Microsoft, T-Mobile and Britvic. She hopes to bring this expertise to YHA to support our aim to reach an ever-wider range of people.

Previously Hayley worked at non-executive and executive board level at a number of travel and expedition companies. Her postgraduate training is in marketing and she has significant experience in and passion for digital engagement.

When not at work or walking in the New Forest, where she lives with her husband and two teenagers, she can usually be found in the nearest stretch of open water (always without a wetsuit even in February... brrrr!). Hayley is an experienced marathon swimmer. In 2018, she swam the English Channel in a time of 14 hours 12 minutes and around Manhattan Island in New York (47km).

Hayley was delighted to be elected to the Board of Trustees in June 2019.

Emma Bradley

Emma spent the first part of her career in the travel industry and passionately endorses YHA's belief that 'where you go changes who you become'. She also believes that access to nature and being outside can have positive effects on mental health and wellbeing.

After spending several years in the travel industry, Emma worked at the BBC and Global in social impact roles, including as marketing and fundraising director for BBC Children in Need, and CEO of Global's charity which supports projects working across safety and shelter, physical and mental health, isolation and inclusion, and life skills. She is now a consultant and coach in social purpose, supporting organisations and individuals to grow their positive impact on people and planet. She is also a freelance assessor for Cambridge University Institute of Sustainability Leadership. Emma is Chair of Governors for a secondary school. She became a Trustee in 2019.

Gareth Cunningham

An environmental conservationist by profession, Gareth leads a team across Wales for the Marine Conservation Society. A keen advocate for nature, its restoration and increasing peoples access to the

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nature on their doorstep, Gareth has worked in and with Welsh Government for over 15 years. Through a variety of roles, including the RSPB and Welsh Civil service, Gareth is a strong supporter of the Future Generations Act and its role in improving the lives of young people. A bit of a policy nerd, he is currently working to increase ocean literacy and deliver nature restoration projects in Welsh seas.

In his early career, Gareth worked as a park ranger in Birmingham's largest urban park. Organising school trips, guided walks and leading the Young Archaeologist club.

A father of two daughters, with a love of the outdoors, family holidays are spent exploring new places in Wales and across the UK. YHA hostels have been family favourites, providing great locations to find new adventures. Living next to the Gower, weekends are spent walking, swimming and enjoying the many beaches of South Wales.

Clare Fordham

Clare has worked in both television and radio news for over 25 years, enjoying time in both commercial and BBC newsrooms. She spent eight years travelling across Britain and further afield at ITV News, before moving across to the BBC. After many years at BBC Radio 5 Live, she now edits programmes and podcasts for Radio 4 and the World Service, running a large team at the BBC's Media City Salford base.

Clare is passionate about finding and celebrating unheard voices and hearing untold stories. She takes great pride in her involvement with efforts to reach diverse audiences and bring a far broader range of perspectives to the programmes.

YHA has been central to some of the great experiences of Clare's life, and she is passionate about widening access for others.

Cathryn Hayhurst

Cathryn was elected as a Trustee in 2017. Access to the outdoors is one of her passions and you will most likely find her hiking a fell or playing in a boat in the Lake District. Her young daughter and husband can be found enjoying the communal aspect of YHA hostels whilst Cathryn attends Board meetings.

Cathryn is a qualified accountant and insolvency practitioner with a BSc in Environmental Sciences, and is currently a member of the senior finance team at Yorkshire Water. At the Co-op she supported the 2,500 retail stores to deliver people and system transformation programmes making them fit for the future. Previously she worked for five years at the National Trust where she was commercial lead for the Renewable Energy Programme to generate 50% of energy from renewable sources including hydro schemes. She developed her finance skills at KPMG and funding strategy at Barclays.

Barbara Kasumu

Barbara Kasumu is the executive director of charities for Guy's and St Thomas' Foundation (one of the oldest health foundations in the world) providing dedicated leadership and strategic oversight across the three charity brands: Guy's & St Thomas' Charity, Evelina London Children's Charity and Guy's Cancer Charity. These charities support the dedicated NHS staff with wellbeing services, healthcare innovation and exceptional patient and family care.

Barbara is an award-winning senior leader with a track record of driving and sustaining positive change in the charity sector and beyond. Barbara was previously the director of membership, programmes and development for the Association of Commonwealth Universities (ACU), an

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an international higher education association made up of 500+ universities across 50 countries. Barbara was also executive director for the National Union of Students, a voluntary member organisation representing the interests of more than 7 million students and 600 students' unions. In both roles Barbara was Instrumental in delivering key organisation reforms, leading on income generation, innovation, and strategy.

Once named as Red's Magazine 'Woman to Watch', Barbara was appointed to the Diversity and Inclusion board for the London 2012 Summer Olympics and Paralympic Games. She has previously sat on the charity boards of the Foyer Federation and The Kids Network. Barbara is a Clore Social Fellow and has represented the UK on International platforms including at the G8 and G20 summits.

Sarah Lusty

Sarah is a civil servant who has had experience in both Welsh Government social care policy and environmental policy through her time on the Civil Service Fast Stream. She is the youngest Trustee in YHA's history and is passionate about empowering the voices of young people, particularly those frequently marginalised.

Her interest in both countryside and urban cultural spaces led Sarah to study geography at university. She cares deeply about the wellbeing benefits of adventure outside, having experienced first-hand how time in nature is good for mental health whilst studying during the pandemic. She has enjoyed the opportunities for adventure on a budget through stays at YHA hostels.

Sarah is passionate about positive change and is excited to contribute to YHA's vision. She advocates for inclusion, championing for this within her personal life, workplace and voluntary work.

Sarah has extensive voluntary experience with a diverse range of communities, including those who may be marginalised or separated from mainstream services: young people, people with disabilities, sex workers, and older people.

Simon Reeve

Simon has significant international experience in developing teams and organisations, especially in engineering-related industries. In his current role, as director of innovation at The Alan Turing Institute, he helps translate academic research in data science and artificial intelligence into sustainable solutions for society. In his spare time, Simon is an avid outdoor enthusiast engaging in cycling, hill-walking, canoeing, sailing, surfing and skiing, frequently staying in youth hostels as part of these activities.

Caleb Stevens

Caleb Stevens is an experienced safeguarding lead, supporting children and adults at risk with their mental health, wellbeing and welfare as the safeguarding manager for Devon and Somerset Fire and Rescue Service.

Caleb holds a multitude of governance appointments, presiding as the strategic lead for safeguarding including ActionAid UK, Caleb has recently been appointed as a non-executive director for the Office for Students.

Appointed as the youngest Magistrate for the Ministry of Justice in 2017, Caleb is committed to equality and diversity and has supported many organisations with their inclusivity and interaction with children and young people. This particularly includes developing 'youth voice' at strategic level, where Caleb is passionate about challenging perceptions that young people can have significant levels

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of responsibility, including Trusteeship. Caleb looks forward to contributing additional expertise on education and safeguarding to ensure all children and young people receive the best support and outcomes YHA has to offer.

Living right next to Dartmoor, in his spare time Caleb enjoys taking long moor walks which has further contributed to his passion for being immersed within nature, travelling the UK and staying with many YHA hostels in the process.

Robert Varley

Robert has been a keen hosteller since his youth. He has a passion for the outdoors and loves exploring Britain's wild country and coastline on foot. A family man, a dad and a grandad, he has been volunteering in children's and youth work for over 40 years. He has a passion for everything YHA stands for and is keen to see it make a real difference to even more young lives in the years ahead. "Because where you go changes who you become."

A meteorologist by profession, Robert worked for 35 years at the Met Office. He has served on numerous Boards and Councils at national and international level — as chief executive of the Met Office, non executive director of Ordnance Survey, president of Eumetnet, vice president of the Royal Met Society and vice president of the World Meteorological Organisation.

In 2012 Robert was named as the Institute of Directors' Director of the Year (Public/Third Sectors), and in 2016 he was awarded an honorary degree of Doctor of Science from the University of East Anglia. He now works as a strategic consultant to leaders of weather services around the world.

Anna Welsh

Anna is a qualified children's social worker currently working for Bolton Council. They have a BSc in Mathematics from Manchester Metropolitan University and an MSc in Advanced Relationship Based Social Work Practice with Children and Families at Lancaster University. Anna discovered that whilst they had an affinity with numbers, their real passion was to work with others and help young people who might be struggling or in need.

Anna was a student officer at The Union MMU. They were the first ever societies and development officer for the period 2018/19 and then went on the be the President in 2019/20. As part of their role, they were a voice for students and brought their views and opinions to high level meetings, such as Academic Board, Board of Governors and the Union's Trustee Board. In their childhood, Anna was a keen member of the Air Cadets and spent much of their weekends and school holidays away with them. This gave Anna a taste for the outdoors and the adventures possible there. They completed the Duke of Edinburgh's Award and achieved their gold level badge for doing so. Using this as their driving force, Anna hopes that their time with YHA will engage more young people to have the opportunity to explore away from home and give them memories that will last a lifetime.

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Board meetings attended Term of office

	Board meetings attended	Term of office
Darren Barker	6 of 7	Ends 2025
Hayley Barnard	5 of 7	Ends 2023*
Emma Bradley	6 of 7	Ends 2023*
Gareth Cunningham	1 of 1	Ends 2023
Clare Fordham	7 of 7	Ends 2024
Margaret Hart	7 of 7	Ends 2026
Cathryn Hayhurst	7 of 7	Ends 2025
Marcus Holburn	5 of 7	Ends 2025
Tegryn Jones	4 of 6	Ended 2022
Barbara Kasumu	6 of 7	Ends 2024
Sarah Lusty	1 of 1	Ends 2026
Josie Murray	3 of 6	Ended 2022
Simon Reeve	5 of 7	Ends 2026
Caleb Stevens	6 of 7	Ends 2026
Graham Turnock	5 of 7	Ends 2024
Robert Varley	6 of 7	Ends 2023*
Anna Welsh	5 of 7	Ends 2025

*Eligible for re-election for a four-year term

Disclosures of interest

No Trustee had, during or at the end of the year, any interest in contracts that are significant in relation to YHA's business other than as disclosed above or in note 10 of the financial statements. For the purposes of company law, the Trustees listed above are also the Directors of YHA.

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Executive team

Chief Executive

James Blake

Other senior executives

Jake Chalmers

Executive Director of Investments and Infrastructure

Anita Kerwin-Nye (resigned 30 September 2023)

Executive Director of Strategy, Commercial and Engagement

Julie Lane

Finance Director

Jane Price

Executive Director of Operations and People

Employees

YHA is an Investors in People Gold organisation and is committed to employment policies which follow best practice based on equal opportunities for all employees irrespective of age, sex, sexual orientation, race, colour, disability, marital status, religion or belief.

Employees are kept informed of plans, receive regular updates on performance against the plans, are encouraged to attend or feed into regular listening groups.

During the pandemic new means to engage with our staff team were introduced, including regular all staff emails from the chief executive and monthly all staff webinars led by the chief executive and the executive team. These proved to be very popular and now form a permanent part of our employee engagement strategy.

The impact of the coronavirus pandemic, and more recently the cost-of-living crisis, continue to put a huge strain on staff. In view of this, we have continued to place increased emphasis on programmes to support positive employee mental health and wellbeing throughout the year.

Our annual employee survey is an opportunity for confidential feedback on all areas of the organisation and action plans are put in place to address any issues raised from these surveys.

It was disappointing to see that the headline measure of employee engagement (as measured by the

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employee survey) had declined from 71% in 2019 to 69% in 2022, but this still compares favourably with industry benchmarks.

A People Strategy has been developed to take forward measures to address issues raised in the survey.

Committees

Audit and Risk Committee ("ARC")

The ARC is a committee of the Board of Trustees. The committee met four times during the year and is currently composed of:

- Simon Reeve who acts as the Chair of this committee
- three Trustees: Emma Bradley, Marcus Holburn and Anna Welsh

The committee agrees the programme for internal and external audits; considers reports from the auditors; considers the annual financial statements before submission to the Board; reviews the performance of the internal and external auditors; advises the Board regarding the adequacy of its risk register, policy, and management of risk; reviews the full risk register on an annual basis and every quarter reviews the high level significant risks and any changes to the full risk register; and, devises and tests key measures against which the performance of the organisation can be judged.

Finance Committee ("FC")

The FC is a committee of the Board of Trustees. The Committee met seven times during the year and is currently composed of:

- the Treasurer Graham Turnock who acts as the Chair of this committee
- two Trustees: Darren Barker and Cathryn Hayhurst

The committee supports the Board in ensuring the effective financial management of the Company; provides opinion on the financial sustainability of YHA's strategic plans; advises on funding strategies and risks; provides appropriate scrutiny of finance related strategic KPIs; ensures effective financial planning, budgeting and treasury management; reviews and is consulted regarding capital and other investments; and, works with the Audit and Risk Committee regarding financial risk management. Since the start of the pandemic, the Finance Committee has met more frequently to allow the regular review of YHA's cashflow and financial plans.

Impact and Engagement Committee ("I&E")

The Impact and Engagement Committee is a committee of the Board.The committee met four times during the year and is currently composed of:

- Hayley Barnard who acts as Chair of this committee
- four Trustees: Gareth Cunningham, Clare Fordham, Sarah Lusty and Caleb Stevens

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The Impact and Engagement Committee supports the Board in maximising the impact and effectiveness of YHA's work as a charity, and its member and stakeholder engagement, through ensuring effective management of these areas. This includes oversight of impact related KPIs; the design, delivery and evaluation of youth, education and activity programmes; and, YHA's engagement strategy with members, volunteers, donors and partners.

People and Remuneration Committee ("PremCo")

PremCo is a committee of the Board of Trustees. The committee met three times last year and is currently composed of:

- Robert Varley who acts as Chair of this committee
- three Trustees: Hayley Barnard, Emma Bradley and Barbara Kasumu

The committee agrees the remuneration policy, determines the remuneration of the executive directors, and the remuneration of the chief executive in consultation with the Chair; determines the terms and conditions of employment of the executive directors; and, determines the terms and conditions of employment of the chief executive in consultation with the Chair.

In setting the organisations remuneration policy, the committee makes such external consultations and comparisons as may be necessary to ensure that the pay and emoluments of YHA staff are fair in value to those having similar responsibilities and circumstances in organisations within the not-for-profit and commercial sectors (excluding financial).

The committee also consider strategic HR matters which impact on our financial position or our position as an employer, e.g. pensions, performance management. This year that has included oversight of the people strategy and oversight of YHA's gender pay reporting which is available on our website. The committee is also responsible for people risk.

Nominations Committee ("NomCo")

NomCo is a committee of the Board of Trustees. The committee met five times last year and is currently composed of:

- Clare Fordham, who acts as Chair of this committee
- one Trustee: Marcus Holburn
- two Association Members: Paul Harding and Rachel Huggins
- one member of the YHA Youth Advisory Team: Emily Palmer

The committee acts in an advisory capacity in assisting in identifying a diverse range of candidates with suitable skills and experience to become Trustees.

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Financial control and risk management

Trustee responsibilities statement

The Trustees (who are also directors of YHA (England & Wales) for the purposes of company law) are responsible for preparing the Report of the Trustees incorporating the Strategic Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 YHA and the group and of the incoming resources and application of resources, including the income and expenditure of YHA and the group for that year.

- In preparing these financial statements, the Trustees are required to:
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP (FRS 102)
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that YHA and the group will continue in business

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 YHA and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that:

- so far as each Trustee is aware, there is no relevant audit information of which the YHA auditors are unaware; and
- the Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

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

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Section 172(1) Statement

Section 172 of the Companies Act 2006 requires a Director of a company to act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole. In doing this, section 172 requires a Director to have regard, among other matters, to: the likely consequences of any decision in the long term; the interests of the company's employees; the need to foster the company's business relationships with suppliers, customers and others; the impact of the company's operations on the community and the environment; the desirability of the company maintaining a reputation for high standards of business conduct; and the need to act fairly with members of the company.

YHA is a leading national charity which depends on the trust and confidence of its members and beneficiaries to operate sustainably in the long term. YHA seeks to put its beneficiaries' best interests first, invests in its employees, supports the communities in which it operates and strives to generate sustainable surpluses to be reinvested into the charity.

The Trustees have acted in accordance with their duties codified in law, which include their duty to act in the way in which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, having regard to the matters set out in section 172(1) of the Companies Act 2006. The Board recognises that building strong relationships with our members and beneficiaries will help us to deliver our strategy in line with our long-term values and operate the business in a sustainable way.

Reserves policy

As a charity, YHA is obliged by the Charity Commission to set a policy on reserves which establishes a level appropriate for YHA.

YHA's reserves policy is set to manage unforeseen financial difficulties, and not to fund its future capital strategy. The level of reserves is set based on forecast income and expenditure and the likelihood of material risks crystallising which would not be covered by future income or insurance.

The reserves policy is set with regard to the:

- strategic capital strategy — set by the Board within the context of a five-year time frame
- annual budget — set to ensure our future expenditure levels are matched to the income we receive from operating youth hostels
- risk management process — assesses the impact and likelihood of all risks to YHA and the appropriate level of short-term reserves to be held

YHA has implemented an active reserve monitoring process managed by the Audit & Risk Committee (ARC) and governed by the Trustees. The ARC assesses the impact and likelihood of uninsured risks to create an expected value, which is reduced by the assessment of mitigating controls to set the appropriate level of short-term reserves to be held. This value is formally reviewed on an annual basis with the opportunity for any material changes to be picked up within YHA's quarterly risk review process.

The ARC will report if these reserves have been used and the consequent impact on the long-term strategy. In the event of a movement beyond the reserves limit the ARC would report immediately to the Board with recommendations for action.

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The Trustees have recently reviewed the reserves policy and have agreed, that given the current market conditions and to ensure that there is sufficient cash balances to meet our ongoing liabilities and unforeseen or uninsured financial losses that the charity would endeavour to maintain minimum cash reserves of between £6.75m and £7.5m for the foreseeable future.

The executive and Board continue to monitor the liquidity plan to ensure that there is sufficient headroom in the cash reserves to ensure commitments can be met when due and identifying assets which could be disposed of to provide enough scope to match the impact of any further unseen risk whether pandemic related or otherwise.

Fundraising policy

It is always our aim to provide the best possible donor experience and deliver the highest possible standards of donor care. We are registered with the Fundraising Regulator to demonstrate our commitment to achieving the highest standards in fundraising and we strive at all times to comply with the Fundraising Regulator's Code of Fundraising Practice.

We are committed to undertake our fundraising in a legal, open, honest and respectful manner by following the standards for fundraising set out in the Fundraising Regulator's Fundraising Promise. We therefore use the Fundraising Regulator logo on our fundraising materials to show that we are following these standards.

We are always committed to uphold the highest standards of practice in our fundraising and will:

- comply with all relevant law and regulation including the Charities Act 1992, the Charities (Protection and Social Investment) Act 2016, the Data Protection Act 1998, and the Fundraising Regulator's Code of Fundraising Practice and where relevant the Gambling Act 2005
- treat the information that supporters provide to YHA in line with our Privacy Policy and never share or sell their personal information to third parties for the purpose of marketing or fundraising
- ensure clear governance and management controls for the legal, safe and transparent raising of funds from a diverse range of sources
- operate policy and guidance for working with supporters who are in vulnerable circumstances
- have clear rules for when donations may be returned to donors
- report regularly to the Trustees of YHA regarding fundraising activity, including an annual summary of complaints and action taken to address these

Protecting vulnerable people

We recognise that some people we engage with through our fundraising activity may not have the capacity, at the point of the interaction, to fully understand the nature of the donation they are being asked to give, or the consequences of making that donation. People in vulnerable circumstances may need further support before deciding whether or not to make a donation.

Whenever we suspect that someone we engage with is lacking capacity or is in vulnerable circumstances, we will take steps to terminate the contact in a way which seeks to protect that person while protecting their dignity and any desire they have expressed to support YHA.

Despite our efforts to protect those in vulnerable circumstances, YHA may receive a donation where

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there may be a question over the donor's mental capacity to make that donation. In this circumstance, YHA may return the donation to the donor or — under certain circumstances — to a family member or designated person.

Fundraising complaints policy

We welcome all comments and feedback about the way we work. We invite anyone with a complaint or problem about our fundraising activity to report it via our customer care team, who will deal with it in a personal, fair and confidential way. We aim to resolve all complaints as efficiently as possible — committing to acknowledgement in two working days and providing feedback within 15 working days.

In 2022/23 YHA has received zero complaints about fundraising activity.

Investment policy

Investments acquired in accordance with the powers of the Trustees, primarily in respect of endowment funds, total £1.020 million at the end of this financial year.

Close Wealth Management and Rathbone Investment Management manage the assets on YHA's behalf, with an investment strategy aimed at maximising income at an acceptable level of risk including growth of asset values.

Borrowing and financial instruments policy

YHA uses financial instruments, comprising borrowings secured against property. The main purpose of these financial instruments is to finance the working capital cycle of YHA and to finance longer-term capital needs.

The policies for managing the risks open to YHA are summarised below:

- YHA's financing and treasury policy governs the way that YHA borrows money and how it manages its interest risk.
- Working capital requirements are managed through the cash reserves holding or where available a Revolving Credit Facility with a bank.
- Other borrowings are designed to be appropriate for the type of asset being financed. Thus, IT equipment and software are likely to be financed over no more than five years, equipment no more than 10 years and property will be financed over 20 years.

Risk management

The Board of Trustees is ultimately responsible for risk management in YHA, setting the control framework, the risk appetite and approving major decisions affecting YHA's risk management or profile. The Board annually approves YHA's risk management plan, including the risk register, reviews the effectiveness of YHA's internal control and risk management system, and allows in its agenda a detailed review of a specific risk to be tabled at every Board meeting.

The Audit & Risk Committee (ARC) has delegated authority from the Board to review and manage risk

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and the organisational risk register is the key tool used to record risks within YHA. The ARC:

- reviews the risk management policy and processes annually
- reviews and agrees on an annual basis the significant risks to which YHA is exposed
- ensures that sufficient action is being taken to mitigate the risks
- provides the Board of Trustees with an annual statement of assurance on risk management and internal controls and corporate governance
- agrees specific risks to be reviewed by the Board
- ensures that the control environment is sufficient to ensure the effective management of risk
- monitors compliance with charity commission and corporate governance requirements

At an operational level YHA has a risk management group under the Chair of a member of the senior leadership team, currently the associate director for business transformation. This group focuses on key organisation level risk. The group is drawn from all directorates to ensure that risk management is embedded in all directorates. Individuals on the group are responsible for identifying action plans for all lower-level risks and for bringing these to the risk management group as required.

Insurance policy

YHA has insured Trustees and officers of the company against liability for wrongful acts in relation to the charitable company, as permitted under Section 532 of the Companies Act.

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Legal and administrative details

Bankers

HSBC Bank plc
Level 6
71 Queen Victoria Street
LONDON
EC4V 4AY

Santander Bank
Carlton Park
Narborough
LEICESTER
LE19 0AL

Solicitors

Browne-Jacobson
3rd Floor, No 1 Spinningfields
1 Hardman Square
Spinningfields
MANCHESTER
M3 3EB

Russell Cooke
2 Putney Hill
LONDON
SW15 6AB

Pinsent Masons LLP
55 Colmore Row
BIRMINGHAM
B3 2FG

Auditor

Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
1 Holly Street
SHEFFIELD
S1 2GT

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Investment fund managers

Close Wealth Management
10 Crown Place
Clifton Street
LONDON
EC2A 4FT

Rathbones Investment Management
George House
50 George Square
GLASGOW
G2 1EH

Internal auditors

KPMG are the internal auditors for YHA and act as an assurance function to provide an independent and objective opinion to YHA on the design and operation of the internal control environment.

External auditors

Pursuant to Section 487(2) of the Companies Act 2006, the Auditors will be deemed reappointed and therefore Grant Thornton will continue in office.

In approving the Report of the Trustees, the Trustees are also approving the Strategic Report in their capacity as company directors.

ON BEHALF OF THE TRUSTEES

Margaret Hart

M Hart
Chair
3 October 2023

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Independent auditor's report to the members of YHA (England and Wales)

Opinion

We have audited the financial statements of YHA (England and Wales) (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 28 February 2023, which comprise the consolidated statement of financial activities (incorporating the consolidated income and expenditure account), the group and parent charitable company balance sheets, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 28 February 2023 and of the group's and the parent charitable company's incoming resources and application of resources including, the group's and the parent charitable company's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We have been appointed as auditor under the Companies Act 2006 and report in accordance with regulations made under that Act. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Material uncertainty related to going concern

We draw attention to note 2 in the financial statements, which details the factors that the trustees have considered in making their going concern assessment for the group and the parent charitable company, which includes the parent charitable company's facilities agreement with HSBC, which is repayable on 24 November 2023. The parent charitable company and the lender have agreed upon heads of terms to refinance the facility agreement and extend the facility agreement period to a repayment date of 24 November 2024. This is more than 12 months after the signing date, however, it is possible that HSBC will withdraw credit approval before a formal facility agreement is signed. As stated in note 2, these events or conditions, along with the other matters as set forth in note 2, indicate that a material uncertainty exists that may cast significant doubt on both the group and parent charitable company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or the parent charitable company to cease to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

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Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees incorporating the Strategic Report, prepared for the purposes of company law, included in the Report of the Trustees incorporating the Strategic Report for the financial year ended 28 February 2023 for which the financial statements are prepared is consistent with the financial statements.

The Report of the Trustees incorporating the Strategic Report has been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report included in the Report of the Trustees.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent charitable company, or
- returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 102, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either

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intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the parent charitable company and the sector in which it operates. We determined that the following laws and regulations were most significant: the Charities SORP (FRS 102), The Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102), Charities Act 2011, Charities (Accounts and Reports) Regulations 2008 and the Companies Act 2006;
- We assessed the susceptibility of the parent charitable company financial statements to material misstatement, including how fraud might occur and the risk of material override of controls. Audit procedures performed by the engagement team included:
  - Identifying and assessing the certain controls management has in place to prevent and detect fraud;
  - Challenging assumptions and judgments made by management in its significant accounting policies;
  - Identifying and testing journal entries;
  - Identifying and testing related party transactions;
  - Inspecting the board minutes; and
  - Assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- The engagement team's experience with similar engagements, their understanding of the parent charitable company's industry and regulatory requirements (the Charities SORP (FRS 102), the Companies Act 2006 and the relevant tax compliance regulations) relating to the parent charitable

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company were considered by the engagement partner in assessing the competence and capabilities of the engagement team;

- We understood how the parent charitable company is complying with these legal and regulatory frameworks by making inquiries of management and those charged with governance. We enquired of management and those charged with governance whether there were any instances of non-compliance with laws and regulations, or whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of board minutes, and through our legal and professional expenses review. We also obtained an understanding of the parent charitable company's control environment, including:
- Management's knowledge of relevant laws and regulations and how the parent charity is complying with those laws and regulations;
- The adequacy of procedures for authorisation of transactions and review of management accounts; and
- Procedures to ensure that possible breaches of laws and regulations are appropriately resolved.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Peter Edwards BA FCA
Senior Statutory Auditor for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Sheffield
3 October 2023

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Consolidated statement of financial activities

(incorporating the consolidated income and expenditure account)

	Note	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2023 £'000	Total 2022 £'000
Income						
Income from charitable activities	6	**41,768**	—	—	**41,768**	22,318
Income from trading activities (YHA Trading Limited)	14	**5,068**	—	—	**5,068**	3,676
Donations, gifts and legacies		**1,346**	**166**	—	**1,512**	1,809
Grants receivable	5	—	**972**	—	**972**	5,714
Coronavirus Job Retention Scheme payments receivable		—	—	—	—	1,691
Investment and similar income	7	**10**	**23**	—	**33**	21
Total income before net gain on disposal of tangible fixed assets		**48,192**	**1,161**	—	**49,353**	35,229
Net gain on disposal of tangible fixed assets		**7,555**	—	—	**7,555**	332
Total income		**55,747**	**1,161**	—	**56,908**	35,561
Expenditure						
Costs of charitable activities	9	**53,713**	**1,356**	—	**55,069**	41,397
Costs of trading activities (YHA Trading Limited)	9	**4,058**	—	—	**4,058**	3,095
Fundraising	9	**353**	—	—	**353**	405
Total expenditure		**58,124**	**1,356**	—	**59,480**	44,897
Unrealised gains on investments	24	—	—	**26**	**26**	28
Realised (losses)/gains in investments	24	—	—	**(81)**	**(81)**	3
Net expenditure before tax and refinancing costs		**(2,377)**	**(195)**	**(55)**	**(2,627)**	(9,305)
Tax on commercial activities		—	—	—	—	—
Net income/(expenditure)*		**(2,377)**	**(195)**	**(55)**	**(2,627)**	(9,305)
Transfer between funds	25	—	—	—	—	—
Net income/(expenditure) after transfers		**(2,377)**	**(195)**	**(55)**	**(2,627)**	(9,305)
Other recognised gains and losses						
Actuarial gain/(loss) on defined benefit pension scheme	23	**(386)**	—	—	**(386)**	2,044
Actuarial gain on multi-employer pension scheme	23	**7**	—	—	**7**	1,008
Other losses		—	—	—	—	(104)
Net movement in funds		**(2,756)**	**(195)**	**(55)**	**(3,006)**	(6,357)
Fund balances brought forward at 1 March 2022		**14,417**	**4,322**	**1,075**	**19,814**	26,171
Fund balances carried forward at 28 February 2023	26	**11,661**	**4,127**	**1,020**	**16,808**	19,814

All income was from continuing operations.
*Information up to and including net income/expenditure represents the information required by the Companies Act 2006.
The accompanying accounting policies and notes form an integral part of these financial statements.

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Balance sheets

		Group		Company	
	Note	**2023 £'000**	2022 £'000	**2023 £'000**	2022 £'000
Fixed assets					
Tangible assets	12	**81,856**	84,922	**81,856**	84,922
Intangible fixed assets	13	**569**	491	**569**	491
Investments	14	**1,020**	1,075	**1,021**	1,076
		83,445	86,488	**83,446**	86,489
Current assets					
Stocks	15	**280**	174	**280**	174
Debtors	16	**2,639**	2,883	**2,639**	2,883
Cash at bank and in hand	28	**11,438**	11,334	**11,438**	11,334
		14,357	14,391	**14,357**	14,391
Creditors: amounts falling due within one year	17	**(75,430)**	(13,207)	**(76,257)**	(13,606)
Net current (liabilities)/assets		**(61,073)**	1,184	**(61,900)**	785
Total assets less current liabilities		**22,372**	87,672	**21,546**	87,274
Creditors: amounts falling due after more than one year	19	**(728)**	(62,698)	**(728)**	(62,698)
Provisions for liabilities	20	**(1,533)**	(1,648)	**(1,533)**	(1,648)
Net assets excluding pension liability		**20,111**	23,326	**19,285**	22,928
Multi-employer pension scheme liability	23	**(244)**	(406)	**(244)**	(406)
Defined benefit pension scheme liability	23	**(3,059)**	(3,106)	**(3,059)**	(3,106)
Net assets/liabilities including pension liabilities		**16,808**	19,814	**15,982**	19,416
Funds					
Endowments	24	**1,020**	1,075	**1,021**	1,076
Restricted funds	25	**4,127**	4,322	**4,127**	4,322
		5,147	5,397	**5,148**	5,398
Unrestricted funds					
Unrestricted funds excluding pension liability		**(7,941)**	(6,163)	**(9,955)**	(6,562)
Revaluation reserve		**22,905**	24,092	**24,092**	24,092
Pension reserve		**(3,303)**	(3,512)	**(3,303)**	(3,512)
Total unrestricted funds		**11,661**	14,417	**10,834**	14,018
Total charity funds	26	**16,808**	19,814	**15,982**	19,416

The financial statements were approved by the Board of Trustees on 3 October 2023.

Trustees

Margaret Hart

M Hart

G Turnock

Company registration number: 00282555.

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

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Consolidated statement of cash flows

	Note	2023 £'000	2022 £'000
Cash flows from operating activities			
Net cash provided by operating activities	27	**1,339**	1,532
Cash flows from investing activities			
Investment income (including interest received)	7	**33**	21
Sale of tangible fixed assets		**15,516**	6,286
Purchase of tangible fixed assets		**(10,057)**	(1,658)
Purchase of intangible fixed assets		**(367)**	(153)
Net cash provided/used in investing activities		**5,125**	(4,496)
Cash flows from financing activities			
Repayment of borrowings		**(3,205)**	(38,522)
Capital element of finance lease rentals		**(123)**	(118)
Cash receipts from borrowings		**—**	41,406
Interest paid	8	**(3,032)**	(1,594)
Net cash used by financing activities		**(6,360)**	1,172
Change in cash and cash equivalents in the reporting period		**104**	7,200
Cash and cash equivalents at the beginning of the reporting period		**11,334**	4,134
Cash and cash equivalents at the end of the reporting period	28	**11,438**	11,334

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

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Notes to the financial statements

1. Company information

YHA is a company limited by Guarantee (company number 00282555). The registered office is Trevelyan House, Dimple Road, Matlock, Derbyshire DE4 3YH.

2. Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards including 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) and the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

YHA (England and Wales) meets the definition of a public benefit entity under FRS 102 and applied the sections in FRS 102 as applicable.

The financial statements are presented in Sterling £'000.

Going concern

These accounts cover the trading period from 1 March 2022 to 28 February 2023 and they reflect the challenging market conditions in which we have needed to operate, with significant events which have largely been outside of our control, principally, the war In Ukraine and the consequential impact on our energy prices, high inflationary pressures across all our cost lines, hikes in interest rates attributed to our loans and the effects of the cost-of-living crisis on our customers in general.

Positively, however, our cashflows have remained strong throughout the period, and this was helped by the sale of YHA Oxford in March 2022.

At the time of signing the accounts the Heads of Terms for a one-year extension to our loan facility have been signed and this will provide financing until 24 November 2024. The process to obtain full Credit approval has commenced as noted in the strategic report.

Our cash balances have been further increased in July 2023, by over £6m net of loan repayments, through the sale of YHA London St Pancras, YHA Liverpool Central and YHA Newcastle Central, and these monies will help us to navigate the continuing challenging environment in the 2023/24 financial year.

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2. Basis of preparation (continued)

In May 2023 the Trustees approved our three-year business plan. This will involve a concentrated focus on a smaller number of strategic hostels which will also help us to reduce our central overheads. This plan will also free up some additional monies that will be used to invest in maintenance works within the retained network.

As part of this plan, we have identified a number of hostels that will move away from being directly operated by YHA and these will either transfer to an alternative model operated by a franchise operator, or other independent party or be sold. As part of this plan some of these hostels were put up on the market in June 2023 and further changes will be made over the duration of the plan.

The Trustees have reviewed our reserves policy and agreed that given the current market conditions and to ensure there are sufficient cash balances to meet our ongoing liabilities and unforeseen financial difficulties that the charity would endeavour to maintain cash reserves of between £6.75m and £7.5m during the year.

The Trustees have also reviewed the financial forecasts to October 2024, incorporating both a most likely management case together with various financial sensitivities, incorporating reduced trading, incremental costs and interest rates, and delays to the hostel transition programme and have concluded that the charity will be able to meet its liabilities as they fall due and have plans and resources to manage its business risks successfully.

Notwithstanding this it is also possible, though unlikely, that HSBC will withdraw Credit approval before a formal facilities agreement is signed. In these circumstances this would represent a material uncertainty which could cast significant doubt on the company's ability to continue as a going concern.

Nonetheless the Trustees expect that YHA has sufficient resources to enable it to continue to adopt the going concern basis in preparing the financial statements. These financial statements do not include any adjustment that would arise if the going concern basis of preparation was not considered appropriate.

Basis of consolidation

The group financial statements consolidate those of YHA and of its subsidiary undertaking (see note 14). Subsidiaries are defined as entities where the parent charity has control and derives financial benefit and are consolidated on a line-by-line basis.

3. Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The items in the financial statements where these judgements, estimates and assumptions have been made include:

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3. Significant judgements and estimates (continued)

Retirement benefit schemes

The determination of the pension cost and defined benefit obligation of the Group's defined benefit pension schemes depends on the selection of certain assumptions which include the discount rate, inflation rate, salary growth and mortality. Differences arising from actual experience or future changes in assumptions will be reflected in subsequent periods. Note 23 provides information on the assumptions used in these financial statements.

The Group also participates in a multi-employer defined benefit scheme, which is accounted for as a defined contribution scheme, administered by The Pensions Trust, who are responsible for the above assumptions in relation to determining the total liability of the overall scheme. As a participating employer, the YHA's share and contribution to the liabilities of the scheme is reviewed and agreed by the Trustees every three years. Under the provisions of FRS 102 this liability is included in these statements on a discounted net present value basis. Further details on the accounting policies relating to the multi-employer defined benefit scheme are provided in notes 4 and 23.

Provisions

These financial statements include provisions for liabilities as at 28 February 2023 that have arisen as a result of a past event, and that are judged probable to materialise at a future date. Where precise factual valuations of the liability are not available, judgement has been used to estimate the size and probability of the liability. Specifically, these provisions include estimates of dilapidation liabilities under property leasehold contracts and are stated on a net present value basis.

Assets under construction

These represent spend and work-in-progress on partially complete assets that are not in productive use in the business. This will principally be (but not exclusively) major refurbishment and development projects in YHA's estate portfolio and business systems/ IT infrastructure projects. Where projects stretch over more than one year the values are reviewed to ensure that the spend still represents a tangible or intangible asset.

Grants

The recognition of grants and capital contributions in these financial statements involves judgements as to whether performance or other relevant entitlement conditions have been met. The recognition of grants in restricted funds involves a judgement as to the Useful Economic Life of the asset to which it relates.

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4. Principal accounting policies

Income

Income generated from the operation of youth hostels represents the fair value of the amount receivable by YHA for goods supplied and services provided, excluding value added tax and net of trade discounts. Consequently, the income due from a particular guest is recognised when that guest stays with YHA. Payment received from guests in advance of their stay is recorded as deferred income (see note 18). Membership subscriptions are recognised when received.

Where hostels have been leased to organisations to provide accommodation for charitable purpose these amounts have been recognised as income.

Income from YHA Trading Limited represents commercial goods supplied and services provided by that YHA company to its customers and income is recognised when the goods or services are delivered. Donations, gifts and legacies are recognised in the statement of financial activities when it is probable that the income will be received, and all entitlement conditions will be met.

The Charity carries out work for government bodies and income under these contracts is recognised once milestones attached to income have been met. Incoming resources on government contracts are included in the statement of financial activities when the Charity is entitled to the income and the amount can be quantified with reasonable accuracy.

Grants

Revenue grants are credited as incoming resources when they are receivable provided conditions for receipt have been complied with, unless they relate to a specified future period, in which case they are deferred.

Grants for the purchase of fixed assets are credited to restricted incoming resources when receivable.

Income from investments

Investment income is recognised when receivable.

Endowments

Endowment income is credited to the income and expenditure account on a receivable basis. Income from restricted endowments not expended in accordance with the restrictions of the endowment, is transferred from the income and expenditure account to restricted endowments. Any realised gains and losses are retained within the endowment in the balance sheet.

Restricted permanent endowment

This relates to funds where the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

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4. Principal accounting policies (continued)

Restricted expendable endowment

This relates to funds which were permanent endowments but given the small scale of the specific individual funds, agreement was received from the Charities Commission that these could be spent in line with the original objective of each fund.

Fund accounting

Restricted funds are those for which specified purposes were laid down by the donor or grant-giving body. Expenditure for those purposes is charged to the appropriate fund.

Unrestricted funds are donations and other income received or generated for expenditure on the general objectives of YHA.

When grants and donations are received for a specific purpose involving capital investment, the cash will be recorded against a restricted fund. When the investment has been made, the relevant capital asset will be recorded against the relevant fund, and depreciation of the asset charged against the fund. Once any restrictions on the use of the asset have expired, the asset will be transferred from the restricted fund to YHA's unrestricted funds.

Tangible and intangible fixed assets

Fixed asset accounting policy

Tangible and intangible fixed assets are stated at cost, net of depreciation. No depreciation is charged during the period of development or construction.

Depreciation is calculated to write down the cost or estimated residual value of all tangible fixed assets over their expected useful lives. All depreciation is on a straight-line basis, and assets are amortised as follows:

Freehold properties	:	land not amortised
Freehold properties	:	buildings superstructure up to 50 years
Freehold properties	:	buildings sub-structure / other between 10 and 30 years
Leasehold properties	:	long term leases: market value over length of lease
Leasehold properties	:	building shorter of economic life or length of lease
Fixtures & Fittings	:	between 3 and 15 years
Intangible assets	:	up to 4 years

Assets under construction represent spend and work-in-progress on partially complete assets that are not in productive use in the business. This will principally be (but not exclusively) major refurbishment and development projects in YHA's estate portfolio and business systems/ IT infrastructure projects.

Assets under construction are carried at cost and are not depreciated until they come into use and are capitalised in the asset register. Where the date of capitalisation is later than the date of productive use, a retrospective depreciation adjustment is made to correct Net Book Value (NBV).

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4. Principal accounting policies (continued)

Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss.

Investment in subsidiaries

The consolidated financial statements incorporate the financial statements of the company and entities controlled by the group (its subsidiaries). Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

Investments

Assets held for investment purposes are measured at fair value. Changes in fair value are recognised in the income and expenditure accounts. Fair value is estimated using value at the balance sheet date.

Net gains and losses on revaluations and disposals during the year are included in the statement of financial activities.

Expenditure

Expenditure, which is charged on an accruals basis, is allocated between:

- Expenditure incurred directly in the fulfilment of YHA's objectives (direct charitable). This includes head office support costs which are directly attributed to the operation of youth hostels.
- Expenditure incurred directly in the effort to raise voluntary contributions (membership, fundraising and publicity).
- Expenditure incurred in the governance of YHA. This includes internal and external audit costs, chief executive costs and similar governance costs.

Staff costs

A range of benefits are provided to employees, including paid holiday arrangements and defined benefit and or defined contribution pension plans. Short term benefits including holiday pay and other similar costs are recognised as an expense in the period in which the service is received.

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4. Principal accounting policies (continued)

Redundancy and termination payments

All redundancy and termination payments, including ex-gratia payments and amounts in lieu of notice are charged or accrued as incurred.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions.

Provisions for liabilities

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in the SOFA in the period it arises.

The group recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employers are entitled to carry forward and use within the next 12 months. The provision is measured at the salary cost payable for the period of absence.

Financial instruments

Financial liabilities are classified according to the substance of their governing contractual arrangements.

Where the contractual obligations of financial instruments are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the statement of financial activities. Finance costs are calculated so as

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4. Principal accounting policies (continued)

to produce a constant rate of return on the outstanding liability. Financial liabilities are initially recognised at fair value then subsequently at amortised cost using the effective interest method.

Stocks

Stocks are stated at the lower of cost using the first in, first out method and net realisable value.

Leases

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

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

Rentals payable under operating leases are charged to the SOFA on a straight-line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the group recognises annual rent expense equal to amounts owed to the lessor.

The aggregate benefit of lease incentives is recognised as a reduction to the expense recognised over the lease term on a straight-line basis.

Retirement benefits

Defined contribution group personal pension schemes

Contributions payable to the schemes in respect of each accounting period are included in the statement of financial activities in that period.

Defined benefit pension scheme (closed)

The scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the attained age method on the basis of triennial valuations and are discounted at appropriate high-quality corporate bond rates. The net surplus or deficit is presented separately from other net assets on the balance sheet. A net surplus would only be recognised to the extent that it is recoverable by the group.

The current service cost and costs from settlements and curtailments are included in the statement of financial activities. Past service costs are spread over the period until the benefit increases. The difference between interest on the scheme liabilities and the expected return on

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4. Principal accounting policies (continued)

scheme assets is included in interest payable or investment income as appropriate. Actuarial gains and losses are reported in the consolidated statement of financial activities.

Multi-employer defined benefit scheme

YHA participates in a multi-employer scheme, administered by The Pensions Trust, which provides benefits for 854 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for YHA to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, YHA accounts for the scheme as a defined contribution scheme. The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a "last person" standing arrangement. Therefore, the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

Where the scheme is in deficit and where YHA has agreed to a deficit funding arrangement, YHA recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Gift aid payment to parent charity

The trading company pays all its taxable profits for the year to its parent charity under the gift aid scheme. These gift aid payments are recognised as distributions to owners in equity within retained earnings.

At the reporting date the Board had indicated its intention to pay the taxable profits to the parent charity in respect of the reporting period. The payment is expected to be made within nine months of the end of the reporting date.

5. Grants and contracts

	2023 restricted funds (capital) £'000	**2023 restricted funds (other) £'000**	**Total 2023 £'000**	Total 2022 £'000
COVID-19 related grants	**—**	**—**	**—**	3,700
Other grants	**6**	**966**	**972**	2,014
Grants receivable in the year	**6**	**966**	**972**	5,714

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5. Grants and contracts (continued)

All grants receivable in the year related to restricted funds (see note 25).

Other grants received in the year amounted to £972,005 with the majority being provided by the Heritage Lottery Fund for our Generation Green project (£665,446).

Other grants totalling £306,559 were received from a range of organisations including Sport England (£165,799), the National Heritage Cultural Recovery Fund (£99,990), Kickstart funding (£25,963), Waitrose (£6,585), PodPoint (£5,622) and the Pilgrim Trust (£2,600).

6. Charitable income

	2023 £'000	2022 £'000
Income from operating youth hostels	**40,736**	21,342
Membership income received directly by the group	**1,032**	976
Total income from operating youth hostels	**41,768**	22,318

7. Investment income

	2023 £'000	2022 £'000
Listed stocks and shares	**23**	21
Cash and deposits	**10**	—
	33	21

8. Interest and financing costs

	2023 £'000	2022 £'000
Net pension cost	**76**	109
On bank loans, overdrafts and other loans	**2,897**	1,504
Financing costs amortised	**132**	87
Finance charges in respect of finance leases	**3**	3
	3,108	1,703

Interest payable is included within other direct costs (see note 9).

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9. Total expenditure

Due to the structure of YHA it is considered that any allocation of support costs from costs of operating youth hostels would be immaterial.

	Direct staff costs £'000	**Other direct costs £'000**	**Deprec'n £'000**	**Total 2023 £'000**	Total 2022 £'000
Costs of operating youth hostels	**22,973**	**26,465**	**5,453**	**54,891**	41,249
Costs of operating YHA Trading Ltd	**1,536**	**2,522**	**—**	**4,058**	3,095
Other fundraising costs	**331**	**22**	**—**	**353**	405
Other costs — governance costs	**—**	**178**	**—**	**178**	148
Total expenditure	**24,840**	**29,187**	**5,453**	**59,480**	44,897

	Total 2023 £'000	Total 2022 £'000
Depreciation comprises:		
Depreciation on owned tangible assets	**4,353**	5,181
Depreciation on owned intangible assets	**290**	288
Depreciation on tangible assets held under finance lease	**15**	15
Impairment on owned tangible assets	**795**	—
	5,453	5,484

	Total 2023 £'000	Total 2022 £'000
Other direct costs comprise:		
Repairs and maintenance of buildings — ongoing	**4,357**	3,499
Repairs and maintenance of buildings — dilapidation provision	**(18)**	285
Fuel, heat and light	**3,686**	1,893
Food and beverage costs	**4,409**	1,667
Activity and transport providers	**1,219**	198
Restructuring costs (including redundancy)	**24**	229
Travel	**712**	466
Communication costs	**472**	420
Cleaning and laundry	**2,745**	1,368
Interest payable	**3,108**	1,703
Marketing and publications	**724**	541
Insurance	**576**	444
Auditors' remuneration — audit	**67**	54
Auditors' remuneration — non-audit services taxation (inc.IXBRL)	**9**	7
Operating lease rentals — land and buildings	**2,169**	2,134
Operating lease rentals — fixtures & fittings	**653**	380
Other direct costs	**7,097**	4,770
	29,187	20,058

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10. Trustees and employees

All Directors are Trustees and all Trustees are Directors.

	Group	
	2023	2022
	£'000	£'000
Staff costs during the year were as follows:		
Wages and salaries	**20,861**	15,807
Social security costs	**1,599**	1,244
Other pension costs	**794**	888
Redundancy costs	**32**	229
	23,286	18,168

The average number of employees of YHA during the year was 1,088 (2022: 825).

The full-time equivalent number of employees was 641 (2022: 525).

The chief executive is the highest paid employee and is not a Trustee of the organisation. His annual salary in 2022/23 was £132,067 per annum (2021/22: £131,609). The Board of Trustees neither received nor waived any emoluments during the year (2022: £nil).

The redundancy costs include £nil (2022: £6,481) in respect of ex-gratia payments agreed under the termination of employment.

The number of other staff whose total emoluments for the year exceeded £60,000 was as follows:

	2023	2022
£60,000 - £69,999	**5**	6
£70,000 - £79,999	**2**	3
£80,000 - £89,999	**1**	—
£90,000 - £99,999	**—**	1
£100,000 - £109,999	**2**	1
£110,000 - £119,999	**1**	1
£120,000 - £129,999	**—**	—
£130,000 - £139,999	**1**	1

YHA made payments totalling £35,920 (2022: £43,439) into defined contribution schemes for 13 (2022: 13) of these employees.

YHA made payments on behalf of and to Trustees, for attendance at meetings as follows:

	2023	2022	**2023**	2022
	number	number	**£'000**	£'000
Travel and attendance at meetings	**17**	4	**3**	1

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10. Trustees and employees (continued)

During the year no goods were purchased from companies in which Trustees held an interest. No amounts were owing to such companies at the end of the financial year.

The key management personnel of the parent charity, the Trust, comprised the Trustees, the chief executive officer, and four other executive directors. The total employee benefits of these key management personnel of the YHA were £541,941 (2022: £543,970).

The remuneration of the key management personal is determined by the Board's Remunerations Committee. In determining this, the Committee makes use of external consultations and comparisons to ensure that the pay and emoluments of YHA staff are fair in value to those having similar responsibilities and circumstances in organisations in the not-for-profit and commercial sectors. Salaries are set at the lower quartile of recognised industry wide benchmark surveys.

11. Charitable company results

The charitable company has taken advantage of Section 408 of the Companies Act 2006 and has not included its own income and expenditure account in these financial statements. The results of YHA are summarised below:

	2023	2022
	£'000	£'000
Total income	**53,027**	31,885
Total expenditure:	**(55,422)**	(41,802)
Net (expenditure)	**(2,395)**	(9,917)
Net investments gains	**(55)**	31
Net (expenditure)	**(2,450)**	(9,886)

During the year the charitable company received a gift aid donation amounting to £582,000 (2022: £194,000) from its trading subsidiary.

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12. Tangible fixed assets (group and company)

	Freehold L&B £'000	Long leasehold L&B £'000	Short leasehold L&B £'000	Fixtures, fitting & equipment £'000	Assets under construction £'000	Total £'000
Cost						
At 1 March 2022	78,892	31,711	21,419	19,794	1,563	153,379
Transfers	12	351	—	23	(386)	—
Additions	863	5,848	357	179	2,810	10,057
Disposals	(4,333)	(5,441)	—	(315)	—	(10,089)
At 28 February 2023	75,434	32,469	21,776	19,681	3,987	153,347
Depreciation						
At 1 March 2022	26,964	10,485	14,328	16,680	—	68,457
Provided in the year	1,858	986	697	828	—	4,369
Disposals	(1,840)	—	—	(290)	—	(2,130)
Impairment	—	720	—	75	—	795
At 28 February 2023	26,982	12,191	15,025	17,293	—	71,491
Net book amount						
At 28 February 2023	**48,452**	**20,278**	**6,751**	**2,388**	**3,987**	**81,856**
At 29 February 2022	51,928	21,226	7,091	3,114	1,563	84,922

All tangible fixed assets were used for charitable purposes.

In the year we exercised the option to purchase the land at London Stratford and soon thereafter sold on the land to a third-party hotel provider.

The net book amounts stated above include fixtures, fittings and equipment held under finance leases and similar hire purchase contracts of £nil (2022: nil) and freehold property held under finance leases and similar hire purchase contracts of £940,000 (2022: £955,000).

Depreciation of assets held under finance leases and similar hire purchase contracts was £nil (2022: £nil) on fixtures, fittings and equipment and £15,000 (2022: £15,000) on freehold property.

Land values were increased on transition to FRS 102 in 2016 to reflect fair market value. A post year-end review of these values based on valuations received as part of the refinancing exercise in 2017 found no reason to amend these values. However, a more recent valuation, completed after the year-end, of some of our high value properties, as required under the terms of the loan facilities agreement has identified one property which has significantly reduced in value. This has necessitated the inclusion of an impairment provision of £795,000.

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13. Intangible fixed assets (group and company)

	Software £'000	Assets under construction	Total £'000
Cost			
At 1 March 2022	1,151	240	1,391
Transfer	240	(240)	—
Additions	367	—	367
At 28 February 2023	1,758	—	1,758
Depreciation			
At 1 March 2022	900	—	900
Provided in the year	289	—	289
At 28 February 2023	1,189	—	1,189
Net book amount			
At 28 February 2023	**569**	**—**	**569**
At 29 February 2022	251	240	491

The depreciation for the above is reported under depreciation on owned intangible assets under note 9.

14. Fixed asset investments

Total fixed asset investments comprise:

	Group		Company	
	2023 £'000	2022 £'000	**2023 £'000**	2022 £'000
Interest in group undertakings	**—**	—	**1**	1
Other fixed asset investments	**1,020**	1,075	**1,020**	1,075
Market value at 28 February 2023	**1,020**	1,075	**1,021**	1,076

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14. Fixed asset investments (continued)

Interests in group undertaking

At 28 February 2023 the charitable company held 100% of the allotted share capital of the following:

	Country of incorporation	Class of share capital held	Company number	Capital and reserves £	Result for the financial period £
YHA Trading Limited	England and Wales	Ordinary shares	05373368	100	1,010,379

	£'000
YHA Trading Limited	
Turnover	5,068
Expenditure	(4,058)
Result for the period before tax	**1,010**

Other fixed asset investments

	Group and company £'000
Market value as at 1 March 2022	1,075
Additions	279
Disposals	(254)
Realised gain	25
Unrealised loss	(105)
Market value at 28 February 2023	**1,020**

At 28 February 2023 the other fixed asset investments were held as follows:

	2023 £'000	2022 £'000
Listed stocks and shares	**991**	1,026
Cash	**29**	49
Market value at 28 February 2023	**1,020**	1,075

There were no specific investments that represented more than 5% of the portfolio by market value.

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15. Stocks

Group and company

	2023	2022
	£'000	£'000
Goods for resale	**280**	174

16. Debtors

Group and company

	2023	2022
	£'000	£'000
Trade debtors	**317**	259
Prepayments and accrued income	**1,131**	657
Other debtors	**1,191**	1,967
	2,639	2,883

17. Creditors: amounts falling due within one year

	Group		**Company**	
	2023	2022	**2023**	2022
	£'000	£'000	**£'000**	£'000
Bank loans	**59,102**	—	**59,102**	—
Trade creditors	**3,120**	2,494	**3,120**	2,494
Amounts due to group undertakings	**—**	—	**827**	399
Social security and other taxes	**1,459**	943	**1,459**	943
Other creditors	**371**	777	**371**	777
Accruals	**2,246**	2,396	**2,246**	2,396
Deferred income (note 18)	**9,002**	6,474	**9,002**	6,474
Amounts due under finance leases	**130**	123	**130**	123
	75,430	13,207	**76,257**	13,606

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18. Deferred income

Group and company

	2023	2022
	£'000	£'000
At 1 March 2022	**6,802**	3,551
Released during year	**(6,802)**	(3,551)
Deferred during year	**9,669**	6,802
At 28 February 2023	**9,669**	6,802

The deferred income consists of:

Advance bookings	**9,589**	6,721
Un-allocated cash receipts	**80**	81
	9,669	6,802
Creditors: amounts falling due within one year	**9,002**	6,474
Creditors: amounts falling due after more than one year	**667**	328
	9,669	6,802

19. Creditors: amounts falling due after more than one year

Group and company

	2023	2022
	£'000	£'000
Bank loans	**—**	62,150
Other loans	**—**	25
Amounts due under finance leases	**—**	130
Deferred income	**667**	328
Other amounts	**61**	65
	728	62,698

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20. Provision for liabilities

	General provisions £'000	Dilapidation provision £'000	Total provisions £'000
Balance at 1 March 2022	189	1,459	1,648
Released during the year	(189)	(600)	(789)
Arising in the year	92	582	674
Balance at 28 February 2023	**92**	**1,441**	**1,533**

The general provision includes the holiday balances accrued as a result of services rendered in the current period and which employees are entitled to carry forward.

The dilapidations provision represents obligations for rented properties which are due for renewal in the next 3 years. £404,000 of the provision (2022: £854,000) relates to YHA London St Paul's.

21. Borrowings

Borrowings are repayable as follows:

Group and company 2023

	Within one year £'000	After one year and within two years £'000	After two years and within five years £'000	After five years £'000	Total £'000
Bank loans	59,102	—	—	—	**59,102**
Other loans	—	—	—	—	**—**
Finance leases	130	—	—	—	**130**
Total borrowing	59,232	—	—	—	**59,232**
Cash at bank and in hand					**(11,438)**
Net borrowings					**47,794**

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21. Borrowings (continued)

Group and company 2022

	Within one year £'000	After one year and within two years £'000	After two years and within five years £'000	After five years £'000	Total £'000
Bank loans	—	62,150	—	—	62,150
Other loans	—	25	—	—	25
Finance leases	123	130	—	—	253
Total borrowing	123	62,305	—	—	62,428
Cash at bank and in hand					(11,334)
Net borrowings					51,094

The bank loans are secured by fixed charges over certain properties of YHA and a floating charge over all the assets of YHA. Interest (excluding margin) is charged at variable rates.

22. Financial instruments

Group

	2023 £'000	2022 £'000
Financial assets measured at amortised cost		
Trade debtors	**317**	259
Other debtors	**1,191**	1,967
Cash	**11,438**	11,334
	12,946	13,560

	2023 £'000	2022 £'000
Financial liabilities measured at amortised cost		
Bank loans	**59,102**	62,150
Other loans	**—**	25
Trade creditors	**3,120**	2,494
Accruals	**2,246**	2,396
Amounts due under finance leases	**130**	253
	64,598	67,318

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23. Retirement benefits

Group and Company

Historically YHA has operated a number of different Pensions Schemes:

A final salary defined benefit scheme administered by the Pensions Trust. This scheme is now closed but the residual liabilities of this scheme are disclosed within our accounts in line with FRS17 definitions.

YHA employees also had the opportunity to join the Pensions Trust Growth Plan. This is a multi-employer scheme which has progressed through four versions (or Series).

Although set up as defined contribution schemes, because of the guaranteed benefits they offered, Series 1 & 2 have subsequently been deemed to be defined benefit schemes. Series 3 which carried a guarantee that the value of investments would not fall, has also now be re-classified as a defined benefit scheme. Only Series 4 can be classified as a defined contribution scheme. Although Series 1 to 3 are defined benefit schemes as defined within FRS17, YHA is unable to identify its share of the underlying assets and liabilities of the schemes. Accordingly, the contributions have been accounted for as if they were defined contribution schemes.

YHA operates a defined contribution scheme administered by Scottish Widows as well as the auto enrolment pension scheme for all new employees (and for those existing employees who were not members of either the Growth Plan or the defined contribution scheme). All auto enrolment contributions are paid into the Peoples Pension administered by B&CE.

Defined benefit pension scheme

YHA operated a defined benefit pension scheme for the benefit of staff. The assets of the scheme are administered by Trustees in funds independent from those of YHA and its subsidiary undertaking.

Pension costs are assessed, on a triennial basis and in accordance with the advice of a qualified actuary using the projected unit method. The assumptions, which have had the most significant effect on the results of this year's valuation are those relating to the assumed discount rate used to value the scheme's liabilities, the rate of return on investments and the rates of increase in salaries and pensions.

In order to minimise future liabilities, the scheme was closed to new entrants at 31 December 2002, and to future accrual from 31 December 2011.

A full actuarial valuation was carried out at September 2020, which showed that the value of those assets was sufficient to cover 74% of the benefits that had accrued to members, after allowing for expected future increases in earnings.

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23. Retirement benefits (continued)

Pension cost

The charge for the year was as follows:

	2023	2022
	£'000	£'000
Defined benefit scheme — expenses	**88**	93
Defined contribution pension schemes	**491**	420
Multi-employer defined benefit scheme	**303**	468
Net (expenditure)	**882**	981

Included within the multi-employer defined benefit scheme contributions above are amounts of £540,078 (2022: £351,977) relating to additional contributions as part of the recovery plan agreed with the Pension Trust.

The above charge is exclusive of top up contributions for the final salary pension scheme of £297,352 (2022: £461,063).

In accordance with FRS 102 the net pension liability of the defined benefit scheme is included on the balance sheet of YHA. The most recent actuarial valuation of the scheme has been updated by an independent qualified actuary, taking account of the requirements of FRS 102 to assess the liabilities of the scheme at 28 February 2023. Scheme assets are stated at their market value.

The principal assumptions used by the actuary were:

	2023	2022	2021	2020
Inflation CPI	**2.9%**	3.3%	2.9%	1.9%
Rate of increase in salaries	**5.0%**	3.6%	3.2%	3.9%
Rate of increase of pensions	**2.8%**	3.1%	2.9%	2.0%
Rate of increase for deferred pensions	**3.2%**	3.6%	3.2%	2.9%
Discount rate	**5.1%**	2.6%	2.1%	1.8%

The post-retirement mortality assumptions used to value the liability at 28 February 2023 is based on the SAPS table S3PXA (all pensioners – Pensions Amounts) with a scaling factor of 0% (pre-retirement) and 114% (post-retirement) projected using CMI-2021 improvements with a 1.5% pa long term improvement rate for males and a 1.25% long term improvement rate for females.

The life expectancy of a male member reaching age 65 in 2043 is projected to be 23.1 years (2022: 23 years) compared to 21.4 years (2022 21.3 years) for someone reaching 65 in 2023. The life expectancy of a female member reaching age 65 in 2043 is projected to be 25.3 years (2022: 25.2 years) compared to 23.9 years (2022: 23.8 years) for someone reaching 65 in 2023.

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23. Retirement benefits (continued)

The split of assets in the scheme and the expected long-term rates of return were:

	2023 value £'000	2022 value £'000	2021 value £'000	2020 value £'000
Equities	**456**	2,656	2,188	2,357
Bonds	**1,730**	4,945	7,027	6,053
Property	**1,683**	1,977	1,071	1,056
LDI	**6,615**	8,312	6,359	7,524
Other	**5,835**	7,170	6,963	6,373
Total market value of assets	**16,319**	25,060	23,608	23,363
Present value of scheme liabilities	**(19,378)**	(28,166)	(29,010)	(28,238)
Net pension liability	**(3,059)**	(3,106)	(5,402)	(4,875)

The movement in the deficit in the year, included in the financial statements, was as follows:

	2023 £'000	2022 £'000
Contributions	**88**	93
Additional contributions	**540**	351
	628	444
Net contributions less expenses of the scheme	**(119)**	(83)
Expected return on pension scheme assets	**660**	489
Interest on pension scheme liability	**(736)**	(598)
	433	252
Actuarial (loss)/gain (see below)	**(386)**	2,044
	47	2,296
Deficit in scheme at beginning of year	**(3,106)**	(5,402)
Deficit in scheme at end of year	**(3,059)**	(3,106)
Actual return less expected return on pension scheme assets	**(9,310)**	1,641
Experience gains and losses arising on the scheme liabilities	**(1,504)**	(150)
Changes in the assumptions underlying the present value of the scheme liabilities	**10,428**	553
Actuarial (loss)/gain	**(386)**	2,044

The net of the expected returns on pension scheme assets and interest on pension scheme liabilities of £76,000 (2022: £109,000) is shown in interest payable. Changes in the present value of the defined benefit obligation are as follows:

	2023 £'000	2022 £'000
Opening defined benefit obligation at 1 March	**28,166**	29,010
Interest cost	**736**	598
Actuarial gains	**(8,924)**	(403)
Benefits paid	**(600)**	(1,039)
Closing defined benefit obligation at 28 February	**19,378**	28,166

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23. Retirement benefits (continued)

Changes in the fair value of plan assets are as follows:

	2023 £'000	2022 £'000
Opening fair value of scheme assets at 1 March	**25,060**	23,608
Expected return	**660**	489
Expenses	**(119)**	(83)
Actuarial (losses)/gains	**(9,310)**	1,641
Employer contributions	**628**	444
Benefits paid	**(600)**	(1,039)
Closing fair value of scheme assets at 28 February	**16,319**	25,060

	2023 £'000	2022 £'000	2021 £'000	2020 £'000	2019 £'000
Fair value of scheme assets at 28 February	**16,319**	25,060	23,608	23,363	20,334
Present value of defined benefit obligation at 28 February	**(19,378)**	(28,166)	(29,010)	(28,238)	(25,229)
Deficit in the scheme	**(3,059)**	(3,106)	(5,402)	(4,875)	(4,895)
Experience adjustments on scheme assets	**(9,310)**	1,641	159	3,173	(276)
Experience adjustments on scheme liabilities	**(1,504)**	(150)	(345)	34	191

Multi-employer defined benefit scheme

Under the definition set out in FRS 102, the Pensions Trust Growth Plan Series 1, 2 and 3 are multi-employer pension schemes. YHA is unable to identify its share of the underlying assets and liabilities of the schemes. Accordingly, the contributions have been accounted for as if they were defined contribution schemes. Schemes 1 and 2 closed to new members in 2001, members of scheme 3 have the opportunity to remain in the scheme or join the Scottish Widows defined contribution scheme. The last actuarial valuation concluded and published by the Pensions Trust was at 30 September 2020. The assets and liabilities and comparison to the previous triennial valuation in September 2017 were as follows:

	30 September 2020 £ million	30 September 2017 £ million
Assets	**800.3**	794.9
Present value of liabilities	**(831.9)**	(926.4)
Deficit	**(31.6)**	(131.5)

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23. Retirement benefits (continued)

The assumptions that had the most significant effect on the valuation were as follows:

	30 September 2020	30 September 2017
Financial assumptions		
Market implied inflation	**3.15%**	3.4%
Long term gilt yield	**0.67%**	1.8%
Discount rates		
Pre-retirement rate	**—**	3.1%
Post retirement rate	**—**	2.3%
Inflation		
RPI	**3.2%**	3.4%
CPI	**2.3%**	2.5%

The discount rate assumption used in the valuation process has been revised and no longer has a separate rate for pre- and post-retirement. The discount rate is now based on the initial rate of gilt yield curve plus 1.23% p.a. at the valuation date tapering to gilt curve plus 0.5%p.a. over a period of 10 years.

The deficit of £31.6 million represents a funding level of 96.2%. At the 2011 valuation the Trustees put in place a recovery plan with the aim of eliminating this deficit via a combination of additional contributions from employers and investment returns over a period of 10 years from 1 April 2013. As a result of the 2014 valuation the recovery plan had been extended by 2 years and 5 months until 31 August 2025. However, under the 2017 valuation this repayment period reduced to 31 January 2025 timeframe but to reduce the annual deficit payments accordingly.

The Pensions Trust had previously notified YHA that the additional contributions required from YHA (England and Wales) from 1 April 2013 would be £385,220 rising by 3% per year. This was subsequently revised from 1 April 2016 to £403,318 and then from 1 April 2019 to £436,021. Under the 2020 valuation the annual deficit payment is £133,333.

Multi-employer Pension Scheme movements

	2023 £'000	2022 £'000
Balance at 1 March	**406**	1,866
Paid in the year	**(161)**	(461)
Interest expense	**6**	9
Decrease in liability	**(7)**	(1,008)
Balance at 28 February	**244**	406

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23. Retirement benefits (continued)

In May 2022 we were notified by the Trustee of our Schemes that it has performed a review of the changes made to the benefits of both the defined benefit and multi-employer defined benefit schemes over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. This process is ongoing, and the matter is unlikely to be resolved before the end of 2024 at the earliest. It is recognised that this could potentially impact the value of Scheme's liabilities, but until Court directions are received, it is not possible to calculate the impact of this issue with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.

24. Endowments

Permanent endowments (group only)

	At 1 March 2022 £'000	Realised gain £'000	Unrealised loss £'000	**At 28 February 2023 £'000**
Wilderhope Funds	142	4	(12)	**134**
Richards Bequest	439	12	(35)	**416**
Peter Grant Fund	87	2	(7)	**82**
Peter Grant Endowment Fund	108	3	(9)	**102**
Merseyside YH Golden Jubilee Trust	150	—	(5)	**145**
	926	21	(68)	**879**
Expendable endowments	149	5	(13)	**141**
	1,075	26	(81)	**1,020**

The Wilderhope Manor Fund and the Wilderhope Fund were created to provide financial support for the continuing use of Wilderhope Manor as a youth hostel.

The Richards Bequest generates income to pay for providing "various equipment for inside and outside sports & games, and material for handicrafts".

The Peter Grant funds were given to generate income for the maintenance of our hostels, (the endowment fund) and to give disadvantaged youngsters the opportunity to experience YHA.

The Merseyside Youth Hostel Golden Jubilee Trust endowment provides assistance, financial or otherwise to "enable needy or disabled young persons to enjoy the benefits of youth hostelling activities".

Also included in the company are investments in YHA Trading Limited of £100.

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25. Restricted funds

Group and company

	At 1 March 2022 £'000	Incoming resources £'000	Expenditure £'000	Transfers to/from unrestricted fund £'000	**At 28 February 2023 £'000**
Breaks	482	139	(192)	—	**429**
Small hostels fund	465	1	(66)	—	**400**
Capital grants and donations	3,179	10	(113)	—	**3,076**
Revenue grants and donations	21	972	(976)	—	**17**
Other	175	39	(9)	—	**205**
	4,322	1,161	(1,356)	—	**4,127**

	2023 £'000	2022 £'000
Restricted funds (capital)	**3,076**	3,179
Restricted funds (other)	**1,051**	1,143
	4,127	4,322

The Breaks fund has been a long-standing fundraising appeal designed to give financial support to groups of disadvantaged youngsters and provide the opportunity of a stay with YHA. In 2019/20 we extended this project to expand the scope of the scheme to cover a wider group of disadvantaged young people and families as part of our 90th anniversary celebrations and more latterly for our No Child Left Behind appeal.

The Small Hostels Fund is supplemented by donations and legacies from people wishing to support the maintenance and development of YHA's small rural hostels. Donations of £1,000 (2022: £173,000) were gratefully received in the year with £66,000 being spent from the fund this year to support the refurbishment of a number of hostels throughout the network.

During the year capital grants of £10,000 (2022: £nil) were received.

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26. Analysis of net assets between funds

Group

	Unrestricted funds £'000	Realised funds £'000	Endowment funds £'000	Total £'000
Tangible fixed assets	78,780	3,076	—	**81,856**
Intangible fixed assets	569	—	—	**569**
Investments	—	—	1,020	**1,020**
Current assets	13,306	1,051	—	**14,357**
Current liabilities	(75,430)	—	—	**(75,430)**
Long term liabilities	(2,261)	—	—	**(2,261)**
Pension liability — Defined benefit	(3,059)	—	—	**(3,059)**
— Multi-employer	(244)	—	—	**(244)**
	11,661	4,127	1,020	**16,808**

Company

	Unrestricted funds £'000	Realised funds £'000	Endowment funds £'000	Total £'000
Tangible fixed assets	78,780	3,076	—	**81,856**
Intangible fixed assets	569	—	—	**569**
Investments	—	—	1,021	**1,021**
Current assets	13,306	1,051	—	**14,357**
Current liabilities	(76,257)	—	—	**(76,257)**
Long term liabilities	(2,261)	—	—	**(2,261)**
Pension liability — Defined benefit	(3,059)	—	—	**(3,059)**
— Multi-employer	(244)	—	—	**(244)**
	10,834	4,127	1,021	**15,982**

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27. Reconciliation of changes in resources to net cash inflow from operating activities

	2023 £'000	2022 £'000
Net expenditure for the reporting period (as per the statement of financial activities)	**(2,627)**	(9,305)
Adjustments for:		
Depreciation	**4,658**	5,484
Impairment losses	**795**	–
Pension contributions to reduce liabilities	**(837)**	(1,011)
Pension cost expenses non cash	**119**	83
Pension net interest non cash	**76**	109
Borrowings – non cash items (amortisation)	**132**	87
Losses/(gains) on investments	**55**	(31)
Gains on sale of tangible fixed assets	**(7,555)**	(332)
Interest charge	**3,032**	1,594
Investment income – cash element	**(33)**	(21)
Increase in stock	**(106)**	(80)
Decrease/(increase) in debtors	**244**	(731)
Increase in creditors	**3,501**	5,271
Decrease/(increase) in provisions	**(115)**	415
Net cash provided by operating activities	**1,339**	1,532

28. Analysis of cash and cash equivalents

	2023 £'000	2022 £'000
Cash in hand	**11,438**	11,334

29. Reconciliation of net cash outflow to movement in net debt

	Group	
	2023 £'000	2022 £'000
Increase in cash	**104**	7,200
Cash outflow from movement in debt and lease financing	**3,328**	(2,766)
Change in net debt resulting from cashflows	**3,432**	4,434
Non cash changes	**(132)**	177
Movement in net debt	**3,300**	4,611
Net debt at 1 March	**(51,094)**	(55,705)
Net debt at 28 February	**(47,794)**	(51,094)

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30. Analysis of changes in net debt

	At 1 March 2022 £'000	Cash flows £'000	Non-cash changes £'000	**At 28 February 2023 £'000**
Cash in hand and at bank	11,334	104	—	**11,438**
Debt within one year	—	—	(59,102)	**(59,102)**
Debt after more than one year	(62,175)	3,205	58,970	**—**
Finance leases	(253)	123	—	**(130)**
	(51,094)	3,432	(132)	**(47,794)**
Cash in hand and at bank	11,334	104	—	**11,438**
Total borrowing & finance leases	(62,428)	3,328	(132)	**(59,232)**
	(51,094)	3,432	(132)	**(47,794)**

31. Capital commitments

	2023 £'000	2022 £'000
Contracted for but not provided for in these financial statements	**2,159**	470

Capital commitments are included for any remaining expenditure required to complete major projects. This is intended to reflect YHA's commercial intent and any material commitments to full completion of these projects and may be in excess of the contractually binding liability as at 28 February 2023.

32. Leasing commitments

Operating lease and rental payments fall due as follows:

Group and company

	2023		2022	
	Land and buildings £'000	**Other £'000**	Land and buildings £'000	Other £'000
In one year or less	**2,245**	**720**	2,122	627
Between one and five years	**9,008**	**92**	8,527	166
Between five and twenty-five years	**54,431**	**—**	51,041	—
Twenty-five years or more	**3,262,086**	**—**	3,221,330	—
	3,327,770	**812**	3,283,020	793

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32. Leasing commitments (continued)

YHA holds leases on 10 properties beyond 25 years giving rise to a £3.3bn FRS 102 calculated liability. 96% of this calculated liability relates to commercial rent payable on a single property with 235 years of a 250-year term remaining. There is a break clause on this property in 16 years' time and every 35th anniversary thereafter which mitigates any risk to the charity.

33. Transactions with Trustees and other related parties

There were no transactions with Trustees other than those disclosed in note 10.

Other related party transactions for the year were limited to the procurement of services for the YHA Festival of Walking project from a consultancy owned by the spouse of one of the executive directors amounting to £32,500 (2022: £1,023).

As YHA Trading Limited is a wholly owned subsidiary of YHA, YHA is exempt from the requirements of FRS 8 to disclose transactions with this company.

34. Post balance sheet events

In July 2023 YHA London St Pancras, YHA Liverpool Central and YHA Newcastle Central hostels were sold via an asset purchase agreement to an alternative hostel operator as part of our plans to consolidate our city hostel network for a sales value of £17.15m, with an associated net asset value including disposal costs of £11m. Upon completion £10.5m of the HSBC loan was repaid.

The 2023-26 Business Plan focuses on a smaller number of strategic hostels. This will help to reduce central overheads, free up some additional monies to invest in maintenance works within the retained network and repay more of the HSBC debt. Some hostels will move away from being directly operated by the charity and these will either transfer to an alternative model operated by a franchise operator, or other independent party or be sold. As part of this plan 20 hostels were put on the market in June 2023. Although in the early stages of the sales process the potential sales value of these hostels is around £13.675m.

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We are YHA.

We transform young lives forever through travel and real adventure.

Because where you go changes who you become

stay | join | give | volunteer yha.org.uk

YHA (England & Wales), Trevelyan House, Dimple Road, Matlock, Derbyshire DE4 3YH Company No. 00282555 Reg. Charity No. 306122

YHA (ENGLAND AND WALES)

England & Wales - Charity number 306122

Accounts

Registered office: YHA (England & Wales), Trevelyan House, Dimple Road, Matlock, Derbyshire DE4 3YH Company No. 282555 Reg. Charity No. 306122

Annual report

2021/2022

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Foreword

Welcome to YHA's annual report for 2021/22. In it, we include our financial statements for the year ended 28 February 2022; outline our recovery following the third national lockdown from spring 2021; demonstrate how we pursued our strategic priorities to meet our KPIs; and expand on the major projects through which we delivered impact for our guests and beneficiaries.

I am immensely proud of YHA's achievements over the last 12 months as our people worked through what has arguably been YHA's most challenging year in its history as a consequence both of the pandemic and new and emerging issues facing the sector and society.

It has now been almost two years since the launch of our 10-year strategy: *Adventure. For the first time and a lifetime.* Whilst we never imagined that the first years of its implementation would have been undertaken in this context, the strategy has remained at the forefront of our decision-making throughout.

It is very inspiring to see the difference YHA has made in the past year, in reconnecting so many people with much loved places and spaces, and introducing others to the wonder of the countryside for the first time. We know through our research and evaluation, that these brilliant hostel stays have a positive impact on improving health and wellbeing — and we are rightly proud of this.

Our impact on young people remains at the very core of our work and I am delighted to share with you the innovative projects at the forefront of our efforts to connect young people with nature and heritage, provide educational enrichment, improve life skills and ready young people for their careers through residentials, volunteering opportunities, traineeships, work experience and jobs.

I would also like to draw special attention to the significant steps we have made in increasing access and broadening participation over the last year, not least through the landmark Generation Green project, the establishment of our Youth Advisory Team, and a brand-new community of practice: Outdoor Citizens.

YHA was founded in 1930 on a principle of inclusion. We have a 92-year history of encouraging travel and adventure. For many of us, the pandemic brought into even sharper focus the unique value of access to the outdoors, nature, culture and heritage — and what it is to be denied it. We should not forget that two million children faced lockdown without a garden or local green space.

As a society, we are all coping with additional challenges — not least energy prices, squeezed resources and labour shortages. Through this tough period, we are having to make some difficult decisions. These include making changes to our hostel network to ensure it is fit for the future and sustainable in a new context. We have lost much-loved hostels like YHA Cardiff Central, YHA Oxford and YHA Milton Keynes. But last year saw the opening of YHA Chester Trafford Hall and this year we have relaunched YHA Eden Project with a fresh glamping offer.

Our annual report shows how, with careful management, we are stepping out on the road to recovery. And as we recover, we will continue to work hard to enable more people of all ages and from all backgrounds to access the benefits of adventure — for the first time and a lifetime.

Thank you to all who have supported our endeavours including our customers, members, donors, volunteers, staff and partners.

Margaret Hart

Chair

Charitable objects

To help all, especially young people of limited means, to a greater knowledge, love and care of the countryside, and appreciation of the cultural values of towns and cities, particularly by providing youth hostels or other accommodation for them in their travels, and thus to promote health, recreation and education.

Vision

Everyone has access to the benefits of adventure, for the first time and a lifetime.

By 2030, every child is able to stay away from home, travel, experience adventure and access the outdoors, nature, culture and heritage. YHA will work with others to end the inequity that means some children have never been to a beach, visited a museum or rolled down a hill.

Mission

To enrich the lives of all, especially young people, by providing brilliant hostel stays and experiences that improve physical health, mental wellbeing and life skills.

Our five-year targets

- For 5 million people of all ages to stay with YHA.
- To be certain that access for all means all — that those who stay with us, benefit from our provision and support, our employees and volunteers, reflect the demographics of England and Wales.
- To ensure at least 2.5 million children and young people have an overnight stay with YHA.
- To ensure at least 250,000 of these children and young people are those that have the most challenging lives.

Taken from *Adventure. For the first time and a lifetime.* — YHA's 10-year strategy, published March 2020

Public benefit statement

Our Trustees give careful consideration to the Charity Commission's general guidance on public benefit during our planning processes and delivery of our work.

We are YHA.

We believe in the power of travel and adventure. To connect people to each other, to nature and the outdoors, to culture and to heritage.

Hostelling makes travel and adventure accessible to everyone, everywhere. With c.150 sites throughout England and Wales, YHA offers a unique range of accommodation, including hostels, camping and glamping in rural, coastal and city locations. Our community of shared spaces is open to all and for the benefit of everybody.

We provide inclusive adventures, in extraordinary buildings, in amazing places. We're proud to rank first globally for guest satisfaction. Yet we are much more than accommodation.

We are a leading social enterprise and a 90-year-old movement. A charity on a mission to enrich the lives of all, but especially young people, and improve physical health, mental wellbeing and life skills through the experiences we create.

We bring the adventure, for the first time and a lifetime.

We are YHA.
Because where you go changes who you become.

Strategic report

Our strategic priorities

Impact priorities

1

Our top priority is to ensure that all means all, increasing the scale and breadth of our reach and ensuring that YHA is for everyone; **we will promote social inclusion and equity of access** with a particular focus on young people under 26 and by proactively targeting our efforts on those with challenging lives.

2

We will increase access to stays away from home and improve connections to nature, outdoors, heritage and culture — recognising that our hostel network provides unique opportunities for the many not just the few.

3

We will improve physical and mental wellbeing by providing activities and programmes and by supporting people to take their own action using our hostels as a base — both through overnight stays and as part of day visits.

4

We will develop life skills and employability through the development of the YHA Campus and YHA Curriculum; for our staff, volunteers, and the young people that we work with.

5

We will contribute to social cohesion. We will encourage different sectors of the community who visit us — both overnight and for day visits — to learn from and with each other. We are part of the sharing economy. We will make best use of our places and spaces, and our activities programme, to make stronger links to local communities.

Enabling priorities

6

Maintain a viable network of quality hostels — places and spaces — that matches our strategic ambitions.

7

Deliver against a framework of industry standard benchmarks that draws on the best quality models across charity, social enterprise, hospitality and work with young people. Work with transparency and with a focus on the experiences of our users — excelling in both digital and offline services.

8

Support growth by continuing to **generate an annual cash surplus** that supports our strategic intent, based on social enterprise principles.

9

Recognise that the risks to the environment and to the world and its population are a real and immediate threat by connecting people to nature. We will set a strong example — in how we use our assets and through our work with partners **we will help to improve the environment**.

10

Build support for the hostelling cause — drawing on our 90-year history to establish the importance of hostelling for all today; growing both the numbers of members but also how many members are active with YHA and leading the movement for those who support hostelling as a route to affordable travel and adventure.

Operating Plan

To enable us to deliver our mission and vision, in May 2021, the Board agreed a one-year Operating Plan. This plan for 2021/2022 focused on five key areas:

1

Support growth by continuing to generate an annual cash surplus that supports our strategic intent, based on social enterprise principles.

2

Delivering growth and impact — particularly the delivery of the Generation Green programme.

3

Quality hostels and digital infrastructure — including sales, network strategy, and the opening of YHA Chester Trafford Hall.

4

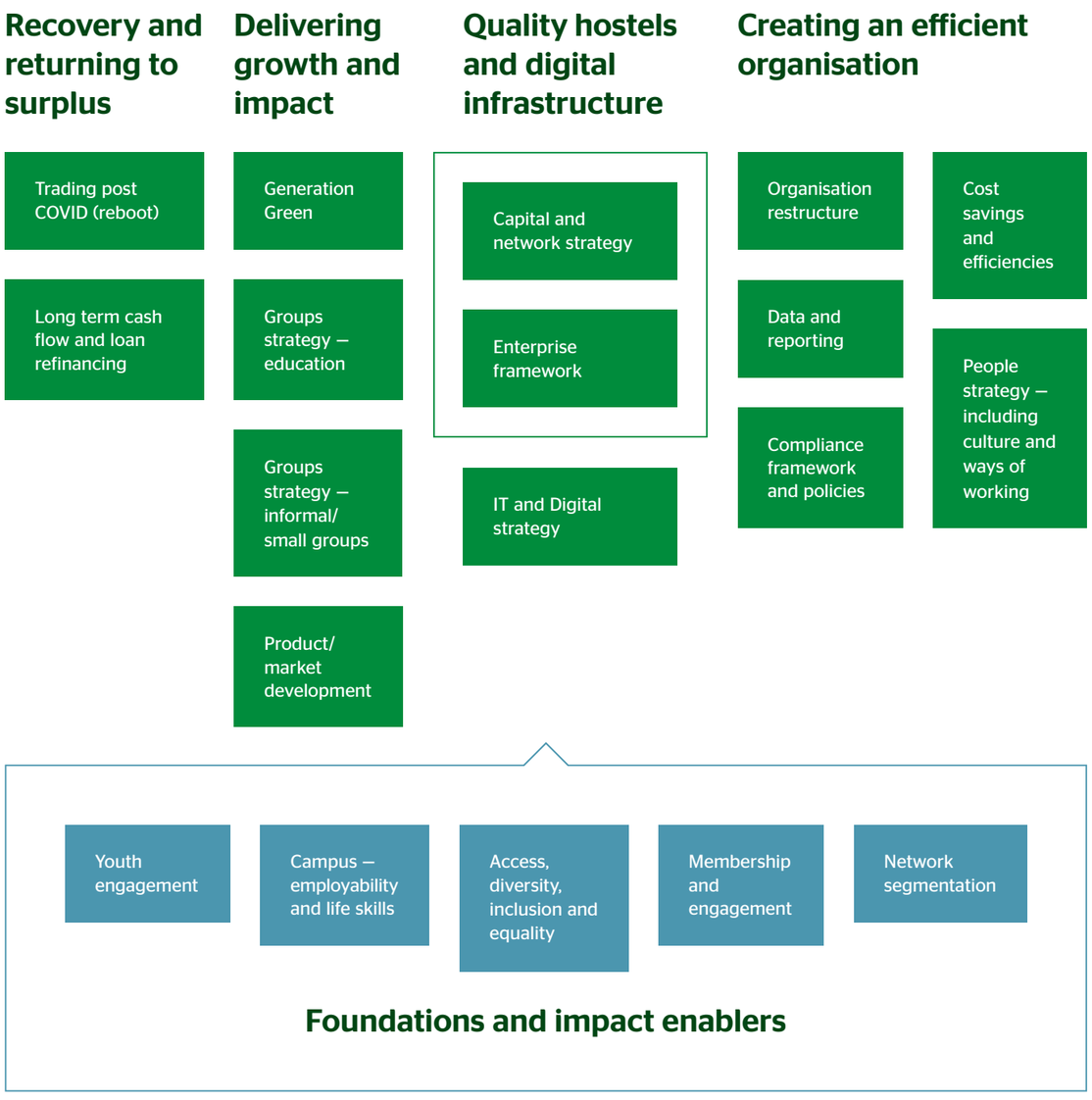
Creating an efficient, effective organisation — including retaining Investors in People Gold, and developing Associate Directors.

5

Foundations and impact enablers — including youth engagement, programmes to improve employability skills, and a greater focus on equity, diversity and inclusion.

As we responded to the changing COVID-19 situation, our Operating Plan continued to evolve during the year — with some projects gaining more emphasis and others less. For example, we placed less emphasis on growth in the schools market as a consequence of ongoing restrictions on residentials, and placed greater emphasis on delivering impact through Generation Green. The following narrative describes the key projects delivered against the evolving Operating Plan.

Operating Plan



Recovery and returning to surplus

YHA's priority focus in spring/summer 2021 was the safe reopening of hostels after the longest period of closure in YHA's history.

The Government confirmed self-catering accommodation with private facilities was possible for single households from 12 April 2021.

We stuck to our original planned date of 29 April to reopen selected properties for YHA Exclusive Hire, to support families who wished to go away for the May bank holiday weekend. Four café sites also opened on this date.

Our main reopening date moved to 17 May 2021, in line with the Government's roadmap. The Prime Minister specifically mentioned hostels in his statement — a good sign that our lobbying was being heard in Government. Approximately half of YHA's hostels opened on a room only basis, with the remainder available for YHA Exclusive Hire in England.

The year-long ban on school residentials was lifted on 17 May in England, though the advice in Wales remained against school trips. While we were delighted to see the lifting of the ban, Government guidance meant residentials had to run at significantly reduced capacity — with a particular need to prevent mixing between school 'bubbles' and between schools and other guests. We began to welcome back school groups in England from 21 June 2021.

Since its inception, we have been one of the main providers of residentials for National Citizen Service. With the guidance governing youth group residentials being even more restrictive than school residentials, NCS concluded they would not offer residentials over summer 2021. While disappointing, we opened this space up for bookings by families and individuals.

Tripadvisor

YHA Keswick (22 May 2021)

5 / 5 100%

A Lakes treat

A few days staying at Keswick Youth Hostel after the months of lockdown were a wonderful treat. The en-suite room with an amazing view across the river into the tree-filled park was stunning. Can't praise the staff enough. Despite the added inconveniences of Covid related issues, all the staff we encountered were most helpful and cheerful. Nothing was too much trouble.

Location	**5** / 5
Room	**5** / 5
Cleanliness	**5** / 5
Service	**5** / 5
Value	**5** / 5

Tripadvisor

YHA Brecon Beacons (21 May 2021)

5 / 5 100%

A great quality stay on a budget

We stayed at YHA Brecon as it was close to all of the wonderful days walking that the area has to offer. On arrival we were first impressed by the welcome and helpfulness of the staff. We had an en-suite room that was comfortable with a high standard of cleanliness. It was well organised to accommodate current Covid restrictions without affecting our stay in any way. Will definitely book again.

Location	**5** / 5
Room	**5** / 5
Cleanliness	**5** / 5
Service	**5** / 5
Value	**5** / 5

Tripadvisor

YHA Cambridge (20 May 2021)

5 / 5 100%

Excellent stay at this perfectly positioned hostel

The hostel was bright, clean and quirky, which is what we have come to expect in these great, affordable places. Fresh water for topping up your bottles, comfortable rooms and soya milk for vegans. I love the way each place is tailored to the location.

Location	5 / 5
Room	5 / 5
Cleanliness	5 / 5
Service	5 / 5
Value	5 / 5

Return to trading

In light of the Government's announcement of the roadmap out of travel restrictions, we prioritised updates to our website and customer communications. In the first few days, we were pleased to see an immediate uplift in bookings — with levels in the first few days returning to near pre-COVID levels for the first time since the pandemic began.

The countryside proved particularly popular, with key rural sites — in the Lake District, Peak District, Snowdonia, Pembrokeshire and Cornwall — reaching 100% of pre-pandemic level trading. Urban centres proved less popular with customers seeking to escape crowded places. Our city sites continued to struggle as the situation was compounded by very little international demand. City sites reached 41% of pre-pandemic occupancy levels by the end of the year.

Despite five months of closure at the start of 2021, YHA's overall position improved by c.£3m against budget. This was because the additional loss of income from lockdowns and travel restrictions was not as significant, given the winter is always the quietest period of YHA's trading, plus, when we did reopen, the impact of the Omicron variant was not as severe as we had feared. Loss of trading income was outweighed by additional income from extending hostel repurposing, from fundraising, from reducing costs and from Government grants and schemes — including the extension of the furlough scheme until the end of September, along with specific grants for hospitality businesses forced to close. Reduced VAT rates for tourism businesses also continued until March 2022. Taken together, these measures provided substantial help to YHA over the year and mitigated loss of income caused by our inability to trade.

Over the year, we continued to work closely with Government, sector bodies and as part of our own Hostelling Together coalition of UK national associations and independent hostels to gain greater clarity on the key issues affecting hostelling specifically, to raise our profile, and to lobby for support.

In December 2021, we gained £900,000 of support for the costs of reopening from the third round of the Government's Culture Recovery Fund.

Delivering growth and impact

YHA adventures improve health, wellbeing and life skills by connecting people to each other, nature, the outdoors, culture and heritage. We exist to help all and aim for every stay and visit to have a positive impact. Yet we know we make the greatest difference to young people and families, especially those with challenging lives.

In 2021/22

455,515
people stayed with YHA

114,879
young people (under 26) stayed with YHA

1,935
school groups stayed with us

The unique value of residentials

“

The outdoor experiences YHA gave our students provided adventure and challenges that will stay strong in their memory forever — long after the lessons I taught them in the classroom have faded.

Jeanette Bell, lecturer in inclusion at Sheffield College Peaks Campus

”

“

When children participate in a residential visit, they benefit in so many ways. Visits increase a child's confidence, develop their independence, aid their social skills and give them an opportunity to experience an environment different to the one they are familiar with. These are all vital life skills, and it is so important that all children are offered access to visits not just those who have a family that can afford it.

Wayne Norrie, Chief Executive, Greenwood Academies Trust

”

PROJECT 90

In 2019, in anticipation of our birthday celebrations to commemorate 90 years of life-changing YHA adventures, we launched a special appeal to fund unforgettable activity breaks for 900 young carers and other children with challenging lives.

Then the crisis hit, dealing a severe blow to our income and bringing sorrow and hardship to many more in our community. For young carers and children with challenging lives, bad situations were made worse. For NHS staff and key workers, the burden of stress was unimaginable.

So we extended our Project90 appeal to fund adventures for young carers, respite breaks for NHS staff and key workers, and low-income families.

Thanks to the generosity of our members and supporters, we exceeded our target, raising over £550,000.

In the summer and autumn of 2021, our Project90 beneficiaries took their breaks. Here's what it meant to some of the families.

> As a family, the free break away meant so much. We truly enjoyed the experience and look forward to booking again in the not so distant future. Thank you.

> It was the most wonderful break. I can't even explain how wonderful it was to see my children enjoying themselves so much. Thank you — SO SO much for this wonderful opportunity. I am so grateful.

> Never stayed in a YHA before, but now it's my first choice of accommodation. Brilliant locations, clean, good value for money. Meals great, drying room, activity board with local hikes etc. great idea.

> This free break meant a lot to us as a family as I took my three grandchildren and we cannot even begin to express the experience we had at South Downs. We had never been. The mental de-stressing away from London as everything from accommodation to location and whole ease of experience was excellent.

> Mum was diagnosed with cancer two weeks after lockdown, it was a very stressful time for us all. This break gave me, mum, sister and niece quality time away together, it is a brilliant project and we are all very grateful to be lucky enough to be chosen. Thank you.

YHA programmes supporting young people

Over winter 2020/21 we planned and developed new programmes to support young people. This included a successful pilot programme for transition residentials and the landmark Generation Green project — a programme delivered in partnership and recognised as good practice on access in the Government's 2022 response to the 2019 independent Landscapes Review.

Impact case study

Transition residential pilot

In September 2021, YHA piloted a new transition residential programme with the aim of supporting young people in their transition from primary to secondary school. It is widely acknowledged that this is a challenging time for young people as they navigate a new building, get used to new teaching staff, maintain old friendships and meet new peers — often in much bigger year groups — adapt to stricter rules and timetables, and embark on the next key stage.

In partnership with Greenwood Academies Trust, YHA devised a transition pilot to better understand how a residential trip can support children socially and emotionally once they have transferred to a secondary school.

Three schools from the trust participated, sending 75 pupils in total on a two-night, three-day residential at YHA Edale — one of YHA's dedicated activity centres. All pupils had joined their secondary school at the beginning of that academic year — so, only weeks prior to the residential.

How it worked

The structure of the residential stays mostly followed the standard format of activity residentials at YHA Edale, however, during the final session of the trip, instead of completing another activity run by the centre, the staff of each accompanying school led a session which focused on self-reflection that had been planned and resourced by YHA. Participating schools were asked to support children in completing pre and post-visit surveys.

Key residential outcomes

1

Residentials improve relationships between peers and between pupils and staff.

2

Weaselling was the most fun and challenging activity, which children were most proud of completing.

3

56% of pupils said their confidence improved.

4

57% of pupils felt happier.

5

62% of pupils reported improved relationships with peers.

6

99% of pupils said their relationships with school staff had stayed the same or got better.

Generation Green

In response to the 2019 Landscapes Review led by Julian Glover, YHA formed the Access Unlimited coalition, of leading not-for-profit organisations, to find new ways to ensure that every child could have a night under the stars in a national landscape. The coalition comprises YHA, The Outward Bound Trust, Scouts, Girlguiding, Field Studies Council and the 10 English National Parks.

In 2021/22, YHA led the Access Unlimited coalition in the delivery of the 16-month Generation Green programme. The programme created 100,000 opportunities for young people across the country to access nature and the outdoors, focussing on the most disadvantaged — many of whom hadn't had the chance to visit the countryside or coast before. This has included over 16,000 day visits or residentials and 783 pathways to work — including volunteering opportunities, work experience, Kickstart placements and apprenticeships.

Through residentials, outdoor learning, training and volunteering, we supported young people from a more diverse range of backgrounds to pursue employment in the outdoor sector. The project was funded by the government's Green Recovery Challenge Fund, which was delivered by The National Lottery Heritage Fund in partnership with Natural England and the Environment Agency.

Impact case study

Generation Green

From September 2021, YHA hosted activities for children and young people to support connections to nature. These were split into two types:

1. Caring for nature: practical and conservation work to help protect the natural world
2. Connecting to nature: immersive nature experiences such as art, mindfulness and walks

Teachers from participating schools explained that their pupils generally don't visit the countryside or coast, unless as part of trips organised by the school.

One teacher said, "In terms of actual countryside... they have never been."

Research on YHA's Generation Green activities identified seven clear benefits.

Activities supported the following outcomes

Research at hostels delivering Generation Green activity found that

91%

of young people said they felt more connected to nature

86%

of young people said that they felt more confident being outdoors in nature

54%

of young people said that they felt more confident in themselves

95%

of young people said the activities had made them happy

98%

of young people said they would like to do the activities again

100%

of young people said that they had learned about jobs and volunteering opportunities in nature

95%

of young people said that they had learned more about nature and the environment

Time and time again, the researchers heard school staff describe how the children had been amazed by the countryside experience and particularly the size and scale of nature.

The activities often included a walk local to the hostel and during these walks young people often experienced landscapes that were bigger and more awe-inspiring than ever before. On one trip, a boy's:

“

jaw dropped as we were driving along Windermere. He was awe inspired. He had seen something he had never seen before.

Geography teacher

”

A popular activity for primary school pupils was making nature art, usually from materials they had found on a scavenger hunt.

The activity encouraged learners to focus on small aspects of nature, looking closely at individual leaves, twigs, berries etc.

“

A pupil in my class had never seen a waterfall before. So, when we were on the walk and he could see the waterfall, and he was asking if he could touch it, he took his gloves off and felt the water, and he was saying it felt amazing. It was really calming for him.

Teacher

”

One of the main benefits of engaging with YHA's Generation Green activity was that it helped learners to develop connections with others. Students made new friendships during the trips and had developed their ability to work in a team.

YHA's Generation Green activity, coming during a period of minimal COVID restrictions, facilitated the formation of new friendships.

“

I think there's a massive gap in social skills [due to the pandemic]. Here, they're talking and playing cards with a group that they'd normally walk straight past.

Teacher

”

Young people were helped to grow emotional strength through overcoming challenges and developing self-confidence.

“

A highlight for them was achieving goals that they didn't think they could do. To achieve something was massive. Because they have been in lockdown and because they don't get the opportunity to do these things at home.

Teacher

”

After a difficult period during the pandemic, many of the school leaders talked about the importance of learners having the opportunity to make memories and have fun.

“

This will impact a child's life forever. The do not remember the science lesson they had last week, but they remember the trip they went on.

Teacher

”

A teacher talked about the impact of a trip to the Lake District on one individual:

“

He’s from a very deprived background and has never left the city. For the opportunity that was awarded to him to leave the city for the day and experience the countryside was beyond amazing for him. He will have that memory for the rest of his life.

Teacher

”

Many of the school staff told our researchers that their learners rarely leave their local area. The opportunity to travel to a different part of the country helped young people to think about future opportunities in different places.

Another significant concern was that school trips and residentials can widen the gap between children whose families can afford to pay the contribution and those that cannot.

One school’s teachers explained that it’s always the same children who go on trips and residentials, even though they are the ones who have already had the experiences. Other children never get those experiences and therefore the trips are not “opening doors for those that need it.” Because the Generation Green activity was fully funded, they were able to bring all children, including those who would benefit most. Children were inspired to go into nature more often.

“

They want to go back and they want to keep doing things [like this], which is great because so many children are now happy to just sit inside on their Xbox. I think that, now that they’ve gone out there and seen a place you can go, and the walks you can go on, that they will probably ask their families ‘can we go for a walk?’ and ‘can we go and see a waterfall?’.

Class teacher

”

No child left behind

As a consequence of the ban on school residential visits caused by COVID-19, two million children missed out.* Though we were able to resume residentials in June 2021, with growing family poverty, rising debt and shrinking school budgets, more and more children are set to miss out on these transformative adventures.

With our Christmas appeal, December 2021, we aimed to raise £50,000 to support 20 schools from areas of greatest deprivation to each bring a class of 30 children away with YHA.

Thanks to the generosity of our members and our supporters, we raised over £70,000 — enough to support 875 pupils. This is our most successful individual giving campaign of recent years. The funds raised were used as bursaries and given to schools that would otherwise not have been able to afford a residential.

This summer, we will launch a national campaign to raise £1m to support schools and families so that no child is left behind.

*https://ahoec.org/recent-campaigns

Quality hostels and digital infrastructure

Our 2020 strategy, *Adventure. For the first time and a lifetime*, built on a decade of modernisation. Its ambitions aim to see us reaching more people and growing our impact, with a focus on those who could benefit the most.

To do this, we must make sure our network and operations are optimised to achieve our impact priorities. Priorities that have become even more compelling because of COVID-19.

Prior to the pandemic, YHA had planned to appraise the size, shape and character of the hostel network to ensure it met the aims of the 10-year strategy. The pandemic expedited some of this thinking and over 2021/22 we have taken opportunities to repurpose and release assets in the best interests of YHA.

We also gained a new site in YHA Chester Trafford Hall.

Network/capital strategy

From spring 2020, we repurposed 47 of our hostels to support 650 vulnerable people and a similar number of key workers, who stayed for c.47,000 overnights.

YHA Cardiff Central was repurposed for the homeless, in partnership with the city council. Cardiff City Council approached YHA to ask if we would be willing to transfer the hostel permanently to the council to support their homelessness strategy. Agreeing that this would serve an important social purpose, the sale went ahead. The sale in April 2021 — at a significantly higher price than YHA paid for the site — gave us an immediate buffer of cash and helped us manage cashflow in 2021/2. Repurposing has continued at 10 of our sites this year.

We decided not to renew our lease at YHA Milton Keynes, which had been repurposed during the pandemic. It required significant investment which was not viable for us. We agreed arrangements with the council with no financial liability for YHA.

We agreed terms with Network Rail for the sale of YHA Oxford as part of the wider station redevelopment. This proceeded to completion early in the 2022/23 financial year.

Enterprise

In 2021 work began to review our current Enterprise franchise hostel model and consider how this should evolve for the future.

To do this, we sought feedback from our existing Enterprise operators and engaged with other Hostelling Associations and organisations who run successful hotel franchise operations.

This provided valuable insight into how franchise operations in the hospitality sector are run, and in particular how compliance is managed by these organisations — which we will take on board as we develop our own Enterprise framework over the year ahead.

Last year, YHA Youlgreave joined the Enterprise network.

Impact case study

Repurposing to house the vulnerable

The Outside Project is run by LGBTQI+ colleagues, friends and activists who work in the homeless sector and have lived experience of homelessness. In 2017, they launched the first LGBTQI+ homeless shelter and community centre.

YHA's partnership with The Outside Project began in September 2020 and supported 47 LGBTQI+ homeless people through the COVID-19 pandemic over winter 2020/21 with emergency accommodation at a repurposed YHA London Oxford Street.

In 2021/22 YHA became the Outside Project's only available service outside the COVID hotel programme.

The Outside Project felt this partnership with YHA was a vital part of the LGBTQI+, youth and winter shelter sectors' collaborative effort to prevent first night out homelessness by enabling LGBTQI+ people to access a safe, identity responsive service in an area of London that feels welcoming to the community, Soho.

YHA London Oxford Street supported 54 people, open 24 hours a day to service users, between 10 November 2021 and 7 March 2022.

> **"The service provided was amazing. Place was comfortable and nice. I felt safe and welcomed... I am beyond grateful for the help that was provided."**
>
> A service user

The Outside Project staff observed that younger service users with no prior experience of homelessness benefited particularly from staying at YHA as they did not feel homeless whilst there. They believe that this reduced the stress caused by users' precarious housing situation and contributed to general wellbeing.

YHA Chester Trafford Hall

In July, we opened a new hostel in partnership with The Regenda Group. YHA Chester Trafford Hall is a 194-bed hostel close to Chester, with 54 en-suite rooms, and excellent training and classroom facilities. In agreement with The Regenda Group, we operate the site at no capital cost.

The acquisition of YHA Chester Trafford Hall into the YHA network is the result of an innovative new partnership between YHA, the Regenda Group — a dynamic group of organisations operating across the housing and construction sector, in care and support, and in training and employment — and the National Communities Resource Centre.

As part of the partnership, Trafford Hall will continue to be the home of the National Communities Resource Centre as it continues to grow as a charity, helping social landlords across the country, residents and frontline staff to develop the skills needed to tackle serious social problems at a local level.

Green credentials

Trafford Hall is an environmental haven, a model of conservation and green building. The Grade II-listed building boasts outstanding environmental credentials having recently received an EPC rating of B, only six points off an A rating, falling within the top 11% of EPCs. The rebuilt, timber frame Stables annexe is already carbon neutral. Additionally, the Hall uses 100% renewable energy for heating and hot water following the installation of a biomass district generator and solar panels.

Innovative steps in sustainability

YHA's core purpose is connecting people to nature. We know that these connections foster greater appreciation of the environment and means that people are more likely to protect and advocate for green and blue spaces. Hostelling is the model for sustainable tourism. And, as a charity, we reinvest what we earn into our places and spaces for the benefit of current and future generations.

Our drive towards greater sustainability in our operating practices continues. We have significantly reduced our impact on the environment with important changes in housekeeping.

In 2020 we introduced a new product Tersano SAO to our cleaning regime. It became our main cleaning agent and was rolled out across the network. The Tersano SAO dispenser provides a simple, sustainable way to sanitise and deodorise surfaces using only cold tap water and oxygen from the air. It works by oxidation. Organic matter is broken down into smaller particles and suspended in a solution. Because the dispenser generates the Stabilised Aqueous Ozone (SAO) on-site, there is no need for transport, storage or mixing. Plus the agent reverts back to water and oxygen so there is no impact on the environment. As a result of the switch, YHA's housekeeping chemical consumption has reduced by 43% vs 2019 levels.

Other sustainability measures in the hostel network include a switch to reusable microfibre cloths instead of standard, single-use cloths. As a result, we've significantly reduced our contribution to landfill. And we are trialling a microfibre mop which will potentially reduce our water consumption for mopping by 90%.

Throughout our working practices we have taken steps to reduce our carbon footprint. Most notably through a vast reduction in travel mileage and costs. We look forward to bringing together our work in this area into a new plan in 2022-23.

User experience and digital enhancements

Our focus for all of our digital platforms in 2021/2 was consolidation, security and stability, and incremental improvements to the user experience. Alongside the routine weekly code maintenance patches to improve website security and stability, a major version upgrade was deployed to the Drupal platform. This ensures the website has the latest code, feature-set, speed, and is aligned with the latest sector standards and recommendations.

A series of user experience improvements were also developed, including more efficient ways to manage bookings online, request changes or cancellations to bookings, improvement in the method of adding meals to bookings and many more.

The most significant digital user experience enhancement was the integration of the YHA Exclusive Hire booking process into the main yha.org.uk booking journey. Traditionally YHA's legacy processes, systems and policies dictated that the Exclusive Hire website was separate from the main yha.org.uk dorm and private room booking platform. In 2021 however, following one of the largest changes to YHA systems and processes in recent history, the Exclusive Hire website and booking-engine were decommissioned, allowing users to book all overnight products (beds, rooms, camping pitches, glamping products and whole-hostel hire) through a single, unified booking experience.

Creating an efficient, effective organisation

Cost savings and efficiencies

Over the year, we continued a programme of work to reduce costs and pursue efficiency. This included work to develop new finance and customer relationship management (CRM) systems which will be launched in 2022.

The 2021 transformation of our website, booking systems and administration processes for YHA Exclusive Hire created annual savings of £100,000 in commission alone — the former stand-alone system had carried a commission fee for every booking and was highly inefficient.

The Exclusive Hire project also improved efficiency for central and hostel teams who now use only one system for all types of accommodation bookings, and have the benefit of integrated card payments, automated customer communications and balance payment collection — all of which were completely manual in the past.

In addition, a new multi-channel communications system was also implemented in central sales, which initially enabled more efficient call handling and management of remote teams. It has the potential to deliver further efficiencies by managing the distribution and handling of emails, online chat and social media messaging in the future.

Organisational restructure

During the year, following the departure of one of our executive directors, we completed a restructure which brought together income and impact, and people and operations. This led to a smaller executive team. We continued to develop the associate director team who led on the implementation of the Operating Plan and were critical to our recovery.

We developed a three-year people strategy. This multi-faceted plan is enabling YHA to drive a development culture while identifying potential efficiencies to be made through organisational change and restructuring. We have integrated our people processes and we're driving social inclusion by ensuring equity, diversity and inclusion is integrated and understood at every level of the organisation. We have a continued focus on wellbeing and have achieved exceptional levels of engagement.

In the light of these changes, we were particularly pleased to be re-accredited with the Investors in People Gold award.

Ongoing challenges for the sector

Operationally, reopening went well and despite continuing COVID-related challenges, guest satisfaction remained high — running at c.90%. However, like many others in the hospitality industry, we have faced additional challenges. These include staffing shortages, disruption to our supply chain and wider inflationary pressures. These issues are continuing to affect us in 2022-23.

Foundations and impact enablers

Underpinning our work over 2021/2 have been our foundations and impact enablers — most notably youth engagement; programmes to improve youth employability skills; and a greater focus on equity, diversity and inclusion — in the make up of both our teams and supporter base.

Increased youth engagement

The Youth Advisory Team was formed in February 2021 to help shape YHA by bringing youth voice into the heart of decision making. The team advises and is working towards sharing the leadership of YHA with our Trustees, executive and staff. Aged 16 to 25, the team's 14 members come from a diverse range of backgrounds — bringing their varied experiences and personal insight to communicate the needs and opinions of young people to make YHA better equipped to support this generation of young people and the next.

Having spent the first six months devising a working methodology and forging links with YHA teams, departments and projects, the Youth Advisory Team is now a permanent asset to YHA's organisational structure. A range of team sub-committees influence multiple areas of YHA. These cover youth education and employability, youth network and engagement, charity development, improving YHA's diversity, capital strategy and hostel operations, communications and reporting, and drafting.

Through this work, over the course of the year, the Team informed the development of the Equity, Diversity and Inclusion plan, helped shape the delivery plan for Generation Green, influenced the principles behind the network strategy and gave a very well received keynote address at the AGM.

From YAT to YHA employment

“

I have spent the last two years volunteering on YHA's Youth Advisory Team (YAT). Recently I have been employed as the volunteer engagement coordinator in the impact department.

YHA has always been a big part of my life. Visiting youth hostels from an early age gave me, my mum and sister the opportunity to visit family, experience cities and see life beyond that of a small town. I certainly understand the power of a getaway — however far from home!

My involvement in YAT allowed me to channel my love and appreciation for YHA while giving me an inside look at its different initiatives. Transitioning into employment with YHA feels like a natural progression for me and I'm happy to have joined a team of colleagues I've already worked with as a volunteer.

Louise Thompson, Youth Advisory Team Chair

”

My first ever stay at YHA

“

Before I started working in the YHA Youth Advisory Team in December 2021, I had no idea that YHA even existed. I got the opportunity to be part of YHA through working for the Council for Disabled Children. Now I feel so opened up to this wonderful organisation. Being part of YHA gives me the chance to do what I love, which is to advocate for making youth hostels a better place for autistic people, travel and visit new places.

I'm autistic and never stayed in a YHA until last month. It was my first time staying away from home all on my own overnight. I was very excited to embrace this wonderful new opportunity and try out something new.

Pavan Bhamidipati, Youth Advisory Team

”

Supporting the Kickstart Scheme and pathways to work

YHA was one of three Access Unlimited partners to provide work opportunities through Generation Green funding. We supported 12 young people on Kickstart Scheme work placements. We interviewed two of these young people. Both valued the variety of tasks which ranged from customer service to housekeeping, kitchen and bar work. This gave them a range of experiences and the apprenticeships enabled individuals to develop both technical and broader employability skills including communications skills, teamwork, and time management in a professional environment. Here's what they had to say:

“

Well, without that confidence [gained from the placement] I probably wouldn't be able to actually [become self-employed], or at least have like the full-on drive to go ahead and 'boss it'. I think it's just made me more determined as a person to get what I want from life in a way. I just go and do what I want to do, and I actually trust in myself that I can actually do it as well.

”

“

I think in terms of experience and prospects and helping me move on to my next job, it's been invaluable to be honest, especially on the back of COVID, but it's really [brought] my CV up by magnitudes I'd say.

”

“

[Before the apprenticeship] I was a bit down in the dumps and a bit stuck, I didn't really know what to do... I felt a bit rubbish not really knowing what I wanted to do. I didn't really have a clear path or progression... [The apprenticeship] is a foot in the door in general. I could pretty much go anywhere if I put the effort in.

”

Governance review

Like all major charities, YHA seeks to demonstrate best practice in charity governance and measures progress against the Charity Governance Code — a voluntary code of practice developed by the main charity sector leadership organisations with the support of the Charity Commission. Part of this involves periodic internal and external reviews of YHA's practice against the Code.

This year, a review has been undertaken exploring YHA's practice against the Code in relation to two areas: Integrity and Equality, Diversity and Inclusion.

Following the review, Article changes were agreed at our AGM to ensure that the Nominations Committee responsible for Trustee recruitment reported to the Board while maintaining independent members of the committee representing the wider membership.

The review found many areas of good practice and made recommendations including that the Board should bring together existing and planned activities in Equity, Diversity and Inclusion in a comprehensive action plan, supported by an appropriate level of resource.

Equity, Diversity and Inclusion

In October 2021, the Board agreed YHA's action plan on Equity, Diversity and Inclusion. The plan focussed on practical actions to support YHA's strategic objective to ensure that 'all really means all', including progressing the target to ensure that YHA's guests, volunteers and staff were representative of the demographics of England and Wales.

We have focussed our recruitment efforts on attracting applications from a more diverse range of people and taken steps to understand our baseline workforce diversity to target improvements.

Our target on diversity is that at least 20% of applications come from people from ethnic minorities. We are currently tracking at 24%. Our baseline workforce diversity, in relation to ethnic minority groups, improved from 2% to 7.5% last year. To support the embedding of EDI, we continue to deliver education and awareness-raising initiatives for teams across the organisation. We are refreshing our inclusion policy and have embarked on an overhaul of our access statements to be more informative.

Outdoor Citizens

A community of practice to build equity, diversity and inclusion

In 2021 we conducted a listening project to hear from the unheard and the under-served. The project, Outside Voices, explored personal relationships with green and blue space — through poetry, music, photography, illustration, and interviews. Via Outside Voices we saw the richness of small groups and organisations, working both locally and nationally, to tackle exclusion and build up communities. We want to support and strengthen the capacity of these groups.

We are launching a new community of practice, Outdoor Citizens, which will be delivered in partnership with Natural England. The community draws together smaller charities and organisations in the field of access and inclusion to share their insights. Our aim is to innovate and learn together. And we will use our influence as a national charity to make a difference locally — dismantling barriers to access and meaningfully broadening participation in the outdoors in the long term. We look forward to formally launching the community with a conference later this year.

Our year in summary

KPIs

We set out a number of KPIs to measure progress against our plan, and the main targets set for 2021/22 were reflective of the ongoing COVID-19 restrictions.

KPI	Delivering YHA object	Target over 5 years	Target for 2021/22	Actual for 2021/22
No. of people staying at YHA overnight	YHA is for all	5,000,000	430,000	455,515
Those who stay with us, benefit from our provision and support, our employees and volunteers, reflect the demographics of England and Wales) Percentage of staff applications from people from ethnic backgrounds -		KPI to be fully developed	Targets not set for all categories 20%	19%
No. of young people staying at YHA overnight	Especially young people	2,500,000	150,000	114,879
No. of young people with challenging lives staying at YHA overnight	Of limited means	250,000	15,000	3,346
No. of schools from deprived areas staying or training young people with YHA		KPI to be developed	N/A	KPI not yet developed
Customer satisfaction	Particularly by providing hostels or other simple accommodation for them in their travels	At least 90% in every hostel	90% of all open hostels achieving a score of at least 90%	93% for Q4

The target for our key measure, that of the number of people staying with us was exceeded, however, the achievement of some of these KPI's, particularly around the number of young people staying with us and those with challenging lives has proved more challenging.

Targets were set when school and youth group residentials were expected to return earlier in the year. However, Government decisions meant that these were amongst the last parts of society to re-open. This led to the cancellation of some of the contracts for young person's residentials, such as for the National Citizen Service, and schools needing to move their residentials into 2022/23.

The situation was compounded by a drop in international travel caused both by COVID-19 restrictions and changes in passport requirements.

YHA moved quickly once school trips were allowed again to accommodate pent up demand for day and overnight stays. And has also accelerated work with young people with challenging lives and with schools from deprived areas. Bookings into 2022/3 are strong in these areas supported by work in 2021/2022 in targeting schools that have most lead and historically least connections with YHA.

Having secured the Generation Green grant award, the Board made the decision to make this the focus of our impact work with young people — including those from disadvantaged areas and schools — in 2022. This, combined with the later than expected opening of school residential activity, meant that our profiling of young people — including those with challenging lives — was not what we had forecast at the start of this period.

In addition, from a governance and compliance perspective, the Board and its committees received regular reports covering the following key areas:

- Financial performance
- Environmental sustainability
- Loan covenant compliance
- Reportable incidents
- Employee engagement

Financial performance review

	2022 £ million	2021 £ million	2020 £ million	2019 £ million
Revenue from operating youth hostels	**21.3**	10.6	46.0	44.7
Commercial trading income	**3.7**	2.0	6.9	5.6
Donations, grants and legacies	**9.2**	12.5	1.9	1.2
Membership income	**1.0**	0.9	1.1	1.0
Other income from investments and disposals	**0.4**	0.3	–	0.6
Total income	**35.6**	26.3	55.9	53.1
Hostel operating costs	**(41.3)**	(38.5)	(51.4)	(48.4)
Commercial trading costs	**(3.1)**	(1.8)	(5.3)	(4.2)
Fundraising costs	**(0.4)**	(0.3)	(0.4)	(0.4)
Governance costs	**(0.1)**	(0.1)	(0.1)	(0.2)
Total expenditure	**(44.9)**	(40.7)	(57.2)	(53.2)
Gains from investments	**–**	**0.1**	–	–
Net expenditure*	**(9.3)**	**(14.3)**	**(1.3)**	**(0.1)**

*Net expenditure is shown before other actuarial gains and losses in respect of our pension schemes.

The continued impact of the COVID-19 crisis is clear. The timing of government decisions on when businesses could reopen and international travel restrictions significantly impacted on the volumes of business during the year. Our overnight volumes — whilst over double that achieved in the previous year — were still 68% down on the pre-COVID trading position.

Revenues from operating our hostels at £21.3m were double those reported in 2020/21 but were still 54% less than pre-COVID 2019/20 year's trading. We benefited from repurposing 10 of our hostels for the homeless again in the year and this secured £1.8m of income. Our alternative accommodation of cabins, tents and camping proved very popular during the staycation boom and this contributed £1.65m, not only up on the previous year but also £0.6m (27%) up on the pre-COVID period.

Our activities under our commercial trading arm fared better than 2020/21 as we saw our cafés and other commercial activities up by 85% year on year, although in context this was still around 46% lower than our pre-COVID trading position.

Donations, grants and legacies played a key part in our in-year performance and our fundraising team worked hard to take advantage of the funding opportunities available.

We made claims under the Government's job retention scheme, and this helped us to retain many of our staff. Overall we claimed £1.7m in year, compared to £8.2m in the previous year.

There were a number of other COVID related grants, amounting to £3.7m, that were secured from local and central Government, and the Heritage Lottery Fund provided much needed support over the year.

Other grants in the year were £2m: the highest they have been for many years. This is largely down to the very successful Generation Green project funded by the Heritage Lottery Fund (£1.9m).

We were fortunate to receive £1.4m of legacies during the year which is on par with the levels achieved in the previous year. Other donations and gifts accounted for £0.4m of our fundraising income.

We work hard to maintain a wide membership base and this helped our income levels by £1m in year, which is £0.1m up on the previous year.

Overall, our total income for the year was £35.6m, some £9.3m or 35% above the previous year but £20.3m or 36% below our pre-COVID performance of 2019/20.

We made every effort to reduce our operating costs wherever we could during the year but operating a hostel network efficiently under a plethora of ongoing restrictions was very challenging.

Costs associated with operating our hostel and central support teams at £34.7m were only £0.1m up on the previous year. We also incurred £1.9m of costs to deliver the Generation Green project.

The levels of maintenance spend needed to keep our hostel network open was £3.5m excluding dilapidations provision, which was £1m up on the previous year.

The level of interest payable on our loans has increased by £0.2m during the year, and this reflects the increased borrowings secured from HSBC part way through the previous year to provide financial security during the pandemic.

Total expenditure for the year of £44.9m was £4.2m up on the previous year but well below pre-COVID levels.

The net expenditure position for the year came in at £9.3m, which is £5m lower than the previous year but £8m higher than our 2019/20 performance.

We constantly monitor our financial performance against our budget and we are pleased to report that despite a very challenging and restrictive year that our net expenditure position was £3.2m better than our budget expectations.

COVID-19 and going concern

These accounts cover the trading period from 1 March 2021 to 28 February 2022 and as such were impacted by the COVID-19 restrictions that were in place, until the summer of 2021, which limited our trading performance during this period.

The discussions to put in place a two-year extension to the existing loan facility with HSBC were successfully concluded in November 2021. This provides the charity with funding certainty until late 2023. Further discussions with lenders and financial institutions will take place over the coming months to secure further loan facilities post November 2023.

The HSBC loan facility, local and central Government grant support, sale of YHA Cardiff Central and continued repurposing of some of the hostels for homelessness has enabled the charity to navigate through the pandemic.

Further liquidity has been added in March 2022 through the sale of YHA Oxford. The liquidity position is also expected to be extended during mid to late 2022 as the sale of four other hostels are concluded. The options for further hostel sales will be kept under consideration should further cash headroom be needed.

The Trustees have reviewed our reserves policy and agreed that given the current market conditions and to ensure there are sufficient cash balances to meet our ongoing liabilities and unforeseen financial difficulties that the charity would endeavour to maintain cash reserves of between £9m and £10m.

The Trustees have reviewed the financial forecasts to July 2023, including a reduced trading scenario, and have concluded that the charity will be able to meet its liabilities as they fall due and have plans and resources to manage its business risks successfully. Trustees do not believe that there are any material uncertainties which cast significant doubt on the ability of YHA to continue as a going concern and therefore these financial statements have been prepared on a going concern basis.

Our priorities in 2022/23

As we return to more normal operating conditions post-pandemic, we have resumed our standard planning and reporting cycle. In February 2022, the Board agreed the Business Plan for 2022-25.

The Business Plan 2022-25 has four main themes:

Recovery

Enabling recovery and returning to annual surplus and financial sustainability.

Growth

Growing the education market and attracting more informal groups from diverse backgrounds.

Network/capital strategy

Delivering a viable network of quality hostels and digital infrastructure, focussing on which hostels we have where and optimising our operating models to ensure the network is fit for the future.

Underpinning foundations and enablers

Delivery of projects which support these themes and our strategic priorities.

As part of our planning, we agreed annual targets for 2025.

Our ambition is to achieve these annual targets by 2025

- 1 million people of all ages to stay with YHA.
- Ensuring at least half of these — 500,000 — are children and young people.
- And that at least 50,000 of these children and young people are those with the most challenging lives.
- And finally, to be certain that all means all — that those who stay with us, benefit from our provision and support, our employees and volunteers, reflect the demographics of England and Wales.

Thanks

We are grateful to all our users, customers, members, donors and volunteers for their continued loyalty and support.

We also wish to thank our funders and partners for enabling us to deliver life-enhancing and life-changing impact for all our beneficiaries.

Risk review

YHA seeks to embed risk management into day-to-day working practices. Leading this is the identification and treatment of the key organisational risks, which comes to the Board for formal review once a year and is tabled at each meeting of the Audit and Risk Committee. More detailed risk registers are also prepared for more specific risks facing individual departments.

The key organisational risks are reported to the February Board meeting. This year, the report identified a total of 12 key risks. Post mitigation, there is one very high risk, four high risks, five medium risks and two low risks.

Very high risk

1

YHA is unable to return to a cash surplus position due to reduced trading levels and increasing cost pressures.

High risks

2

Undeferrable compliance works and costs are required to be completed in 2021 putting pressure on already restricted budgets.

3

Resource shortages that prevent the delivery of the operational strategy, including the shortage of available operational teams in hostels.

4

Ongoing impact of global pandemic, restrictions on operations and ongoing requirements to alter operation to reduce the risk of claims and risk to employees.

5

YHA unable to fund its long-term capital needs.

Medium risks

6

Failure to protect YHA from major cyber security attacks.

7

Lack of investment in the YHA network and infrastructure leads to degradation of quality of products and offering over the next three years or increases workload of existing employees.

8

Failure to deliver the 10-year strategy.

9

Reshaping the network: unable to complete necessary property sales, risk too fast/slow. Negative external focus on disposal programme. Unable to terminate leases prior to desired timescales.

10

Work related stress or mental health impacts on YHA employees or Trustees.

Low risks

11

Inadequate or ineffective safeguarding policy or practice resulting in or contributing to serious harm to a young person.

12

Reputational damage caused by YHA being unable to move to a positive Equity, Diversity, Inclusivity and Sustainability position.

Streamlined energy and carbon reporting ('SECR')

We are committed to developing policies and initiatives to support the reduction of greenhouse gas emissions. Energy efficiency and environmental sustainability are considered in all our activities and sustainability is a key part of our 10-year strategy. We have a specific project in the 2022-25 Business Plan to develop our work in this area.

Methodology

The report follows the GHG Reporting Protocol — Corporate Standard, as the accepted methodology to meet the mandatory SECR requirements. Energy and GHG emissions are reported from our hostels and central office buildings and this includes electricity, natural gas, heating oil, and business travel in company-owned cars. The figures below detail the regulated SECR energy and GHG emission sources from the current reporting period as compared to the previous year. Whilst we have seen some an improvement year on year, with a 40% reduction in the intensity ratio, this result still falls around 28%, below our performance in our most normal pre-COVID year of 2019/20.

Our energy consumption and efficiency performance in 2021/22 has been significantly distorted by the impact of COVID-19, with government decisions on when business operations could reopen and ongoing international travel restrictions being the main causal factors of reduced trading volumes achieved in the year. The 2020 UK Government's greenhouse gas conversion factors have been used to calculate the carbon emissions. We have used the income from charitable and trading activities to calculate the intensity ratio.

	2022 energy kWh	**2022 emissions tCO2**	2021 energy kWh	2021 emissions tCO2
Scope 1 emissions				
Natural gas	**9,603,873**	**1,759**	8,781,239	1,615
Heating oil	6,795,444	1,614	5,102,036	1,202
Company vehicles	352,380	87	224,139	56
Scope 2 emissions				
Electricity	**5,711,650**	**1,213**	5,178,335	1,207
Total energy and SECR emissions	**22,463,347**	**4,673**	19,285,749	4,080
Intensity ratio: tCO2e per £m of income from charitable and trading activities		**180**		302

Governance and administration

Board of Trustees

Organisation

The Board of Trustees has overall responsibility for the work of YHA, setting strategy, direction and targets. All Trustees are responsible for the decisions of the Board. The YHA Articles of Association, the governing document, govern the Board's conduct.

During 2021/22 the Board met six times. The Board has appointed a number of committees consisting of identified Trustees. As at the date of this report, the following are the principal committees: the Audit and Risk Committee ("ARC"); the Finance Committee ("FC"); the Impact and Engagement Committee ("I&E"); the People and Remuneration Committee ("PremCo"); and the Nominations Committee ("NomCo"). A task and finish London Committee has also been established to oversee decisions relating to the capital/network strategy in London.

With effect from 3 April 2020, the Board appointed an Emergency Committee to consider urgent matters during the coronavirus pandemic. The members of the Emergency Committee are the Chair, Vice Chair, Treasurer, Simon Reeve and the Chairs of I&E and PremCo.

The Board delegates day-to-day management to the chief executive and executive team.

The Board of Trustees has up to 15 members and may co-opt a further two. None of the executive, including the chief executive, are members of the Board. The tenure on the Board is a maximum of two, four-year terms. This may be extended if taking up a National Officer position. All the Trustees are unpaid volunteers recruited from the wider YHA membership.

The vote for the election of the Trustees was held online in advance of the 2021 AGM with the result announced at the meeting.

Cathryn Hayhurst was re-elected to the Board for a further term and Darren Barker and Anna Welsh were appointed as Trustees for an initial term of four years at the AGM on 13 November 2021. Chris Roberts stood down as a member of the Board at the end of the 2021 AGM.

Tegryn Jones and Caleb Stevens were co-opted as members of the Board from the conclusion of the 2021 AGM both for their second term of one-year.

Principles of governance

With regard to governance, YHA supports the principles of good governance set out in the Charity Governance Code for larger charities and the continuous improvement model that it promotes. During 2021/22, YHA continued to progress actions to enhance compliance with the provisions of the Code. In addition, Russell-Cooke Solicitors undertook an external governance review in 2021 which focused on

two key sections of the Code for larger charities: Integrity; and, Equality, Diversity and Inclusion. The results of the review were positive, and action is ongoing in those areas identified for improvement as set out earlier in this report.

During the year the Chair held annual Trustee reviews to discuss the Board's own performance and that of individual Trustees. The Vice-Chair held a performance review of the Chair.

Training

All new Trustees attend an appropriate induction course. During the pandemic this has mainly been presented virtually. The training is based on the guidelines set down by the National Council for Voluntary Organisations (NCVO) and covers:

- Governance — the role and responsibility of Trustees, governance structure and reform, Articles of Association, and key YHA governance documents.
- Briefings on key issues currently being discussed by the Board. Meetings with each member of the executive team and their support staff to gain an insight into the operational areas of the organisation.
- Trustees are supplied with a comprehensive manual containing key policies and documents and papers from recent and relevant Board meetings.
- Trustees complete safeguarding training annually and also upon induction.

In addition, Board workshops are held after Board meetings focusing on key themes to support Trustees in their role. The key workshop in 2021-22 focused on the network and capital strategy.

Elections to the Board

Candidates to fill vacancies on the Board in 2021 were proposed by the Nominations Panel (NP).

The NP consisted of:

- an independent Chair
- a Trustee representative
- two members elected by and from the Association Membership

The Board advised the NP of the skills, knowledge and experience desirable among new Trustees in order to achieve a balance of skills and experience in the Board of Trustees.

The NP was tasked with advertising for and interviewing potential Trustees with the requirement to draft a shortlist of suitable individuals to be included in a vote bearing in mind the skill gaps identified by the Board.

There were three Board Trustee vacancies in 2021. Twenty four people applied to become Trustees in 2021 from whom the NP nominated seven candidates, including three existing Trustees.

At the 2021 AGM it was agreed that responsibility for the selection of Trustee candidates would pass to the Nominations Committee — a committee of the Board — and that the Nominations Panel would be disbanded.

Members of the Board of Trustees at 28 February 2022

Margaret Hart, Chair

Margaret was appointed as a Trustee of YHA in 2016 and became Vice Chair in 2017 and Chair in 2019.

A geographer by background, she has had a long career covering social work, the children's voluntary sector and higher education, in roles ranging from front line service delivery and teaching to national director level roles in both the charity and university sectors.

An underpinning theme has been her passion for enhancing the lives of young people, particularly those from disadvantaged backgrounds, and she brought this with her into YHA, together with her love of the outdoors.

As corporate director for one of Britain's largest children's charities, Margaret pioneered innovative ways of involving young people in management and governance, and is delighted to see the establishment of YHA's Youth Advisory Team as a significant step along our journey to becoming an increasingly diverse and inclusive organisation.

Margaret has been an enthusiastic hosteller since her teenage years, staying with YHAs as a base for climbing all the Wainwrights and Munros, and walking long distance paths such as the Pennine Way and the Great Walks of New Zealand. She is currently enjoying introducing the third generation of her family to YHA.

Marcus Holburn, Vice Chair

Marcus is a passionate believer in YHA's charitable purpose and values. He has enjoyed hostelling since his teenage years, for canoeing and walking trips to different parts of the UK.

Marcus is also a qualified chartered accountant with more than 20 years' experience in both large and small businesses. He is currently finance director of a consumer finance business in the Thames valley, and previously spent 14 years at M&G Prudential in a number of senior finance, risk management and commercial roles.

Graham Turnock, Treasurer

Graham joined the Board in 2015. Graham has been a member of YHA since childhood and continues to enjoy hostelling in the UK and Europe. Graham has experience as a senior leader in the public sector and is currently a special advisor to the European Space Agency.

Darren Barker

Darren trained in business management and then qualified as a chartered management accountant, spending the early years of his career in finance roles specialising in decision support and investment appraisal. He has broad sector knowledge spanning retail, telecoms and travel. He is currently providing finance and strategy consulting in the telecoms industry.

Prior to that, Darren spent 12 years in the hospitality and travel industry in general management roles and served for six years as CEO of Hostelling International, working closely with YHAs from all around the globe.

Darren loves travel and hostelled both at home in the UK and internationally. He is passionate about young people having previously served as a Scout leader and worked in partnership with the likes of the International Duke of Edinburgh Award and World Association of Girl Guides.

Darren is partially sighted and also serves as a Trustee for the Vision Foundation.

Hayley Barnard

Since 2014 Hayley has served as the managing director of Mix Diversity Developers, moving to the role of CEO in 2022. Hayley and the team at Mix help many large organisations shift their culture to one that is more inclusive of diversity through consulting training and e-learning. Her clients range from NHS Trusts to companies such as DHL, Lidl and Mazars. She hopes to bring this expertise to YHA to support our aim to reach an ever-wider range of people.

Previously Hayley worked at non-executive and executive Board level at a number of travel and expedition companies. Her postgraduate training is in marketing, and she has significant experience in and passion for digital engagement.

Emma Bradley

Emma spent the first part of her career in the travel industry and passionately endorses YHA's belief that 'where you go changes who you become'. She also believes that access to nature and being outside can have positive effects on mental health and wellbeing.

After spending several years in the travel industry Emma worked at the BBC, initially as marketing and fundraising director for BBC Children in Need, and then in other marketing roles at the BBC. She now runs Corporate Social Responsibility at Global, the media and entertainment group. As part of this brief, she runs the in-house charity, Global's Make Some Noise, which supports projects working across safety and shelter, physical and mental health, isolation and inclusion, and life skills. She is also a freelance assessor for Cambridge University Institute of Sustainability Leadership. Emma is Chair of Governors for a secondary school. She became a Trustee in 2019.

Clare Fordham

Clare has worked in both television and radio news for over 25 years, enjoying time in both commercial and BBC newsrooms. She spent eight years travelling across Britain and further afield at ITV News, before moving across to the BBC. She's the editor of all daytime programmes on BBC Radio 5 Live, looking after a range of high-profile presenters, holding power to account, and making sure the listeners are entertained and informed. Clare is used to high-profile news projects; she's planned award winning news stories involving NASA, the Duchess of Cornwall and Downing Street, as well as masterminding programming throughout the pandemic. Clare is passionate about finding and celebrating unheard voices and hearing untold stories. She takes great pride in her involvement with efforts to reach diverse audiences and bring a far broader range of perspectives to the programmes.

YHA has been central to some of the great experiences of Clare's life, and she is passionate about widening access for others.

Cathryn Hayhurst

Cathryn was elected a Trustee in 2017. Access to the outdoors is one of her passions and you will most likely find her hiking a fell or playing in a boat in the Lake District. Her young daughter and husband can be found enjoying the communal aspect of YHA hostels whilst Cathryn attends Board meetings.

Cathryn is a qualified accountant and insolvency practitioner with a BSc in Environmental Sciences, and is currently a member of the senior finance team at Yorkshire Water. At the Co-op she supported the 2,500 retail stores to deliver people and system transformation programmes making them fit for the future. Previously she worked for five years at the National Trust where she was commercial lead for the Renewable Energy Programme to generate 50% of energy from Renewable Sources including hydro schemes. She developed her finance skills at KPMG and funding strategy at Barclays.

Tegryn Jones

Tegryn Jones is chief executive of the Pembrokeshire Coast National Park Authority. This role involves managing the Pembrokeshire Coast National Trail, along with a number of conservation sites and popular visitor attractions. He has a degree in geography from Aberystwyth University and an MBA from the Open University and has previously worked for the General Teaching Council for Wales, Swansea University and Urdd Gobaith Cymru. Prior to joining the National Park Authority, he was chief executive of Keep Wales Tidy where he worked with the Welsh Government to develop the Tidy Towns initiative and the expansion of the Eco-Schools programme and Blue Flag Award in Wales.

Tegryn has been a charity Trustee of the DPJ Foundation, a charity working to support men in the agricultural sector with mental health issues, and UNA Exchange, a charity promoting international exchanges for young people. He is currently a Trustee of the UK National Parks Foundation. Tegryn is also Chair of Governors of Ysgol Caer Elen, a 3-16 Welsh medium school in Haverfordwest.

Barbara Kasumu

Barbara is the director of membership, programmes and development for the Association of Commonwealth Universities (ACU) — an international organisation made up of over 500 member universities in 50 countries. Barbara oversees the membership strategy working to create dynamic, responsive and relevant services and programmes that meet the needs of a diverse member base. Before joining the ACU, Barbara worked at the National Union of Students where she was director of membership, talent and inclusion. Barbara has over 15 years of senior leadership and Board experience working across a range of sectors and organisations.

Josie Murray

Josie joined the Board in 2015. Josie has worked in the historic environment sector throughout her professional life and during the past twenty years exclusively with property. This has ranged from major infrastructure projects to private residential properties. She is currently involved in the management and interpretation of historic buildings and is particularly interested in ensuring that buildings are effectively managed to protect their historic significance while delivering commercial objectives. Josie took over as Chair of PremCo after the February 2019 Board meeting.

Simon Reeve

Simon has significant international experience in developing teams and organisations, especially in engineering-related industries. In his current role, as director of commercial engagement at Lloyd's Register Foundation, he sets up new business ventures and partnerships to extend the impact of the Foundation's work in supporting research, education, skills development and public engagement across all sectors and sections of society for a safer world. In his spare time, Simon is an avid outdoor enthusiast engaging in cycling, hill-walking, canoeing, sailing, surfing and skiing, frequently staying in youth hostels as part of these activities.

Caleb Stevens

Caleb Stevens is an experienced safeguarding and child protection officer, supporting children and young people with their mental health, wellbeing and welfare.

Having completed a degree in public services, Caleb is currently studying a master's degree in diplomacy and international relations as well as in advanced child protection. Caleb has a multitude of governance appointments, presiding as the strategic lead for safeguarding for over five including being a Vice Chair for a large multi-academy trust in Cornwall. Caleb also enjoys serving as a Special Educational Needs and Disabilities Lead Governor for a large primary school.

Appointed as the youngest Magistrate for the Ministry of Justice in 2017 and former Independent Monitoring Board Member for Her Majesty's Prison Exeter, Caleb is committed to equality and diversity and has supported many organisations with their inclusivity and interaction with children and young people. This particularly includes developing youth voice at strategic level, where Caleb is passionate about challenging perceptions that young people can have significant levels of responsibility, including Trusteeship.

Caleb is one of the youngest Trustees in YHA's 90-year history and hopes to contribute his knowledge, experience and enthusiasm to developing and embedding youth voice within YHA. Furthermore, Caleb looks forward to contributing additional expertise on education and safeguarding to ensure all children and young people receive the best support and outcomes YHA has to offer.

Living right next to Dartmoor, in his spare time Caleb enjoys taking long moor walks which has further contributed to his passion for being immersed within nature, travelling the UK and staying with many YHA hostels in the process.

Robert Varley

Robert has been a keen hosteller since his youth. He has a passion for the outdoors and loves exploring Britain's wild country and coastline on foot. A family man, a dad and a grandad, he has been volunteering in children's and youth work for over 40 years. He has a passion for everything YHA stands for and is keen to see it make a real difference to even more young lives in the years ahead. "Because where you go changes who you become."

A meteorologist by profession, Robert worked for 35 years at the Met Office. He has served on numerous Boards and Councils at national and international level — as chief executive of the Met Office, non executive director of Ordnance Survey, president of Eumetnet, vice president of the Royal Met Society and vice president of the World Meteorological Organisation. In 2012 Robert was named as the Institute of Directors' Director of the Year (Public/Third Sectors), and in 2016 he was awarded an honorary degree of Doctor of Science from the University of East Anglia. He now works as a strategic consultant to leaders of weather services around the world.

Anna Welsh

Anna is a qualified children's social worker currently working for Wigan Council. She has a BSc in mathematics from Manchester Metropolitan University and is studying towards an MSc in advanced relationship based social work practice with children and families at Lancaster University. Whist Anna has an affinity with numbers, her real passion is to help young people who are struggling or in need.

Anna was a student officer at The Union MMU. She was the first ever societies and development officer for the period 2018/19 and went on to be president in 19/20. She was a voice for students and brought their views and opinions to high level meetings, such as academic Board, Board of Governors and the

Union's Trustee Board. Anna was Deputy Chair of the Board at the Union during her year as president and secondary signatory for their budget. She also held positions on the HR and finance committees and led a team of four student officers. Anna assisted in the running of various campaigns to address loneliness at university, raise awareness about gender identity, and tackle period poverty. Her crowning achievement was winning the bid to host the National Societies and Volunteering Awards in 2019 seeing her assist in organising and running the event for over 300 volunteers all across the UK.

Anna hopes that her time with YHA will engage more young people to have the opportunity to explore away from home and give them memories that will last a lifetime.

In memory of Fiona Steggles

Very sadly Fiona Steggles passed away on 13 April 2022. Fiona joined the Board in 2016 and was a Board member throughout the 2021-22 year. Fiona was a senior lecturer in journalism at the University of Central Lancashire. She previously worked for the BBC for almost 20 years. During that time, she reported and produced for radio and television, presented radio programmes and made documentaries. For eight years she produced the BBC1 regional news programme Northwest Tonight, winning two Royal Television Society awards. She also ran her own media training and consultancy business working with local authority and commercial organisations.

During her time on the YHA Board, Fiona served on the Nominations Panel supporting trustee recruitment, was involved in the organisation of AGMs, was a founder member of the Impact and Engagement Committee and more recently was one of the Board link trustees with the Youth Advisory Team. Fiona had a deep and heartfelt love of YHA and what it stands for, with a passion to ensure that the Board did everything it could do to fulfil YHA'S mission.

A celebration of Fiona's life was held at YHA Ambleside in May 2022. She will be deeply missed.

	Board meetings attended	Term of office
Darren Barker	1 of 1	Ends 2025
Hayley Barnard	6 of 6	Ends 2023
Emma Bradley	6 of 6	Ends 2023
Clare Fordham	5 of 6	Ends 2024
Margaret Hart	6 of 6	Ends 2022
Cathryn Hayhurst	5 of 6	Ends 2025
Marcus Holburn	5 of 6	Ends 2025
Tegryn Jones	6 of 6	Ends 2022
Barbara Kasumu	4 of 6	Ends 2024
Josie Murray	6 of 6	Ends 2022
Hannah Paterson	2 of 2	Ended 2021**
Simon Reeve	6 of 6	Ends 2022*
Chris Roberts	5 of 6	Ended 2021
Fiona Steggles	4 of 6	Ended 2022***
Caleb Stevens	5 of 6	Ends 2022
Graham Turnock	5 of 6	Ends 2024
Robert Varley	5 of 6	Ends 2023
Anna Welsh	1 of 1	Ends 2025

*Eligible for re-election for a four-year term
**Resigned 10 July 2021
***Deceased 13 April 2022

Disclosures of interest

No Trustee had, during or at the end of the year, any interest in contracts that are significant in relation to YHA's business other than disclosed above or in note 33 of the financial statements. For the purposes of company law, the Trustees listed above are also the Directors of YHA.

Executive team

Chief Executive

James Blake

Other senior executives

Executive Director of Investments and Infrastructure **Jake Chalmers**

Executive Director of Strategy, Commercial and Engagement **Anita Kerwin-Nye**

Finance Director **Julie Lane**

Executive Director of Operations and People **Jane Price**

Chief Finance Officer and Company Secretary William Howarth retired from YHA with effect from the conclusion of the 2021 AGM, after 13 years of dedicated service. During his time at YHA William oversaw the most successful period in YHA's recent history: taking us from an organisation in financial decline to one of steady growth. Most recently, during COVID-19, William steered YHA ably and calmly through the most troubled financial waters of our history. William was driven by our mission and our HEART values which shone through everything he did. He leaves YHA with our very best wishes for his retirement.

Julie Lane, previously YHA's associate director of finance, assumed the role of finance director with overall responsibility for YHA's finances. William's wider responsibilities for IT and business systems moved to Jake Chalmers, YHA's executive director of investments and infrastructure. The role of deputy chief executive is rotated amongst the executive directors. Peter Harvey was appointed company secretary in place of William Howarth.

Employees

YHA is an Investors in People Gold organisation and is committed to employment policies which follow best practice based on equal opportunities for all employees irrespective of age, sex, sexual orientation, race, colour, disability, marital status, religion or belief.

Employees are kept informed of plans, receive regular updates on performance against our plans, are encouraged to attend or feed into our regular listening groups and attend our twice-yearly business briefings.

During the pandemic new means to engage with our staff team were introduced, including all staff emails from the chief executive and all staff webinars led by the chief executive and the executive team. These proved to be very popular and now form a permanent part of our employee engagement strategy.

The coronavirus pandemic continued to put a huge strain on staff, especially those working throughout, and we have placed increased emphasis on programmes to support positive employee mental health and wellbeing throughout the year.

Our annual employee survey is an opportunity for confidential feedback on all areas of the organisation and action plans are put in place to address any issues raised from these surveys.

We were pleased that despite the disruption caused by the pandemic, the headline measure of employee engagement (as measured by the employee survey) rose from 71% in 2019 to 72% in 2021. We retained Investors in People Gold status after a re-accreditation this year.

Committees

Audit and Risk Committee ("ARC")

The ARC is a committee of the Board of Trustees. The committee met four times during the year and is currently composed of:

- the Vice Chair, Marcus Holburn who acts as the Chair of this Committee
- three Trustees: Darren Barker, Emma Bradley and Caleb Stevens

The committee agrees the programme for internal and external audits; considers reports from the auditors; considers the annual financial statements before submission to the Board; reviews the performance of the internal and external auditors; advises the Board regarding the adequacy of its risk register, policy, and management of risk; reviews the full risk register on an annual basis and every quarter reviews the high level significant risks and any changes to the full risk register; and, devises and tests key measures against which the performance of the organisation can be judged.

Finance Committee ("FC")

The FC is a committee of the Board of Trustees. The Committee met nine times during the year and is currently composed of:

- the Treasurer Graham Turnock who acts as the Chair of this committee
- two Trustees: Cathryn Hayhurst and Tegryn Jones

The committee supports the Board in ensuring the effective financial management of the Company; provides opinion on financial sustainability of YHA's strategic plans; advises on funding strategies and risks; provides appropriate scrutiny of finance related strategic KPIs; ensures effective financial planning, budgeting and treasury management; reviews and is consulted regarding capital and other investments; and works with the Audit and Risk Committee regarding financial risk management. Since the start of the pandemic, the Finance Committee has met more frequently to allow regular review of YHA's cashflow and financial plans.

Impact and Engagement Committee ("I&E")

The Impact and Engagement Committee is a committee of the Board. The committee met four times during the year and is currently composed of:

- Hayley Barnard who acts as Chair of this committee
- three Trustees: Barbara Kasumu, Simon Reeve and Anna Welsh

The Impact and Engagement Committee supports the Board in maximising the impact and effectiveness of YHA's work as a charity, and its member and stakeholder engagement, through ensuring effective management of these areas. This includes oversight of impact related KPIs; the design, delivery and evaluation of youth, education and activity programmes; and YHA's engagement strategy with members, volunteers, donors and partners.

People and Remuneration Committee ("PremCo")

PremCo is a committee of the Board of Trustees. The committee met five times last year and is currently composed of:

- Robert Varley who acts as Chair of this Committee
- three Trustees: Hayley Barnard, Clare Fordham and Barbara Kasumu

The committee agrees the remuneration policy, determines the remuneration of the executive directors, and the remuneration of the chief executive in consultation with the Chair; determines the terms and conditions of employment of the executive directors; and determines the terms and conditions of employment of the chief executive in consultation with the Chair.

In setting the organisations remuneration policy, the committee makes such external consultations and comparisons as may be necessary to ensure that the pay and emoluments of YHA staff are fair in value to those having similar responsibilities and circumstances in organisations in the not for profit and commercial sectors (excluding financial).

The committee also consider strategic HR matters which impact on our financial position or our position as an employer, e.g. pensions, performance management. This year that has included plans for managing workforce at different stages of the pandemic and oversight of YHA's gender pay reporting which is available on our website. The committee is also responsible for people risk.

Nominations Committee ("NomCo")

NomCo is a committee of the Board of Trustees. The Board appointed the committee in 2022 and the first NomCo meeting was held in April 2022. The NomCo is composed of:

- Robert Varley, who acts as Chair of this committee
- one Trustee: Clare Fordham
- two Association Members: Helen Maurice-Jones and Paula Yates
- one member of the YHA Youth Advisory Team: Emily Palmer

The committee acts in an advisory capacity in assisting in identifying a diverse range of candidates with suitable skills and experience to become Trustees.

Financial control and risk management

Trustee responsibilities statement

The Trustees (who are also directors of YHA (England & Wales) for the purposes of company law) are responsible for preparing the Report of the Trustees incorporating the Strategic Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 YHA and the group and of the incoming resources and application of resources, including the income and expenditure of YHA and the group for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP (FRS 102)
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that YHA and the group will continue in business

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 YHA and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that:

- so far as each Trustee is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

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

Section 172(1) Statement

Section 172 of the Companies Act 2006 requires a Director of a company to act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole. In doing this, section 172 requires a Director to have regard, among other matters, to: the likely consequences of any decision in the long term; the interests of the company's employees; the need to foster the company's business relationships with suppliers, customers and others; the impact of the company's operations on the community and the environment; the desirability of the company maintaining a reputation for high standards of business conduct; and the need to act fairly with members of the company.

YHA is a leading national charity which depends on the trust and confidence of its members and beneficiaries to operate sustainably in the long term. YHA seeks to put its beneficiaries' best interests first, invests in its employees, supports the communities in which it operates and strives to generate sustainable surpluses to be reinvested into the charity.

The Trustees have acted in accordance with their duties codified in law, which include their duty to act in the way in which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, having regard to the matters set out in section 172(1) of the Companies Act 2006. The Board recognises that building strong relationships with our members and beneficiaries will help us to deliver our strategy in line with our long-term values and operate the business in a sustainable way.

Reserves policy

As a charity, YHA is obliged by the Charity Commission to set a policy on reserves which establishes a level appropriate for YHA.

YHA's reserves policy is set to manage unforeseen financial difficulties, and not to fund its future capital strategy. The level of reserves is set based on forecast income and expenditure and the likelihood of material risks crystallising which would not be covered by future income or insurance..

The reserves policy is set with regard to the:

- strategic capital strategy — set by the Board within the context of a five-year time frame
- annual budget — set to ensure our future expenditure levels are matched to the income we receive from operating youth hostels
- risk management process — assesses the impact and likelihood of all risks to YHA and the appropriate level of short-term reserves to be held

YHA has implemented an active reserve monitoring process managed by the Audit & Risk Committee (ARC) and governed by the Trustees. The ARC assesses the impact and likelihood of uninsured risks to create an expected value, which is reduced by the assessment of mitigating controls to set the appropriate level of short-term reserves to be held. This value is formally reviewed on an annual basis with the opportunity for any material changes to be picked up within YHA's quarterly risk review process.

The ARC will report if these reserves have been used and the consequent impact on the long-term strategy. In the event of a movement beyond the reserves limit the ARC would report immediately to the Board with recommendations for action.

Before the impact of COVID-19 we had assessed our maximum level of risk, including the possibility of some form of pandemic to be at £5m. Given the unprecedented scale and duration of the COVID-19 crisis, this proved to be underestimated.

The Trustees have recently reviewed the reserves policy and have agreed, that given the current market conditions and to ensure that there is sufficient cash balances to meet our ongoing liabilities and unforeseen or uninsured financial losses that the charity would endeavour to maintain minimum cash reserves of between £9m to £10m for the foreseeable future.

The executive and Board continue to monitor the liquidity plan to ensure that there is sufficient headroom in the cash reserves to ensure commitments can be met when due and identifying assets which could be disposed of to provide enough scope to match the impact of any further unseen risk whether pandemic related or otherwise.

Fundraising policy

It is always our aim to provide the best possible donor experience and deliver the highest possible standards of donor care. We are registered with the Fundraising Regulator to demonstrate our commitment to achieving the highest standards in fundraising and we strive at all times to comply with the Fundraising Regulator's Code of Fundraising Practice.

We are committed to undertake our fundraising in a legal, open, honest and respectful manner by following the standards for fundraising set out in the Fundraising Regulator's Fundraising Promise. We therefore use the Fundraising Regulator logo on our fundraising materials to show that we are following these standards.

We are always committed to uphold the highest standards of practice in our fundraising and will:

- comply with all relevant law and regulation including the Charities Act 1992, the Charities (Protection and Social Investment) Act 2016, the Data Protection Act 1998, and the Fundraising Regulator's Code of Fundraising Practice and where relevant the Gambling Act 2005
- treat the information that supporters provide to YHA in line with our Privacy Policy and never share or sell their personal information to third parties for the purpose of marketing or fundraising
- ensure clear governance and management controls for the legal, safe and transparent raising of funds from a diverse range of sources
- operate policy and guidance for working with supporters who are in vulnerable circumstances
- have clear rules for when donations may be returned to donors
- report regularly to the trustees of YHA regarding fundraising activity, including an annual summary of complaints and action taken to address these

Protecting vulnerable people

We recognise that some people we engage with through our fundraising activity may not have the capacity, at the point of the interaction, to fully understand the nature of the donation they are being asked to give, or the consequences of making that donation. People in vulnerable circumstances may need further support before deciding whether or not to make a donation.

Whenever we suspect that someone we engage with is lacking capacity or is in vulnerable circumstances, we will take steps to terminate the contact in a way which seeks to protect that person while protecting their dignity and any desire they have expressed to support YHA.

Despite our efforts to protect those in vulnerable circumstances, YHA may receive a donation where there may be a question over the donor's mental capacity to make that donation. In this circumstance, YHA may return the donation to the donor or — under certain circumstances — to a family member or designated person.

Fundraising complaints policy

We welcome all comments and feedback about the way we work. We invite anyone with a complaint or problem about our fundraising activity to report it via our customer care team, who will deal with it in a personal, fair and confidential way. We aim to resolve all complaints as efficiently as possible — committing to acknowledgement in two working days and providing feedback within 15 working days.

In 2021/22 YHA received no complaints about fundraising activity.

Investment policy

Investments acquired in accordance with the powers of the Trustees, primarily in respect of endowment funds, total £1.075 million at the end of this financial year. Close Wealth Management and Rathbone Investment Management manage the assets on YHA's behalf, with an investment strategy aimed at maximising income at an acceptable level of risk including growth of asset values.

Borrowing and financial instruments policy

YHA uses financial instruments, comprising borrowings secured against property. The main purpose of these financial instruments is to finance the working capital cycle of YHA and to finance longer-term capital needs. The policies for managing the risks open to YHA are summarised below:

- YHA's financing and treasury policy governs the way that YHA borrows money and how it manages its interest risk.
- Working capital requirements are managed through the cash reserves holding or where available a Revolving Credit Facility with a bank.
- Other borrowings are designed to be appropriate for the type of asset being financed. Thus, IT equipment and software are likely to be financed over no more than five years, equipment no more than 10 years and property will be financed over 20 years.

Risk management

The Board of Trustees is ultimately responsible for risk management in YHA, setting the control framework, the risk appetite and approving major decisions affecting YHA's risk management or profile. The Board annually approves YHA's risk management plan, including the risk register, reviews the effectiveness of YHA's internal control and risk management system, and allows in its agenda a detailed review of a specific risk to be tabled at every Board meeting.

The Audit & Risk Committee (ARC) has delegated authority from the Board to review and manage risk and the organisational risk register is the key tool used to record risks within YHA. The ARC:

- reviews the risk management policy and processes annually
- reviews and agrees on an annual basis the significant risks to which YHA is exposed
- ensures that sufficient action is being taken to mitigate the risks
- provides the Board of Trustees with an annual statement of assurance on risk management and internal controls and corporate governance
- agrees specific risks to be reviewed by the Board
- ensures that the control environment is sufficient to ensure the effective management of risk
- monitors compliance with charity commission and corporate governance requirements

At an operational level YHA has a risk management group under the Chair of a member of the senior leadership team, currently the Associate Director for Risk. This group focuses on key organisation level risk. The group is drawn from all directorates to ensure that risk management is embedded in all directorates. Individuals on the group are responsible for identifying action plans for all lower-level risks and for bringing these to the risk management group as required.

Insurance policy

YHA has insured Trustees and officers of the company against liability for wrongful acts in relation to the charitable company, as permitted under Section 532 of the Companies Act.

Legal and administrative details

Bankers

HSBC Bank plc
Level 6
71 Queen Victoria Street
LONDON
EC4V 4AY

Santander Bank
Carlton Park
Narborough
LEICESTER
LE19 0AL

Solicitors

Browne-Jacobson
3rd Floor, No 1 Spinningfields
1 Hardman Square
Spinningfields
MANCHESTER
M3 3EB

Russell Cooke
2 Putney Hill
LONDON
SW15 6AB

Pinsent Masons LLP
55 Colmore Row
BIRMINGHAM
B3 2FG

Auditor

Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
1 Holly Street
SHEFFIELD
S1 2GT

Investment Fund Managers

Close Wealth Management
10 Crown Place
Clifton Street
LONDON
EC2A 4FT

Rathbones Investment Management
George House
50 George Square
GLASGOW
G2 1EH

Internal Auditors

KPMG are the internal auditors for YHA and act as an assurance function to provide an independent and objective opinion to YHA on the design and operation of the internal control environment.

External Auditors

Pursuant to Section 487(2) of the Companies Act 2006, the Auditors will be deemed reappointed and therefore Grant Thornton UK LLP will continue in office.

In approving the Report of the Trustees, the Trustees are also approving the Strategic Report in their capacity as company directors.

ON BEHALF OF THE TRUSTEES

Margaret Hart

M Hart
Chair
9 July 2022

Independent auditor's report to the members of YHA (England and Wales)

Opinion

We have audited the financial statements of YHA (England and Wales) (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 28 February 2022, which comprise the Consolidated Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 28 February 2022 and of the group's and the parent charitable company's incoming resources and application of resources including, the group's and the parent income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We have been appointed as auditor under the Companies Act 2006 and report in accordance with regulations made under that Act. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.

In our evaluation of the trustees' conclusions, we considered the inherent risks associated with the group's and parent charitable company's business model including effects arising from macroeconomic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the trustees and the related disclosures and analysed how those risks might affect the group's and parent charitable company's financial resources or ability to continue operations over the going concern period.

Based on the work performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the parent charitable company's and group's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the trustees with respect to going concern are described in the 'Responsibilities of trustees for the financial statements' section of this report.

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees incorporating the Strategic Report prepared for the purposes of company law, included in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Report of the Trustees incorporating the Strategic Report has been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees incorporating the Strategic Report included in the Annual Report.

Matters on which we are required to report by exception

to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or
- returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements

As explained more fully in the Trustees' Responsibilities Statement set out on page 52, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters

related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Explanation as to what extend the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

- We identified significant laws and regulations, as detailed below, relevant to the group through inquiries of management and corroborated this through review of board minutes and legal expenses.
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined which may influence the financial statements. We determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (Charities SORP [FRS 102], FRS 102, Charities Act 2011,

Charity Code of Governance and the Companies Act 2006) and the relevant tax compliance regulations in the jurisdictions in which the company operates. In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements and those are laws and regulations relating to health and safety, employee matters, data protection and bribery and corruption practices.

- We assessed the susceptibility of the group's financial statements to material misstatements, including how fraud might occur. We performed procedures over journal entries (in particular manual journal entries determined to be large or relating to unusual transactions), related party transactions and evaluated processes and controls in place to address the risks related to irregularities and fraud.
- The engagement team's experience with similar engagements, their understanding of the group's industry and regulatory requirements (FRS 102, the Companies Act 2006 and the relevant tax compliance regulations) relating to the Company were considered in assessing the competence and capabilities of the engagement team.
- In assessing the potential risks of material misstatement, we obtained an understanding of the group's operations, the applicable statutory provisions, and the group's control environment, including the adequacy of procedures for authorisation of transactions.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Peter Edwards
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Sheffield
9 July 2022

Consolidated statement of financial activities

(incorporating the consolidated income and expenditure account)

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2022 £'000	Total 2021 £'000
Income						
Income from charitable activities	6	**22,318**	—	—	**22,318**	11,481
Income from trading activities (YHA Trading Limited)	14	**3,676**	—	—	**3,676**	2,023
Donations, gifts and legacies		**1,263**	**546**	—	**1,809**	1,798
Grants receivable	5	—	**5,714**	—	**5,714**	2,506
Coronavirus Job Retention Scheme payments receivable		—	**1,691**	—	**1,691**	8,225
Investment and similar income	7	—	**21**	—	**21**	20
Total income before net gain on disposal of tangible fixed assets		**27,257**	**7,972**	—	**35,229**	26,053
Net gain on disposal of tangible fixed assets		**332**	—	—	**332**	210
Total income		**27,589**	**7,972**	—	**35,561**	26,263
Expenditure						
Costs of charitable activities	9	**33,402**	**7,995**	—	**41,397**	38,495
Costs of trading activities (YHA Trading Limited)	9	**3,095**	—	—	**3,095**	1,829
Fundraising	9	**405**	—	—	**405**	301
Total expenditure		**36,902**	**7,995**	—	**44,897**	40,625
Unrealised gains on investments	24	—	—	**28**	**28**	18
Realised gains on investments	24	—	—	**3**	**3**	66
Net income/(expenditure) before tax and refinancing costs		**(9,313)**	**(23)**	**31**	**(9,305)**	(14,278)
Tax on commercial activities		—	—	—	—	—
Net income/(expenditure)*		**(9,313)**	**(23)**	**31**	**(9,305)**	(14,278)
Transfer between funds	25	—	—	—	—	—
Net income/(expenditure) after transfers		**(9,313)**	**(23)**	**31**	**(9,305)**	(14,278)
Other recognised gains and losses						
Actuarial gain/(loss) on defined benefit pension scheme	23	**2,044**	—	—	**2,044**	(678)
Actuarial gain/(loss) on multi-employer pension scheme	23	**1,008**	—	—	**1,008**	(15)
Other gains and (losses)		**(104)**	—	—	**(104)**	—
Net movement in funds		**(6,365)**	**(23)**	**31**	**(6,357)**	(14,971)
Fund balances brought forward at 1 March 2021		**20,782**	**4,345**	**1,044**	**26,171**	41,142
Fund balances carried forward at 28 February 2022	26	**14,417**	**4,322**	**1,075**	**19,814**	26,171

All income was from continuing operations.

*Information up to and including net income/expenditure represents the information required by the Companies Act 2006.

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

Balance sheets

		Group		Company	
	Note	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Fixed assets					
Tangible assets	12	**84,922**	94,518	**84,922**	94,518
Intangible fixed assets	13	**491**	626	**491**	626
Investments	14	**1,075**	1,044	**1,076**	1,045
		86,488	96,188	**86,489**	96,189
Current assets					
Stocks	15	**174**	94	**174**	94
Debtors	16	**2,883**	2,152	**2,883**	2,152
Cash at bank and in hand	28	**11,334**	4,134	**11,334**	4,134
		14,391	6,380	**14,391**	6,380
Creditors: amounts falling due within one year	17	**(13,207)**	(59,082)	**(13,606)**	(59,093)
Net current assets / (liabilities)		**1,184**	(52,702)	**785**	(52,713)
Total assets less current liabilities		**87,672**	43,486	**87,274**	43,476
Creditors: amounts falling due after more than one year	19	**(62,698)**	(8,814)	**(62,698)**	(8,814)
Provisions for liabilities	20	**(1,648)**	(1,233)	**(1,648)**	(1,233)
Net assets excluding pension liability		**23,326**	33,439	**22,928**	33,429
Multi-employer pension scheme liability	23	**(406)**	(1,866)	**(406)**	(1,866)
Defined benefit pension scheme liability	23	**(3,106)**	(5,402)	**(3,106)**	(5,402)
Net assets		**19,814**	26,171	**19,416**	26,161
Funds					
Endowments	24	**1,075**	1,044	**1,076**	1,045
Restricted funds	25	**4,322**	4,345	**4,322**	4,345
		5,397	5,389	**5,398**	5,390
Unrestricted Funds					
Unrestricted funds excluding pension liability		**(6,163)**	3,854	**(6,562)**	3,843
Revaluation reserve		**24,092**	24,196	**24,092**	24,196
Pension reserve		**(3,512)**	(7,268)	**(3,512)**	(7,268)
Total unrestricted funds		**14,417**	20,782	**14,018**	20,771
Total charity funds	26	**19,814**	26,171	**19,416**	26,161

The financial statements were approved by the Board of Trustees on 9 July 2022.

Trustees Margaret Hart M Hart Graham Turnock G Turnock

Company registration number: 282555

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

Consolidated statement of cash flows

	Note	2022 £'000	2021 £'000
Cash flows from operating activities			
Net cash provided/used in operating activities	27	**1,532**	(15,227)
Cash flows from investing activities			
Investment income (including interest received)	7	**21**	20
Sale of tangible fixed assets		**6,286**	379
Purchase of tangible fixed assets		**(1,658)**	(1,156)
Purchase of intangible fixed assets		**(153)**	(70)
Net cash provided/used in investing activities		**4,496**	(827)
Cash flows from financing activities			
Repayment of borrowings		**(38,522)**	(19)
Capital element of finance lease rentals		**(118)**	(199)
Cash receipts from borrowings		**41,406**	19,219
Interest paid	8	**(1,594)**	(1,371)
Net cash provided by financing activities		**1,172**	17,630
Change in cash and cash equivalents in the reporting period		**7,200**	1,576
Cash and cash equivalents at the beginning of the reporting period		**4,134**	2,558
Cash and cash equivalents at the end of the reporting period	28	**11,334**	4,134

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

Notes to the financial statements

1 Company information

YHA is a company limited by Guarantee (company number 282555). The registered office is Trevelyan House, Dimple Road, Matlock, Derbyshire DE4 3YH.

2 Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards including 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) and the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

YHA (England and Wales) meets the definition of a public benefit entity under FRS 102, and applied the sections in FRS 102 as applicable.

The financial statements are presented in Sterling £'000.

Going concern

These financial statements have been prepared on a going concern basis taking note of the guidance issued by the Financial Reporting Council on Going Concern Assessments in determining that this is an appropriate basis of preparation of the financial statements.

The Trustees have reviewed our reserves policy and agreed that, given the current market conditions and to ensure that there are sufficient cash balances to meet our ongoing liabilities and unforeseen financial difficulties, the charity would endeavour to maintain cash reserves of between £9m and £10m.

The Trustees have reviewed the financial forecasts to July 2023, including a reduced trading scenario, and have concluded that the charity will be able to meet its liabilities as they fall due and have plans and resources to manage its business risks successfully. Trustees do not believe that there are any material uncertainties which cast significant doubt on the ability of YHA to continue as a going concern and therefore these financial statements have been prepared on a going concern basis.

2 Basis of preparation (continued)

Basis of consolidation

The group financial statements consolidate those of YHA and of its subsidiary undertaking (see note 14). Subsidiaries are defined as entities where the parent charity has control and derives financial benefit and are consolidated on a line-by-line basis.

3 Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The items in the financial statements where these judgements, estimates and assumptions have been made include:

Retirement benefit schemes

The determination of the pension cost and defined benefit obligation of the Group's defined benefit pension schemes depends on the selection of certain assumptions which include the discount rate, inflation rate, salary growth and mortality. Differences arising from actual experience or future changes in assumptions will be reflected in subsequent periods. Note 23 provides information on the assumptions used in these financial statements.

The Group also participates in a multi-employer defined benefit scheme, which is accounted for as a defined contribution scheme, administered by The Pensions Trust, who are responsible for the above assumptions in relation to determining the total liability of the overall scheme. As a participating employer, the YHA's share and contribution to the liabilities of the scheme is reviewed and agreed by the Trustees every three years. Under the provisions of FRS102 this liability is included in these statements on a discounted net present value basis. Further details on the accounting policies relating to the multi-employer defined benefit scheme are provided in note 4.

Provisions

These financial statements include provisions for liabilities as at 28 February 2022 that have arisen as a result of a past event, and that are judged probable to materialise at a future date. Where precise factual valuations of the liability are not available, judgement has been used to estimate the size and probability of the liability. Specifically, these provisions include estimates of dilapidation liabilities under property leasehold contracts and are stated on a net present value basis.

Assets under construction

These represent spend and work-in-progress on partially complete assets that are not in productive use in the business. This will principally be (but not exclusively) major refurbishment and development projects in YHA's estate portfolio and business systems/ IT infrastructure projects. Where projects stretch over more than one year the values are reviewed to ensure that the spend still represents a tangible or intangible asset.

3 Significant judgements and estimates (continued)

Grants

The recognition of grants and capital contributions in these financial statements involves judgements as to whether performance or other relevant entitlement conditions have been met. The recognition of grants in restricted funds involves a judgement as to the Useful Economic Life of the asset to which it relates.

4 Principal accounting policies

Income

Income generated from the operation of youth hostels represents the fair value of the amount receivable by YHA for goods supplied and services provided, excluding value added tax and net of trade discounts. Consequently, the income due from a particular guest is recognised when that guest stays with YHA. Payment received from guests in advance of their stay is recorded as deferred income (see note 18). Membership subscriptions are recognised when received.

Where hostels have been leased to organisations to provide accommodation for charitable purpose these amounts have been recognised as income.

Income from YHA Trading Limited represents commercial goods supplied and services provided by that YHA company to its customers and income is recognised when the goods or services are delivered. Donations, gifts and legacies are recognised in the statement of financial activities when it is probable that the income will be received, and all entitlement conditions will be met.

The charity carries out work for government bodies and income under these contracts is recognised once milestones attached to income have been met. Incoming resources on government contracts are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy.

Grants

Revenue grants, including coronavirus job retention scheme grants, are credited as incoming resources when they are receivable provided conditions for receipt have been complied with, unless they relate to a specified future period, in which case they are deferred.

Grants for the purchase of fixed assets are credited to restricted incoming resources when receivable.

Income from investments

Investment income is recognised when receivable.

Endowments

Endowment income is credited to the income and expenditure account on a receivable basis.

4 Principal accounting policies (continued)

Income from restricted endowments not expended in accordance with the restrictions of the endowment, is transferred from the income and expenditure account to restricted endowments. Any realised gains and losses are retained within the endowment in the balance sheet.

Restricted permanent endowment

This relates to funds where the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

Restricted expendable endowment

This relates to funds which were permanent endowments but given the small scale of the specific individual funds, agreement was received from the Charities Commission that these could be spent in line with the original objective of each fund.

Fund accounting

Restricted funds are those for which specified purposes were laid down by the donor or grant-giving body. Expenditure for those purposes is charged to the appropriate fund.

Unrestricted funds are donations and other income received or generated for expenditure on the general objectives of YHA.

When grants and donations are received for a specific purpose involving capital investment, the cash will be recorded against a restricted fund. When the investment has been made, the relevant capital asset will be recorded against the relevant fund, and depreciation of the asset charged against the fund. Once any restrictions on the use of the asset have expired, the asset will be transferred from the restricted fund to YHA's unrestricted funds.

Tangible and intangible fixed assets

Fixed asset accounting policy

Tangible and intangible fixed assets are stated at cost, net of depreciation. No depreciation is charged during the period of development or construction.

Depreciation is calculated to write down the cost or estimated residual value of all tangible fixed assets over their expected useful lives. All depreciation is on a straight-line basis, and assets are amortised as follows:

Freehold properties	:	land not amortised
Freehold properties	:	buildings superstructure up to 50 years
Freehold properties	:	buildings sub-structure / other between 10 and 30 years
Leasehold properties	:	long term leases: market value over length of lease
Leasehold properties	:	building shorter of economic life or length of lease
Fixtures & fittings	:	between 3 and 15 years
Intangible assets	:	up to 4 years

Assets under construction represent spend and work-in-progress on partially complete assets that are not in productive use in the business. This will principally be (but not exclusively) major refurbishment and development projects in YHA's estate portfolio and business systems/ IT infrastructure projects.

4 Principal accounting policies (continued)

Assets under construction are carried at cost and are not depreciated until they come into use and are capitalised in the asset register. Where the date of capitalisation is later than the date of productive use, a retrospective depreciation adjustment is made to correct Net Book Value (NBV).

Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss.

Investment in subsidiaries

The consolidated financial statements incorporate the financial statements of the company and entities controlled by the group (its subsidiaries). Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation. Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

Investments

Assets held for investment purposes are measured at fair value. Changes in fair value are recognised in the income and expenditure accounts. Fair value is estimated using value at the balance sheet date.

Net gains and losses on revaluations and disposals during the year are included in the statement of financial activities.

Expenditure

Expenditure, which is charged on an accruals basis, is allocated between:

- Expenditure incurred directly in the fulfilment of YHA's objectives (direct charitable). This includes head office support costs which are directly attributed to the operation of youth hostels.
- Expenditure incurred directly in the effort to raise voluntary contributions (membership, fundraising and publicity).
- Expenditure incurred in the governance of YHA. This includes internal and external audit costs, chief executive costs and similar governance costs.

Staff costs

A range of benefits are provided to employees, including paid holiday arrangements and defined benefit and or defined contribution pension plans. Short term benefits including holiday pay and other similar costs are recognised as an expense in the period in which the service is received.

4 Principal accounting policies (continued)

Redundancy and termination payments

All redundancy and termination payments, including ex-gratia payments and amounts in lieu of notice are charged or accrued as incurred.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions.

Provisions for liabilities

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in the SOFA in the period it arises.

The group recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employers are entitled to carry forward and use within the next 12 months. The provision is measured at the salary cost payable for the period of absence.

Financial instruments

Financial liabilities are classified according to the substance of their governing contractual arrangements.

Where the contractual obligations of financial instruments are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the statement of financial activities. Finance costs are calculated so

4 Principal accounting policies (continued)

as to produce a constant rate of return on the outstanding liability. Financial liabilities are initially recognised at fair value then subsequently at amortised cost using the effective interest method.

Stocks

Stocks are stated at the lower of cost using the first in, first out method and net realisable value.

Leases

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

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

Rentals payable under operating leases are charged to the SOFA on a straight-line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the group recognises annual rent expense equal to amounts owed to the lessor.

The aggregate benefit of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight-line basis.

Retirement benefits

Defined contribution group personal pension schemes

Contributions payable to the schemes in respect of each accounting period are included in the statement of financial activities in that period.

Defined benefit pension scheme (closed)

The scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the attained age method on the basis of triennial valuations and are discounted at appropriate high-quality corporate bond rates. The net surplus or deficit is presented separately from other net assets on the balance sheet. A net surplus would only be recognised to the extent that it is recoverable by the group.

The current service cost and costs from settlements and curtailments are included in the statement of financial activities. Past service costs are spread over the period until the benefit increases. The difference between interest on the scheme liabilities and the expected

4 Principal accounting policies (continued)

return on scheme assets is included in interest payable or investment income as appropriate. Actuarial gains and losses are reported in the consolidated statement of financial activities.

Multi-employer defined benefit scheme

YHA participates in a multi-employer scheme, administered by The Pensions Trust, which provides benefits for 854 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for YHA to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, YHA accounts for the scheme as a defined contribution scheme. The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore, the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

Where the scheme is in deficit and where YHA has agreed to a deficit funding arrangement, YHA recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Gift aid payment to parent charity

The trading company pays all its taxable profits for the year to its parent charity under the gift aid scheme. These gift aid payments are recognised as distributions to owners in equity within retained earnings.

At the reporting date the Board had indicated its intention to pay the taxable profits to the parent charity in respect of the reporting period. The payment is expected to be made within nine months of the end of the reporting date.

The company previously recognised gift aid payments in the income statement in the year that profits arose. The company has changed its accounting policy as a result of The Financial Reporting Council clarifying the accounting treatment for such payments in its triennial review of FRS 102.

The change in accounting policy for gift aid payments results in the company recognising a taxation charge on its profits for the year. However, the application of the exception under paragraph 29.14A of FRS 102 provides relief in respect of the accounting for the tax charge. This results in an overall £nil charge for tax in the income statement. This exception is only applicable as it is probable that the gift aid payment will be made by the company to the parent charity within nine months of the reporting date.

5 Grants and contracts

	2022 Restricted Funds (Capital) £'000	2022 Restricted Funds (Other) £'000	Total 2022 £'000	Total 2021 £'000
COVID-19 related grants	—	**3,700**	**3,700**	2,421
Other grants	—	**2,014**	**2,014**	85
Grants receivable in the year	—	**5,714**	**5,714**	2,506

All grants receivable in the year related to restricted funds (see note 25).

During the year grants totalling £3,700,000 (2021: £2,421,000) were received to support the charity throughout the COVID-19 pandemic of which £2,093,000 (2021: £1,464,000) related to business and hospitality support grants from Local Authorities.

This funding was supplemented by support from the National Lottery Cultural Recovery Fund with £1,465,000 being received in the year. Other grants were received from the Wales Third Sector Resilience Fund (£75,000), Moondance (£49,000) and the Welsh Government (£20,000). All grants were gratefully received in the year and these have really helped to provide much needed financial support in these very challenging times.

Other grants received in the year amounted to £2,014,000 with the majority being provided by the Heritage Lottery Fund for our Generation Green project (£1,859,000). Other grants totalling £155,000 were received from a range of organisations including Sport England (£60,000), Kickstart funding (£56,000), North York Moors National Park Authority (£25,000) and Waitrose (£13,000).

6 Charitable income

	2022 £'000	2021 £'000
Income from operating youth hostels	**21,342**	10,598
Membership income received directly by the group	**976**	883
Total income from operating youth hostels	**22,318**	11,481

7 Investment income

	2022 £'000	2021 £'000
Listed stocks and shares	**21**	20
Cash and deposits	—	—
	21	20

8 Interest and financing costs

	2022 £'000	2021 £'000
Net pension cost	**109**	83
On bank loans, overdrafts and other loans	**1,504**	1,296
Financing costs amortised	**87**	70
Finance charges in respect of finance leases	**3**	5
	1,703	1,454

Interest payable is included within other direct costs (see note 9).

9 Total expenditure

Due to the structure of YHA it is considered that any allocation of support costs from costs of operating youth hostels would be immaterial.

	Direct Staff Costs £'000	Other Direct Costs £'000	Deprec'n £'000	Total 2022 £'000	Total 2021 £'000
Costs of operating youth hostels	**17,896**	**17,869**	**5,484**	**41,249**	38,351
Costs of operating YHA Trading Ltd	**1,222**	**1,873**	**—**	**3,095**	1,829
Other fundraising costs	**237**	**168**	**—**	**405**	301
Other costs — governance costs	**—**	**148**	**—**	**148**	144
Total expenditure	**19,355**	**20,058**	**5,484**	**44,897**	40,625

9 Total expenditure (continued)

	Total 2022 £'000	Total 2021 £'000
Depreciation comprises:		
Depreciation on owned tangible assets	**5,181**	4,864
Depreciation on owned intangible assets	**288**	284
Depreciation on tangible assets held under finance lease	**15**	15
	5,484	5,163
Other direct costs comprise:		
Repairs and maintenance of buildings — ongoing	**3,499**	2,540
Repairs and maintenance of buildings — dilapidation provision	**285**	100
Fuel, heat and light	**1,893**	1,432
Food and beverage costs	**1,667**	838
Activity and transport providers	**198**	77
Restructuring costs (including redundancy)	**229**	1,167
Travel	**466**	426
Communication costs	**420**	459
Cleaning and laundry	**1,368**	822
Interest payable	**1,703**	1,454
Marketing and publications	**541**	385
Insurance	**444**	498
Auditors' remuneration — non-audit services taxation (inc.IXBRL)	**7**	5
Operating lease rentals — land and buildings	**2,134**	2,011
Operating lease rentals — fixtures & fittings	**380**	492
Other direct costs	**4,770**	2,626
	20,058	15,380

10 Trustees and employees

All Directors are Trustees and all Trustees are Directors.

	Group	
	2022 £'000	2021 £'000
Staff costs during the year were as follows:		
Wages and salaries	**15,807**	17,061
Social security costs	**1,244**	1,292
Other pension costs	**888**	909
Redundancy costs	**229**	1,167
	18,168	20,429

10 Trustees and employees (continued)

The average number of employees of YHA during the year was 825 (2021: 977).

The full-time equivalent number of employees was 525 (2021: 632).

The chief executive is the highest paid employee and is not a Trustee of the organisation. His annual remuneration, including benefits in kind, in 2021/22 was £131,609 per annum (2020/21: £134,641). The Board of Trustees neither received nor waived any emoluments during the year (2021: £nil).

The redundancy costs includes £6,481 (2021: £42,585) in respect of ex-gratia payments agreed under the termination of employment.

The number of other staff whose total emoluments for the year exceeded £60,000 was as follows:

	2022	2021
£60,000 - £69,999	**6**	7
£70,000 - £79,999	**3**	—
£80,000 - £89,999	**—**	1
£90,000 - £99,999	**1**	2
£100,000 - £109,999	**1**	2
£110,000 - £119,999	**1**	—
£120,000 - £129,999	**—**	—
£130,000 - £139,999	**1**	1

YHA made payments totalling £43,439 (2021: £46,122) into defined contribution schemes for 13 (2021: 13) of these employees.

Out of pocket expenses were reimbursed to Trustees as follows:

	2022 Number	2021 Number	**2022 £'000**	2021 £'000
Travel and attendance at meetings	4	5	**1**	1

During the year, no goods were purchased from companies in which Trustees held an interest. No amounts were owing to such companies at the end of the financial year.

The key management personnel of the parent charity, the Trust, comprised the Trustees, the chief executive, and four other executive directors. The total employee benefits of these key management personnel of YHA was £543,970 (2021: £660,060).

The remuneration of the key management personnel is determined by the Board's Remunerations Committee. In determining this, the Committee makes use of external consultations and comparisons to ensure that the pay and emoluments of YHA staff are fair in value to those having similar responsibilities and circumstances in organisations in the not for profit and commercial sectors. Salaries are set at the lower quartile of recognised industry wide benchmark surveys.

The chief executive used payroll giving to make charitable donations to YHA totalling £8,545 in the year.

11 Charitable company results

The charitable company has taken advantage of Section 408 of the Companies Act 2006 and has not included its own income and expenditure account in these financial statements. The results of YHA are summarised below:

	2022 £'000	2021 £'000
Total income	**31,885**	24,240
Total expenditure	**(41,802)**	(38,796)
Net (expenditure)	**(9,917)**	(14,556)
Net investments gains	**31**	84
Net (expenditure)	**(9,886)**	(14,472)

During the year the charitable company received a gift aid donation amounting to £194,000 (2021: £1,579,000) from its trading subsidiary.

12 Tangible fixed assets (group and company)

	Freehold L&B £'000	**Long Leasehold L&B £'000**	**Short Leasehold L&B £'000**	**Fixtures, Fitting & Equipment £'000**	**Assets Under Construction £'000**	**Total £'000**
Cost						
At 1 March 2021	85,630	31,853	21,342	20,072	1,025	159,922
Transfers	18	24	—	8	(50)	—
Additions	602	233	195	40	588	1,658
Disposals	(7,358)	(399)	(118)	(326)	—	(8,201)
At 28 February 2022	78,892	31,711	21,419	19,794	1,563	153,379
Depreciation						
At 1 March 2021	25,809	9,865	13,730	16,000	—	65,404
Provided in the year	2,544	1,013	716	923	—	5,196
Disposals	(1,389)	(393)	(118)	(243)	—	(2,143)
At 28 February 2022	26,964	10,485	14,328	16,680	—	68,457
Net book amount At 28 February 2022	**51,928**	**21,226**	**7,091**	**3,114**	**1,563**	**84,922**
At 29 February 2021	59,821	21,988	7,612	4,072	1,025	94,518

12 Tangible fixed assets (group and company) (continued)

All tangible fixed assets were used for charitable purposes.

The net book amounts stated above include fixtures, fittings and equipment held under finance leases and similar hire purchase contracts of £nil (2021: £nil) and freehold property held under finance leases and similar hire purchase contracts of £955,000 (2021: £970,000).

Depreciation of assets held under finance leases and similar hire purchase contracts was £nil (2021: £nil) on fixtures, fittings and equipment and £15,000 (2021: £15,000) on freehold property.

Land values were increased on transition to FRS 102 in 2016 to reflect fair market value. A post year-end review of these values based on valuations received as part of the refinancing exercise in 2017 found no reason to amend these values.

13 Intangible fixed assets (group and company)

	Fixtures, Fitting & Equipment	Assets Under Construction	Total £'000
Cost			
At 1 March 2021	1,151	87	1,238
Transfer	—	—	—
Additions	—	153	153
At 28 February 2022	1,151	240	1,391
Depreciation			
At 1 March 2021	612	—	612
Provided in the year	288	—	288
At 28 February 2022	900	—	900
Net book amount			
At 28 February 2022	**251**	**240**	**491**
At 29 February 2021	539	87	626

The depreciation for fixtures, fittings and equipment is reported under depreciation on owned intangible assets under note 9.

14 Fixed asset investments

Total fixed asset investments comprise:

	Group		Company	
	2022 £'000	2021 £'000	**2022 £'000**	2021 £'000
Interest in group undertakings	—	—	**1**	1
Other fixed asset investments	**1,075**	1,044	**1,075**	1,044
Market value at 28 February 2022	**1,075**	1,044	**1,076**	1,045

Interests in group undertaking

At 28 February 2022 the charitable company held 100% of the allotted share capital of the following:

	Country of incorporation	Class of share capital held	Company number	Capital and reserves £	Result for the financial period £
YHA Trading Limited	England and Wales	Ordinary shares	05373368	100	581,546

	£'000
YHA Trading Limited	
Turnover	3,676
Expenditure	(3,095)
Result for the period before tax	**581**

Other fixed asset investments

	Group and Company £'000
Market value as at 1 March 2021	1,044
Additions	228
Disposals	(259)
Realised gain	28
Unrealised loss	34
Market value at 28 February 2022	**1,075**

14 Fixed asset investments (continued)

At 28 February 2022 the other fixed asset investments were held as follows:

	2022 £'000	2021 £'000
Listed stocks and shares	**1,026**	1,014
Cash	**49**	30
Market value at 28 February 2022	**1,075**	1,044

There were no specific investments that represented more than 5% of the portfolio by market value:

15 Stocks

Group and company

	2022 £'000	2021 £'000
Goods for resale	**174**	94

16 Debtors

Group and company

	2022 £'000	2021 £'000
Trade debtors	**259**	171
Prepayments and accrued income	**657**	407
Other debtors	**1,967**	1,574
	2,883	2,152

17 Creditors: amounts falling due within one year

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Bank loans	—	52,371	—	52,371
Other loans	—	3	—	3
Trade creditors	**2,494**	1,212	**2,494**	1,212
Amounts due to group undertakings	—	—	**399**	11
Social security and other taxes	**943**	423	**943**	423
Other creditors	**777**	895	**777**	895
Accruals	**2,396**	1,907	**2,396**	1,907
Deferred income (note 18)	**6,474**	2,153	**6,474**	2,153
Amounts due under finance leases	**123**	118	**123**	118
	13,207	59,082	**13,606**	59,093

18 Deferred income

Group and company

	2022 £'000	2021 £'000
At 1 March 2021	**3,551**	9,207
Released during year	**(3,551)**	(9,207)
Deferred during year	**6,802**	3,551
At 28 February 2022	**6,802**	3,551
The deferred income consists of:		
Advance bookings	**6,721**	3,459
Un-allocated cash receipts	**81**	92
	6,802	3,551
Creditors: amounts falling due within one year	**6,474**	2,153
Creditors: amounts falling due after more than one year	**328**	1,398
	6,802	3,551

19 Creditors: amounts falling due after more than one year

Group and company

	2022 £'000	2021 £'000
Bank loans	**62,150**	7,075
Other loans	**25**	19
Amounts due under finance leases	**130**	253
Deferred income	**328**	1,398
Other amounts	**65**	69
	62,698	8,814

20 Provision for liabilities

	General provisions £'000	Dilapidation provision £'000	Total provisions £'000
Balance at 1 March 2021	59	1,174	1,233
Released during the year	(59)	—	(59)
Arising in the year	189	285	474
Balance at 28 February 2022	**189**	**1,459**	**1,648**

The general provision includes the holiday balances accrued as a result of services rendered in the current period and which employees are entitled to carry forward.

The dilapidations provision represents obligations for rented properties which are due for renewal in the next 3 years. £854,000 of the provision (2021: £854,000) relates to YHA London St Pauls.

21 Borrowings

Borrowings are repayable as follows:

Group and company 2022

	Within one year £'000	After one year and within two years £'000	After two years and within five years £'000	After five years £'000	Total £'000
Bank loans	—	62,150	—	—	**62,150**
Other loans	—	25	—	—	**25**
Finance leases	123	130	—	—	**253**
Total borrowing	123	62,305	—	—	**62,428**
Cash at bank and in hand					**(11,334)**
Net borrowings					**51,094**

Group and company 2021

	Within one year £'000	After one year and within two years £'000	After two years and within five years £'000	After five years £'000	Total £'000
Bank loans	52,371	7,075	—	—	59,446
Other loans	3	19	—	—	22
Finance leases	118	123	130	—	371
Total borrowing	52,492	7,217	130	—	59,839
Cash at bank and in hand					(4,134)
Net borrowings					55,705

Negotiations were concluded within the year to extend the HSBC bank loan to November 2023. Given the nature of the changes to some of the terms, including margin rates, and other restrictions it was considered a significant modification of debt when assessed under the FRS102 accounting standard. Consequently, the transaction has been accounted for by the derecognition of the original loan and the recognition of a new loan.

The bank loans are secured by fixed charges over certain properties of YHA and a floating charge over all the assets of YHA. Interest (excluding margin) is charged at variable rates. There are no repayments due on the loan until the loan matures on 24 November 2023.

YHA Trading Limited acts as a guarantor for the HSBC bank loan.

22 Financial instruments

Group

	2022 £'000	2021 £'000
Financial assets measured at amortised cost		
Trade debtors	**259**	171
Other debtors	**1,967**	1,574
Cash	**11,334**	4,134
	13,560	5,879

	2022 £'000	2021 £'000
Financial liabilities measured at amortised cost		
Bank loans	**62,150**	59,446
Other loans	**25**	22
Trade creditors	**2,494**	1,212
Accruals	**2,396**	1,907
Amounts due under finance leases	**253**	371
	67,318	62,958

23 Retirement benefits

Group and company

Historically YHA has operated a number of different Pensions Schemes:

A final salary defined benefit scheme administered by the Pensions Trust. This scheme is now closed but the residual liabilities of this scheme are disclosed within our accounts in line with FRS17 definitions.

YHA employees also had the opportunity to join the Pensions Trust Growth Plan. This is a multi-employer scheme which has progressed through four versions (or Series).

Although set up as defined contribution schemes, because of the guaranteed benefits they offered, Series 1 and 2 have subsequently been deemed to be defined benefit schemes. Series 3 which carried a guarantee that the value of investments would not fall, has also now been re-classified as a defined benefit scheme. Only Series 4 can be classified as a defined contribution scheme. Although Series 1 to 3 are defined benefit schemes as defined within FRS17, YHA is unable to identify its share of the underlying assets and liabilities of the schemes. Accordingly, the contributions have been accounted for as if they were defined contribution schemes.

YHA operates a defined contribution scheme administered by Scottish Widows as well as the auto enrolment pension scheme for all new employees (and for those existing employees who were not members of either the Growth Plan or the defined contribution scheme). All auto enrolment contributions are paid into the Peoples Pension administered by B&CE.

23 Retirement benefits (continued)

Defined benefit pension scheme

YHA operated a defined benefit pension scheme for the benefit of staff. The assets of the scheme are administered by Trustees in funds independent from those of YHA and its subsidiary undertaking.

Pension costs are assessed, on a triennial basis and in accordance with the advice of a qualified actuary using the projected unit method. The assumptions, which have had the most significant effect on the results of this year's valuation are those relating to the assumed discount rate used to value the scheme's liabilities, the rate of return on investments and the rates of increase in salaries and pensions.

In order to minimise future liabilities, the scheme was closed to new entrants at 31 December 2002, and to future accrual from 31 December 2011.

A full actuarial valuation was carried out at September 2020, which showed that the value of those assets was sufficient to cover 74% of the benefits that had accrued to members, after allowing for expected future increases in earnings.

Pension cost

The charge for the year was as follows:

	2022 £'000	2021 £'000
Defined benefit scheme — expenses	**93**	93
Defined contribution pension schemes	**420**	450
Multi-employer defined benefit scheme	**468**	459
	981	1,002

Included within the multi-employer defined benefit scheme contributions above are amounts of £351,977 (2021: £341,724) relating to additional contributions as part of the recovery plan agreed with the Pension Trust.

The above charge is exclusive of top up contributions for the final salary pension scheme of £461,063 (2021: £447,634).

In accordance with FRS 102 the net pension liability of the defined benefit scheme is included on the balance sheet of YHA. The most recent actuarial valuation of the scheme has been updated by an independent qualified actuary, taking account of the requirements of FRS102 to assess the liabilities of the scheme at 28 February 2022. Scheme assets are stated at their market value.

23 Retirement benefits (continued)

The principal assumptions used by the actuary were:

	2022	2021	2020
Inflation CPI	**3.3%**	2.9%	1.9%
Rate of increase in salaries	**3.6%**	3.2%	3.9%
Rate of increase of pensions	**3.1%**	2.9%	2.0%
Rate of increase for deferred pensions	**3.6%**	3.2%	2.9%
Discount rate	**2.6%**	2.1%	1.8%

The post-retirement mortality assumptions used to value the liability at 28 February 2022 is based on the SAPS table S3PXA (all pensioners — Pensions Amounts) with a scaling factor of 0% (pre-retirement) and 114% (post-retirement) projected using CMI-2021 improvements with a 1.5% pa long term improvement rate for males and a 1.25% long term improvement rate for females.

The life expectancy of a male member reaching age 65 in 2042 is projected to be 23 years (2021: 22.8 years) compared to 21.3 years (2021 21.2 years) for someone reaching 65 in 2022. The life expectancy of a female member reaching age 65 in 2042 is projected to be 25.2 years (2021: 25.1 years) compared to 23.8 years (2021: 23.6 years) for someone reaching 65 in 2022.

The split of assets in the scheme and the expected long-term rates of return were:

	2022 value £'000	2021 value £'000	2020 value £'000
Equities	**2,656**	2,188	2,357
Bonds	**4,945**	7,027	6,053
Property	**1,977**	1,071	1,056
LDI	**8,312**	6,359	7,524
Other	**7,170**	6,963	6,373
Total market value of assets	**25,060**	23,608	23,363
Present value of scheme liabilities	**(28,166)**	(29,010)	(28,238)
Net pension liability	**(3,106)**	(5,402)	(4,875)

The rate of return for 2022 is equal to 2.6% (2021: 3.7%). Under FRS 102 the rate of return is not split between the assets of the scheme.

23 Retirement benefits (continued)

The movement in the deficit in the year, included in the financial statements, was as follows:

	2022 £'000	2021 £'000
Contributions	**93**	93
Additional contributions	**351**	232
	444	325
Net contributions less expenses of the scheme	**(83)**	(91)
Expected return on pension scheme assets	**489**	406
Interest on pension scheme liability	**(598)**	(489)
	252	151
Actuarial gain/(loss) (see below)	**2,044**	(678)
	2,296	(527)
Deficit in scheme at beginning of year	**(5,402)**	(4,875)
Deficit in scheme at end of year	**(3,106)**	(5,402)
Actual return less expected return on pension scheme assets	**1,641**	159
Experience gains and losses arising on the scheme liabilities	**(150)**	(345)
Changes in the assumptions underlying the present value of the scheme liabilities	**553**	(492)
Actuarial gain/(loss)	**2,044**	(678)

The net of the expected returns on pension scheme assets and interest on pension scheme liabilities of £109,000 (2021: £83,000) is shown in interest payable. Changes in the present value of the defined benefit obligation are as follows:

	2022 £'000	2021 £'000
Opening defined benefit obligation at 1 March	**29,010**	28,238
Interest cost	**598**	489
Actuarial losses	**(403)**	837
Benefits paid	**(1,039)**	(554)
Closing defined benefit obligation at 28 February	**28,166**	29,010

Changes in the fair value of plan assets are as follows:

	2022 £'000	2021 £'000
Opening fair value of scheme assets at 1 March	**23,608**	23,363
Expected return	**489**	406
Expenses	**(83)**	(91)
Actuarial gains	**1,641**	159
Employer contributions	**444**	325
Benefits paid	**(1,039)**	(554)
Closing fair value of scheme assets at 28 February	**25,060**	23,608

23 Retirement benefits (continued)

	2022 £'000	2021 £'000	2020 £'000	2019 £'000	2018 £'000
Fair value of scheme assets at 28 February	**25,060**	23,608	23,363	20,334	20,496
Present value of defined benefit obligation at 28 February	**(28,166)**	(29,010)	(28,238)	(25,229)	(25,457)
Deficit in the scheme	**(3,106)**	(5,402)	(4,875)	(4,895)	(4,961)
Experience adjustments on scheme assets	**1,641**	159	3,173	(276)	197
Experience adjustments on scheme liabilities	**(150)**	(345)	34	191	157

Multi-employer defined benefit scheme

Under the definition set out in FRS 102, the Pensions Trust Growth Plan Series 1, 2 and 3 are multi-employer pension schemes. YHA is unable to identify its share of the underlying assets and liabilities of the schemes. Accordingly, the contributions have been accounted for as if they were defined contribution schemes. Schemes 1 and 2 closed to new members in 2001, members of scheme 3 have the opportunity to remain in the scheme or join the Scottish Widows defined contribution scheme. The last actuarial valuation concluded and published by the Pensions Trust was at 30 September 2020. The assets and liabilities and comparison to the previous triennial valuation in September 2017 were as follows:

	30 September 2020 million £	30 September 2017 million £
Assets	**800.3**	794.9
Present value of liabilities	**(831.9)**	(926.4)
Deficit	**(31.6)**	(131.5)

The assumptions that had the most significant effect on the valuation were as follows:

	30 September 2020	30 September 2017
Financial assumptions		
Market implied inflation	**3.15%**	3.4%
Long term gilt yield	**0.67%**	1.8%
Discount rates		
Pre-retirement rate	**—**	3.1%
Post retirement rate	**—**	2.3%
Inflation		
RPI	**3.2%**	3.4%
CPI	**2.3%**	2.5%

23 Retirement benefits (continued)

The discount rate assumption used in the valuation process has been revised and no longer has a separate rate for pre and post retirement. The discount rate is now based on the initial rate of gilt yield curve plus 1.23% p.a. at the valuation date tapering to gilt curve plus 0.5% p.a. over a period of 10 years.

The deficit of £31.6 million represents a funding level of 96.2%. At the 2011 valuation the Trustees put in place a recovery plan with the aim of eliminating this deficit via a combination of additional contributions from employers and investment returns over a period of 10 years from 1 April 2013. As a result of the 2014 valuation the recovery plan had been extended by 2 years and 5 months until 31 August 2025. However under the 2017 valuation this repayment period reduced to 31 January 2025. Whilst the deficit liability has reduced under the 2020 valuation it was agreed to retain the repayment period at the 31 January 2025 timeframe but to reduce the annual deficit payments according.

The Pensions Trust had previously notified YHA that the additional contributions required from YHA (England and Wales) from 1 April 2013 would be £385,220 rising by 3% per year. This was subsequently revised from 1 April 2016 to £403,318 and then from 1 April 2019 to £436,021. Under the 2020 valuation the annual deficit payment is £133,333.

Multi-employer Pension Scheme liability

	2022 £'000	2021 £'000
Balance at 1 March	**1,866**	2,278
Paid in the year	**(461)**	(448)
Interest expense	**9**	21
(Decrease)/increase in liability	**(1,008)**	15
Balance at 28 February	**406**	1,866

We have been notified by the Trustee of our Schemes that it has performed a review of the changes made to the benefits of both the defined benefit and multi- employer defined benefit schemes over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. This process is ongoing, and the matter is unlikely to be resolved before the end of 2024 at the earliest. It is recognised that this could potentially impact the value of Scheme's liabilities, but until Court directions are received, it is not possible to calculate the impact of this issue with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.

24 Endowments

Group and company

	At 1 March 2021 £'000	Realised gain £'000	Unrealised loss £'000	**At 28 February 2022 £'000**
Wilderhope Funds	138	4	—	**142**
Richards bequest	429	13	(3)	**439**
Peter Grant Fund	84	3	—	**87**
Peter Grant Endowment Fund	106	3	(1)	**108**
Merseyside YH Golden Jubilee Trust	142	—	8	**150**
	899	23	4	**926**
Expendable endowments	145	5	(1)	**149**
	1,044	28	3	**1,075**

The Wilderhope Manor Fund and the Wilderhope Fund were created to provide financial support for the continuing use of Wilderhope Manor as a youth hostel.

The Richards Bequest generates income to pay for providing "various equipment for inside and outside sports & games, and material for handicrafts".

The Peter Grant funds were given to generate income for the maintenance of our hostels, (the endowment fund) and to give disadvantaged youngsters the opportunity to experience YHA.

The Merseyside Youth Hostel Golden Jubilee Trust endowment provides assistance, financial or otherwise to "enable needy or disabled young persons to enjoy the benefits of youth hostelling activities".

Also included in the company are investments in YHA Trading Limited of £100.

25 Restricted funds

Group and company

	At 1 March 2021 £'000	Incoming resources £'000	Expenditure £'000	Transfers to/from unrestricted fund £'000	**At 28 February 2022 £'000**
Breaks/Project 90 fund	400	266	(184)	—	**482**
Small hostels fund	357	173	(66)	—	**465**
Capital grants and donations	3,291	—	(112)	—	**3,179**
Revenue grants and donations	98	7,512	(7,589)	—	**21**
Other	199	21	(44)	—	**175**
	4,345	7,972	(7,995)	—	**4,322**

25 Restricted funds (continued)

	2022 £'000	2021 £'000
Restricted funds (capital)	**3,179**	3,291
Restricted funds (other)	**1,143**	1,054
	4,322	4,345

The breaks programmes fund (formerly Breaks4Kids) has been a long-standing fundraising appeal designed to give financial support to groups of disadvantaged youngsters and provide the opportunity of a stay with YHA. In 2019/20 we extended this project to expand the scope of the scheme to cover a wider group of disadvantaged young people and families as part of our 90th anniversary celebrations. Fortunately with the lifting of some of the COVID-19 restrictions we were able to deliver a number of stays this year.

The small hostels fund is supplemented by donations and legacies from people wishing to support the maintenance and development of YHA's small rural hostels. Donations of £173,000 the majority of which related to a legacy of £171,000 (2021: £5,000) were gratefully received in the year with £66,000 being spent from the fund this year to support the refurbishment of a number of hostels throughout the network.

During the year no capital grants (2021: £2,000) were received.

26 Analysis of net assets between funds

Group

	Unrestricted Funds £'000	**Realised Funds £'000**	**Endowment Funds £'000**	**2022 Total £'000**
Tangible fixed assets	81,743	3,179	—	**84,922**
Intangible fixed assets	491	—	—	**491**
Investments	—	—	1,075	**1,075**
Current assets	13,248	1,143	—	**14,391**
Current liabilities	(13,207)	—	—	**(13,207)**
Long term liabilities	(64,346)	—	—	**(64,346)**
Pension liability — Defined benefit	(3,106)	—	—	**(3,106)**
— Multi-employer	(406)	—	—	**(406)**
	14,417	4,322	1,075	**19,814**

26 Analysis of net assets between funds (continued)

Company

	Unrestricted Funds £'000	Realised Funds £'000	Endowment Funds £'000	2022 Total £'000
Tangible fixed assets	81,743	3,179	—	**84,922**
Intangible fixed assets	491	—	—	**491**
Investments	—	—	1,076	**1,076**
Current assets	13,248	1,143	—	**14,391**
Current liabilities	(13,606)	—	—	**(13,606)**
Long term liabilities	(64,346)	—	—	**(64,346)**
Pension liability — Defined benefit	(3,106)	—	—	**(3,106)**
— Multi-employer	(406)	—	—	**(406)**
	14,018	4,322	1,076	**19,416**

27 Reconciliation of changes in resources to net cash inflow from operating activities

	2022 £'000	2021 £'000
Net expenditure for the reporting period (as per the statement of financial activities)	**(9,305)**	(14,278)
Adjustments for:		
Depreciation	**5,484**	5,163
Pension contributions to reduce liabilities	**(1,011)**	(591)
Pension cost expenses non cash	**83**	91
Pension net interest non cash	**109**	83
Borrowings — non cash items (amortisation)	**87**	70
Gains on investments	**(31)**	(84)
Gains on sale of tangible fixed assets	**(332)**	(210)
Interest charge	**1,594**	1,371
Investment income — cash element	**(21)**	(20)
(Increase)/decrease in stock	**(80)**	257
Decrease/(increase) in debtors	**(731)**	204
Increase/(decrease) in creditors	**5,271**	(7,400)
Increase in provisions	**415**	117
Net cash provided by/ (used in) operating activities	**1,532**	(15,227)

28 Analysis of cash and cash equivalents

	2022 £'000	2021 £'000
Cash in hand	**11,334**	4,134

29 Reconciliation of net cash outflow to movement in net debt

	Group 2022 £'000	Group 2021 £'000
Increase in cash	**7,200**	1,576
Cash outflow from movement in debt and lease financing	**(2,766)**	(19,001)
Change in net debt resulting from cashflows	**4,434**	(17,425)
Non cash changes	**177**	(72)
Movement in net debt	**4,611**	(17,497)
Net debt at 1 March	**(55,705)**	(38,208)
Net debt at 28 February	**(51,094)**	(55,705)

30 Analysis of changes in net debt

	At 1 March 2021 £'000	Cash flows £'000	Non-cash changes £'000	At 28 February 2022 £'000
Cash in hand and at bank	4,134	7,200	—	**11,334**
Debt within one year	(52,374)	24,928	27,446	—
Debt after more than one year	(7,094)	(27,812)	(27,269)	**(62,175)**
Finance leases	(371)	118	—	**(253)**
	(55,705)	4,434	177	**(51,094)**
Cash in hand and at bank	4,134	7,200	—	**11,334**
Total borrowing & finance leases	(59,839)	(2,766)	177	**(62,428)**
	(55,705)	4,434	177	**(51,094)**

31 Capital commitments

	2022 £'000	2021 £'000
Contracted for but not provided for in these financial statements	**470**	—

Capital commitments are included for any remaining expenditure required to complete major projects. This is intended to reflect YHA's commercial intent and any material commitments to full completion of these projects and may be in excess of the contractually binding liability as at 28 February 2022.

32 Leasing commitments

Group and company

	2022		2021	
	Land and buildings £'000	**Other £'000**	Land and buildings £'000	Other £'000
In one year or less	**2,122**	**627**	2,118	514
Between one and five years	**8,527**	**166**	8,556	262
Between five and twenty-five years	**51,041**	**—**	51,168	—
Twenty-five years or more	**3,221,330**	**—**	3,288,843	—
	3,283,020	**793**	3,350,685	776

YHA holds leases on 13 properties beyond 25 years giving rise to a £3.2bn FRS 102 calculated liability. 97% of this calculated liability relates to commercial rent payable on a single property with 236 years of a 250-year term remaining. There is a break clause on this property in 17 years' time and every 35th anniversary thereafter which mitigates any risk to the charity.

33 Transactions with Trustees and other related parties

There were no transactions with Trustees other than those disclosed in note 10.

Other related party transactions for the year was limited to the procurement of services for the Outside Voices project from a consultancy owned by the spouse of one of the Executive Directors amounting to £1,023 (2021: £nil).

As YHA Trading Limited is a wholly-owned subsidiary of YHA, YHA is exempt from the requirements of FRS 102 to disclose transactions with this company.

34 Contingent land commitment

We have an agreement which would allow us to purchase land for development or onward sale, and we have until 1 November 2022 to take advantage of this option. This arrangement is subject to commercial sensitivity therefore the financial impact of this cannot be disclosed within this report.

We are YHA.

We transform young lives forever through travel and real adventure.

Because where you go changes who you become

stay | join | give | volunteer yha.org.uk

YHA (England & Wales), Trevelyan House, Dimple Road, Matlock, Derbyshire DE4 3YH Company No. 282555 Reg. Charity No. 306122

YHA (ENGLAND AND WALES)

England & Wales - Charity number 306122

Accounts

YHA (England and Wales)

Financial statements

For the year ended 28 February 2021

Company registration number: 282555
Charity registration number: 306122

Registered office: Trevelyan House
Dimple Road
Matlock
Derbyshire
DE4 3YH

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Report of the Trustees incorporating the Strategic Report

The Trustees, who are also Directors of YHA (England and Wales) ("YHA"), present their report together with financial statements for the year ended 28th February 2021.

The COVID-19 crisis began at the start of this reporting period and has had a major impact on the finances of the charity. However, the Trustees are confident that the underlying strength of the organisation and the proactive actions taken during the year on costs and liquidity, means we are well placed to weather this ongoing pandemic and remain focussed on the delivery of our 10-year strategy.

That Strategy 'Adventure: For the first time and a lifetime' was signed off by the YHA Board in February 2020 and combines five impact priorities with five enabling priorities that we need to deliver our ambitions for increased reach, income and diversity.

Those priorities have been reviewed by the Board in the light of the COVID-19 crisis and whilst the current financial implications will impact on the speed and scale of implementation, the impact priorities remain more relevant than ever as we emerge from restrictions.

Ahead of the crisis, the year ended 29th February 2020 was our best ever year for turnover. We also reached over 1 million people, over 400,000 of whom were children and young people – increases of over 5% on the previous year – a major step towards our stated intent of being a leading youth charity.

This year was a very different picture as our network of 153 hostel closed on 23rd March in line with the first national lockdown, reopening within the constraints of the Government guidelines on 17th July before entering the second and third lockdowns in November and January.

The guidelines in place whilst we were open did have a major impact on hostels and the number of beds on sale, but we were still able to welcome 103,536 guests of whom 29,997 (29%) were children and young people.

Financially the pandemic had a huge impact on YHA's finances, with our hostel income down c£43m or 82% on last year's levels. However, with a combination of central and local cost savings, maximising the use of Government grants and the furlough scheme, finding new sources of income through repurposing hostels and developing fundraising, we were able to offset this by some £32m, meaning that the overall deficit was limited to £11m.

Charitable objects

The principal objective set out in the Articles of Association of YHA is "to help all, especially young people of limited means, to a greater knowledge, love and care of the countryside and appreciation of the cultural values of towns and cities, particularly by providing Youth Hostels or other accommodation for them in their travels, and thus to promote their health, recreation and education".

Mission and Vision

The COVID-19 crisis has put into sharp focus people's need for connectedness — with other people and places, with nature, the outdoors, culture and heritage. YHA's vision and mission highlights the unique contribution the organisation can make to the recovery of society and to the common good.

Our Vision: Everyone has access to the benefits of adventure, for the first time and a lifetime.

By 2030, every child is able to stay away from home, to travel, experience adventure and access outdoors, nature, culture and heritage. YHA will work with others to end the inequality that means some children have never been to a beach, visited a museum or rolled down a hill.

Our Mission: To enrich the lives of all, especially young people, by providing brilliant hostel stays and experiences that improve physical health, mental wellbeing and life skills.

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Report of the Trustees incorporating the Strategic Report

Public benefit statement

Our Trustees give careful consideration to the Charity Commission's general guidance on public benefit during our planning processes and delivery of our work.

As a leading youth charity, YHA's purpose is to harness the transformative power of travel, adventure, and discovery for young people. It seeks to create an environment that offers everyone opportunities to explore, learn, share and grow, in ways which are appropriate to their characteristics and circumstances.

YHA is set up to provide inspiring opportunities for young people with the principal belief that where you go changes who you become.

We recognise the importance of affordable travel to connect people to outdoors, nature, heritage and culture.

With more than 150 locations throughout England and Wales, YHA offers a unique range of affordable and accessible accommodation, including hostels, camping and cabins in rural, coastal and city locations, often benefitting from spectacular buildings or scenery.

In a normal year YHA encourages people to get involved through staying in one of its locations, on a school trip, a summer camp, as individuals or families, and through work experiences, volunteering, donating, or taking part in one of YHA's challenge events like the London Marathon.

Last year our ability to deliver these benefits was severely compromised by the COVID-19 crisis. Whilst we chose to reopen as much of the network as possible, the restrictions in place meant we had just under 30,000 young people staying with us instead of over 400,000 in 2019-2020. Instead of over a million people staying overnight with many using us as a base for day activities, walks and exploration, we managed to accommodate just over 100,000.

With the entire hostel network closed for recreational use on 23rd March, a specialist reservations task force was set up to find ways to repurpose our hostels to assist the national effort to support key workers, NHS staff and vulnerable people. With recreational stays prohibited, repurposing offered YHA an opportunity to make an impact. Across the organisation, we considered where the network could best support the needs of communities. Early on, we identified homeless people and women experiencing domestic abuse as people to whom we could offer real support and over the course of the year 47 of our hostels were repurposed at various times supporting 650 vulnerable people with c.47,000 overnight stays.

With in-person opportunities impossible during periods of lockdown, the charity found new ways to engage young people with volunteering. A partnership between Waltham Forest College and YHA has helped 38 first year travel and tourism students gain vital work experience over lockdown. The students set up their own YHA-focussed Instagram account to raise awareness of YHA amongst their peers. They also acted as secret shoppers, testing the website for ease of use and booking.

Prior to the pandemic, more than 1,000 young people a year volunteered in YHA hostels in order to learn new skills, boost their CVs, give something back and travel. To support young people to complete their Duke of Edinburgh Award during COVID-19, YHA has launched a number of virtual volunteering opportunities with roles in fundraising, videography, and social media. So far, over 100 DofE volunteers have completed or are completing projects including a 100-mile fundraising walk, a sponsored week of chores, a charity Twitch stream, and a TikTok video review of YHA hostels.

We were delighted towards the end of the year that Access Unlimited – the coalition of leading not for profit national outdoor residential charities which we lead – was successful in its bid for a £2.5m grant to the Government's Green Recovery Challenge Fund. This bid has allowed us to develop exciting plans for the 'Generation Green' programme which will see us increasing our reach to more disadvantaged young people, including through residential stays, volunteering and employment opportunities.

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Report of the Trustees incorporating the Strategic Report

More detail on the positive difference YHA makes, especially to the lives of young people, is regularly updated on the impact pages of the YHA website. We published our annual Impact Report covering the pre pandemic year to coincide with our first virtual AGM held in November 2020. In addition, in March 2021 we published "COVID stories" which chronicles YHA's journey from March 2020 to February 2021 and the contribution that YHA made to society through a devastating year.

STRATEGIC REPORT

Strategic review

Going into this year our new 10-year Strategy set clear priorities for the organisation.

Our Strategic Priorities
Impact priorities

1. Our top priority is to ensure that all means all, increasing the scale and breadth of our reach and ensuring that YHA is for everyone; **we will promote social inclusion and equity of access** with a particular focus on young people under 26 and by proactively targeting our efforts on those with challenging lives.
2. **We will increase access to stays away from home and improve connections to nature, outdoors, heritage and culture** – recognising that our hostel network provides unique opportunities for the many not just the few.
3. **We will improve physical and mental wellbeing** by providing activities and programmes and by supporting people to take their own action using our hostels as a base – both through overnight stays and as part of day visits.
4. **We will develop life skills and employability** through the development of the YHA Campus and YHA Curriculum; for our staff, volunteers, and the young people that we work with.
5. **We will contribute to social cohesion**. We will encourage different sectors of the community who visit us — both overnight and for day visits — to learn from and with each other. We are part of the sharing economy. We will make best use of our places and spaces, and our activities programme, to make stronger links to local communities.

Enabling priorities

6. **Maintain a viable network of quality hostels** – places and spaces – that matches our strategic ambitions.
7. **Deliver against a framework of industry standard benchmarks** that draws on the best quality models across charity, social enterprise, hospitality and work with young people. Work with transparency and with a focus on the experiences of our users – excelling in both digital and offline services.
8. Support growth by continuing to **generate an annual cash surplus** that supports our strategic intent, based on social enterprise principles.
9. Recognise that the risks to the environment and to the world and its population are a real and immediate threat by connecting people to nature. We will set a strong example - in how we use our assets and through our work with partners **we will help to improve the environment**.
10. **Build support for the hostelling cause** – drawing on our 90-year history to establish the importance of hostelling for all today; growing both the numbers of members but also how many members are active with YHA and leading the movement for those who support hostelling as a route to affordable travel and adventure.

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Report of the Trustees incorporating the Strategic Report

Business/Operating Plan 2020/23

Previously YHA has developed and agreed a new Business Plan every three years, and a separate one-year Operating Plan every year. Moving forward these will be combined into one Business/Operating plan that is reviewed and rolled forward annually, to aid more agile planning.

Going into the year we planned a series of workstreams that were set to be delivered over the next three years, complete with more specific and detailed quarterly milestones for the forthcoming financial year, with each project being linked to the 10 key strategic priorities.

Scale
- We will increase our focus on how groups can use our hostels – particularly schools and youth groups but also communities, groups of friends and those wanting to hire out entire hostels.
- We will develop our capital strategy to continue to ensure we have the right hostels, in the right places to the right standards.
- We will consider all of our potential income streams and ensure we have the best mix for a modern charity and thriving social enterprise.
- We will use our 90th Anniversary and launch of our 2020-2025 Strategy to reach new audiences, partners and profile.

Access
- We will diversify our governance, staff and users with an early focus on youth engagement and better understanding our current demographics.
- We will prioritise our user experience including looking at every stage of the user journey.
- We will increasingly look at how we use our hostels for both day visits and as part of their local community.
- We will develop our profile, presence and relationships in Wales.
- We will develop new programmes aimed at specific audiences including those with the most challenging lives.

Depth
- We will develop our member offer to encourage members to be even more involved with YHA at every level.
- We will better understand our estate and – while maintaining charity wide standards – look at how we can make the most of each hostel's unique characteristics.
- We will continue investment in IT and digital services with a particular focus on how these impacts on user experience and a lifelong journey with YHA.

Quality
- We are developing our programme offer – continuing to be the leading residential provider and offering an increasing range of high-quality activities that connect people to nature and outdoors, culture and heritage.
- We will develop the YHA Campus and Curriculum – expanding our volunteering offer and working to provide new work experiences, internships and routes to employment.
- We will develop and deliver a quality framework that draws on our hospitality excellence and benchmarks us against the best in the charity and hospitality sectors.

These plans were immediately revisited at the start of the COVID-19 crisis and targets reset against these priorities. The core of our plans were distilled to two key areas **Reboot** and **Renew.**

Reboot was, at its simplest form, how do we go from a closed network to reopen accommodation and activities, and having an impact again, in the safest possible way in the new climate.

The Government indicated the hospitality sector was expected to reopen from 4th July. As a charity with a duty of care to our supporters, beneficiaries, staff and partners, the situation compelled YHA to progress with caution and careful consideration — guarding against financial and reputational loss.

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Report of the Trustees incorporating the Strategic Report

In order to reopen, the executive set rigorous criteria. So long as the Government maintained that hostels could reopen, they would but only if:

- we were confident we could reopen safely.
- the public and our partners in the communities we are located were supportive.
- we could do so viably in a way that safeguards the charity for the future.

On 17th July, we began a phased reopening of selected properties. This was a mix of 34 hostels open for the sale of private rooms or Alternative Accommodation (camping, cabins) and the remainder available for Exclusive Hire. Sadly, Government guidance prevented the re-opening of dorm rooms or social spaces such as self-catering kitchens — unique and fundamental features of the hostelling experience. This meant many more hostels than usual could only open viably on the basis of Exclusive Hire, and at various times 47 of our hostels remained closed to support vulnerable people and accommodate key workers.

Notwithstanding this focus on reopening, we were still able to progress key projects within the original plan, including establishing YHA's first Youth Advisory Team with the objective of strengthening young people's voices in YHA decision making and governance; introducing an increased focused on lived experience in our Trustee recruitment process; developing work on Campus and Curriculum including new apprentice and volunteering roles and a new partnership with Kickstart; and progressing our emergent Wales strategy including securing funding for a Wales development role.

The **Renew** programme began in November 2020 and will run through 2021 and beyond. It is a programme of activity to enable YHA to recover from the pandemic in the best possible shape to deliver its mission and strategy in the years to come — the aim, to ensure YHA's future prosperity. It incorporates YHA's revised Business and Operating Plan, with a one-year plan agreed for the 2021-22 year.

During 2020-21 programme activity was principally focussed on work planning. Detail around what the programme involves is outlined in the future plans section of this report.

Performance review

	2021 £ million	2020 £ million	2019 £ million	2018 £ million
Hostel revenues	**13.6**	52.0	49.4	49.4
Hostel direct costs	**(14.4)**	(35.3)	(32.9)	(32.2)
Hostel surplus	**(0.8)**	16.7	16.5	17.2
Membership and fundraising income	**3.3**	2.7	2.2	2.2
Non hostel costs	**(8.4)**	(10.4)	(10.1)	(9.7)
(Deficit)/surplus before maintenance and investment	**(5.9)**	9.0	8.6	9.7
Current year maintenance and investment	**(3.7)**	(6.0)	(4.4)	(4.3)
Loan repayment and interest on previous investment	**(1.4)**	(1.5)	(1.4)	(1.3)
Operating (deficit)/surplus	**(11.0)**	1.5	2.8	4.1

The format of the above operating statement is presented in line with YHA's internal management accounts. The reporting highlights the operating cash (deficit)/surplus generated in a normal trading year to fund ongoing maintenance and investment in the hostel network. A reconciliation to the result shown in the statement of financial activities which include non-cash items such as depreciation, is shown on the next page.

The impact of the COVID-19 crisis is clear. Revenues of £13.6m were 74% less than previous year's trading. This figure would have been worse if not for the £3.1m of income from the repurposing of our hostels and £1.5m from the Local Authority grants available.

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The fact that this £38.4m reduction in income only resulted in a £11.0m operating deficit is testament to the work of the organisation to maximise available funding and grants whilst at the same time cutting costs wherever possible.

In doing this we also had to maintain enough of our core infrastructure to ensure that the charity can continue to deliver its strategy on a return to more normal trading conditions. So, whilst the governments furlough scheme helped us retain many more people than we otherwise might have been able to, we sadly lost 380 colleagues with eight voluntary redundancies. The vast majority of these were seasonal contracts in the hostel network but the total also includes some permanent posts as we look to gear the organisation for the future.

Our fundraising team had a particular busy year and net income was up £0.6m (22%) on last year's record levels.

The trading results set out on the previous page, reconcile to the results reported in the Statement of Financial Activities (SoFA), as follows:

	2021 £ million	2020 £ million	2019 £ million	2018 £ million
Net surplus per management accounts	**(11.0)**	1.5	2.8	4.1
Loan repayments	**0.1**	0.2	0.2	0.2
Capital investments	**0.9**	1.9	0.7	0.9
Depreciation	**(5.1)**	(5.4)	(4.9)	(4.7)
Profit on property sales after re-organisation costs	**0.2**	-	0.6	0.3
Capital grants	-	0.2	0.1	-
Non trading items*	**(0.1)**	(0.3)	(0.1)	(0.1)
Non actuarial pension and investment movement	**0.7**	0.6	0.5	0.6
Operating statement (deficit)/surplus	**(14.3)**	(1.3)	(0.1)	1.3

*Non trading items includes charges relating to refinancing 2021 (£0.1m) 2020 (£0.3m) 2019 (£0.2m) 2018 (£0.2m).

COVID-19 and going concern

These accounts cover the trading period from 1st March 2020 to 28th February 2021 and as such were impacted by the COVID -19 restrictions from their introduction in March, through their easing in the summer, before their re-introduction at the end of the year.

Even when we were able to open, the restrictions on the use of shared facilities, international quarantine requirements and the embargo on school group visits adversely impacted on the charity through reduced business levels.

In last year's financial statements, we noted that the adverse impacts of the pandemic on the charity were likely to continue into 2021 in the absence of a rapid successful vaccination programme. It is now clear that those impacts will continue into 2021-22.

The financial resilience built up previously by YHA enabled the charity to progress through the initial 2020 shutdown period utilising the existing banking facilities with HSBC. In July 2020 we were able to access £15m of funding from the Coronavirus Large Business Interruption Loan Scheme ("CLBILS") via HSBC. This loan supported our short-term cash requirements over the winter period and provided protection for YHA from a further sustained material downturn in demand as a result of ongoing restrictions over an additional 12-month period.

The CLBILS funding continues to provide protection from the restrictions still in place, with £6.0m remaining undrawn to provide protection over the winter of 2021/22. Further liquidity has been added in May 2021 through the sale of our Cardiff Hostel. This hostel had been repurposed during the pandemic to provide Cardiff Council with accommodation for the homeless and its sale to them will allow this to

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continue as well as releasing cash for YHA. We are actively considering options for further hostel sales should further cash headroom be needed.

Discussions are well advanced with HSBC for a two-year extension to our existing 5-year facility which is due to end on 24th November 2021. At the time of signing of these accounts draft Heads of Terms have been exchanged and formal credit approval has been requested, although no final decision by the bank has been made.

In this context, these financial statements have been prepared on a going concern basis taking note of the guidance issued by the Financial Reporting Council on Going Concern Assessments in determining that this is an appropriate basis of preparation of the financial statements.

The Trustees have reviewed forecasts to July 2022 as well as our longer-term projections to February 2024. Worst case scenarios were modelled based on likely levels of pandemic restrictions and, taking these into account, it was concluded that the Charity will be able to meet its liabilities as they fall due over the period.

Notwithstanding this positive indication of the financial stability of the charity and the progress made on vaccinations there remains a scenario in which there are further prolonged Covid-19 lockdowns. It is also possible, though unlikely, that HSBC will withdraw Credit approval before a formal agreement is signed. In either of these circumstance that would represent a material uncertainty which could cast doubt on the company's ability to continue as a going concern.

Nonetheless the Trustees expect that YHA has sufficient resources to enable it to continue to adopt the going concern basis in preparing the financial statements. These financial statements do not include any adjustment that would arise if the going concern basis of preparation was not considered appropriate.

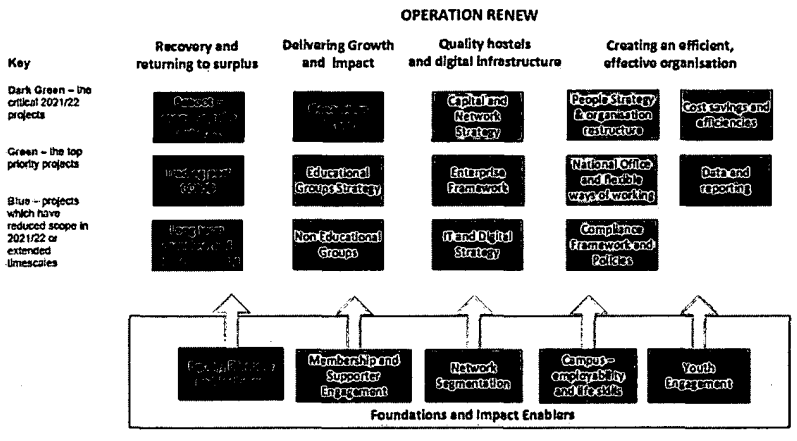
Future plans

YHA Strategic and Business Plans

As noted previously in this report, the Renew programme began in November 2020 and will run through 2021 and beyond. It is a programme of activity to enable YHA to recover from the pandemic in the best possible shape to deliver its mission and strategy in the years to come — the aim, to ensure YHA's future prosperity and to maximise its impact.

Renew brings together a number of key work streams, structured around four key themes, supported by projects building strong foundations and impact enablers for the organisation.

With the ongoing pandemic we have had to prioritise these carefully to ensure that we can deliver these within the reduced resources we have available.



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We have also set clear KPI's to measure progress against our plan. Targets for 2021/22 have been reduced to reflect the ongoing COVID-19 restrictions.

KPI	Delivering YHA object	Target over 5 years	Target for 2021/22
No. of people staying at YHA overnight	YHA is for all	5,000,000	430,000
Those who stay with us, benefit from our provision and support, our employees and volunteers, reflect the demographics of England and Wales)		KPI will be developed over 2021/22	Baseline data collection in progress
No. of young people staying at YHA overnight	Especially Young People	2,500,000	150,000
No. of young people with challenging lives staying at YHA overnight	Of limited means	250,000	15,000
No. of schools from deprived areas staying or training young people with YHA		KPI will be developed over 2021/22	
Number of YP accessing an adventure or experience with YHA (during stay)	To a greater knowledge, love and care of the countryside and appreciation of the cultural values of towns and cities	Linked to Generation Green Project for 2021/22	Targets outlined in funding bid
Number of people who say that they accessed nature, outdoors, culture and heritage as part of their stay		Linked to Generation Green Project for 2021/22	
Customer satisfaction	Particularly by providing hostels or other simple accommodation for them in their travels	At least 90% in every hostel	90% of all open hostels achieving a score of at least 90%
No of people (including young people) who experience a positive impact on health, wellbeing as a result of YHA	And thus to promote their health, rest and education	Linked to Generation Green Project for 2021/22	Targets outlined in funding bid

In addition, from a governance and compliance perspective the Board and its committees will receive regular reports covering the following key areas:

- Financial performance
- Carbon use
- Loan covenant compliance
- Reportable incidents
- Employee engagement

Risk Review

YHA seeks to embed risk management into day to day working practices. Leading this is the identification and treatment of the key organisational risks, which comes to the Board for formal review once a year and is tabled at each meeting of the Audit and Risk Committee. More detailed risk registers are also prepared, for example on COVID, Brexit and for more specific risks facing individual departments.

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The key organisational risks are reported to the February Board meeting. This year the report identified a total of 15 key risks. Post mitigation there are three very high risks, 11 medium risks and one low risk.

High Risks
- Ongoing impact of global Pandemic
- YHA is unable to fund ongoing working capital requirements with no available cash or loan headroom
- YHA unable to fund its long-term capital needs

Medium Risks
- Undeferrable compliance works and costs are required to be completed in 2021 putting pressure on already restricted budgets
- Lack of investment in YHA network and infrastructure leads to degradation of quality of products and offering over the next two years
- Failure to deliver the 10-year strategy
- Lack of capacity within teams to deliver priority projects within the operating plan
- Work related stress or mental health impacts on YHA employees and Trustees
- Non-compliance with legislation both current and upcoming
- Inadequate or ineffective safeguarding policy or practice resulting in or contributing to serious harm to a young person
- Failure to protect YHA from major cyber security attacks
- YHA is unable to deliver targeted cost savings
- Change of organisational structure adversely affects capacity and momentum
- Failure to deliver on key funded projects

Low Risks
- Fatality due to failure of YHA operational arrangements

Streamlined energy and carbon reporting ('SECR')

We are committed to developing policies and initiatives to support the reduction of greenhouse gas emissions. Energy efficiency and environmental sustainability are considered in all our activities and sustainability is a key part of our 10-year Strategy.

Methodology
The report follows the GHG Reporting Protocol – Corporate Standard, as the accepted methodology to meet the mandatory SECR requirements. Energy and GHG emissions are reported from our hostels and central office buildings and this includes electricity, natural gas, heating oil, and business travel in company-owned cars. The figures below detail the regulated SECR energy and GHG emission sources from the current reporting period. As this is the first year of reporting, no comparison to previous years is available.

The 2020 UK Government's Greenhouse gas conversion factors have been used to calculate the carbon emissions. We have used the income from charitable and trading activities to calculate the intensity ratio.

	Year ended 28 February 2021 Energy kWh	Emissions tCo2
Scope 1 emissions		
Natural Gas	8,781,239	1,615
Heating Oil	5,102,036	1,202
Company Vehicles	224,139	56
Scope 2 emissions		
Electricity	5,178,335	1,207
Total Energy and SECR emissions	**19,285,749**	**4,080**
Intensity ratio: tCo2e per £m of income from charitable activities		**302**

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GOVERNANCE AND ADMINISTRATION

Board of Trustees

Organisation
The Board of Trustees has overall responsibility for the work of YHA, setting strategy, direction and targets.

During 2020/21 the Board met nine times – more than a normal year reflecting the need for close Board scrutiny of YHA's approach to managing through the COVID pandemic. The Board has appointed a number of committees consisting of certain Trustees. As at the date of this report, the following are the principal committees: the Audit and Risk Committee ("ARC"); the Finance Committee ("FC"); the Impact and Engagement Committee ("I&E"); and the People and Remuneration Committee ("PremCo").

With effect from the 3rd April 2020, the Board appointed an Emergency Committee to consider urgent matters during the Coronavirus pandemic. The members of the Emergency Committee are the Chair, Vice Chair, Treasurer and the Chairs of I&E and PremCo.

The Board delegates day to day management to the Chief Executive and Executive Team.

The Board of Trustees has up to 15 members and may co-opt a further two. None of the Executive, including the Chief Executive, are members of the Board. The tenure on the Board is a maximum of two, four-year terms. This may be extended if taking up a National Officer position. All the Trustees are unpaid volunteers recruited from the wider YHA membership.

With effect from 2019, the vote for the election of Trustees was widened to all Association Members. That vote was held online in advance of the 2020 AGM with the result announced at the meeting.

Barbara Kasumu and Fiona Steggles were re-elected to the Board for a further term and Clare Fordham was appointed as a Trustee for an initial term of four years at the AGM on 7th November 2020.

Tegryn Jones and Caleb Stevens were co-opted as members of the Board from the conclusion of the 2020 AGM both for a one-year term. Phil Bale stood down as a co-opted member of the Board at the end of the 2020 AGM.

Principles of governance
With regard to governance, YHA supports the principles of good governance set out in the Charity Governance Code for larger charities and the continuous improvement model that it promotes. During 2020, YHA continued to progress actions to enhance compliance with the provisions of the Code. In addition, Russell-Cooke Solicitors had undertaken an external governance review in 2018 which focussed on three key sections of the Code for larger charities: Purpose; Decision Making; and Board Effectiveness. The results of both reviews were positive, and action is ongoing in those areas identified for improvements.

Russell-Cooke have been engaged to undertake a further external governance review in 2021, focusing on two more areas of the Charity Governance Code – Integrity and Equality, Diversity and Inclusion.

During the year the Chair held annual trustee reviews to discuss the board's own performance and that of individual trustees. The Vice-Chair held a performance review of the Chair.

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Training
All new Trustees attend an appropriate induction course. During the pandemic this was presented virtually. The training is based on the guidelines set down by the National Council for Voluntary Organisations (NCVO) and covers:

- Governance – the role and responsibility of Trustees, governance structure and reform, Articles of Association, and key YHA governance documents.
- Briefings on key issues currently being discussed by the Board. Meetings with each member of the Executive Team and their support staff to gain an insight into the operational areas of the organisation.
- Trustees are supplied with a comprehensive manual containing key policies and documents and papers from recent and relevant Board meetings.
- Trustees complete safeguarding training annually and also upon induction.

In addition, Board workshops are ongoing after Board meetings focusing on key themes to support trustees in their role. Over 2020 these included:

- understanding youth voice and participation in charity governance
- exploring power and privilege in governance
- running outdoor learning activities for young people

Elections to the Board
Candidates to fill vacancies on the Board are proposed by the Nominations Panel (NP).

The NP consists of:

- an independent Chair
- a Trustee representative
- two members elected by and from the Association Membership

The Board advises the NP of the skills, knowledge and experience desirable among new Trustees in order to achieve a balance of skills and experience in the Board of Trustees.

The NP is tasked with advertising for and interviewing potential Trustees with the requirement to draft a short-list of suitable individuals to be included in a vote bearing in mind the skill gaps identified by the Board. From 2019 voting for Trustees has taken place online before the AGM, with the result announced at the meeting.

There were three Board Trustee vacancies in 2020. 109 people applied to become Trustees in 2020 from whom the NP nominated eight candidates, including two existing trustees. A particular focus this year was to attract more younger candidates to the Board, and we were delighted that 33 candidates were under 26. Of these, three were shortlisted and Caleb Stevens was co-opted on to the Board.

Members of the Board of Trustees at 28 February 2021

Margaret Hart, Chair
Margaret was appointed as a Trustee of YHA in 2016 and became Vice Chair in 2017 and Chair in 2019. A geographer by background, she has had a long career covering social work, the children's voluntary sector and higher education, in roles ranging from front line service delivery and teaching to national Director level roles in both the charity and university sectors.

An underpinning theme has been her passion for enhancing the lives of young people, particularly those from disadvantaged backgrounds, and she brought this with her into YHA, together with her love of the outdoors.

As Corporate Director for one of Britain's largest children's charities, Margaret pioneered innovative ways of involving young people in management and governance, and is delighted to see the establishment of YHA's Youth Advisory Team as a significant step along our journey to becoming an increasingly diverse and inclusive organisation.

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Margaret has been an enthusiastic hosteller since her teenage years, staying with YHAs as a base for climbing all the Wainwrights and Munros, and walking long distance paths such as the Pennine Way and the Great Walks of New Zealand. She is currently enjoying introducing the third generation of her family to YHA.

Marcus Holburn, Vice Chair
Marcus is a qualified Chartered Accountant with more than 20 years' experience in both large and small businesses. He is currently Finance Director of a consumer finance business in the Thames valley, and previously spent 14 years at M&G Prudential in a number of senior finance, risk management and commercial roles. Marcus is a passionate believer in the YHA purpose and values. He has enjoyed hostelling since his teenage years, for canoeing and walking trips to different parts of the UK.

Graham Turnock, Treasurer
Graham joined the Board in 2015. Graham has been a member of YHA since childhood and continues to enjoy hostelling in the UK and Europe. Graham has experience as a senior manager in the public sector and is currently Chief Executive of the UK Space Agency.

Hayley Barnard
Since 2014 Hayley has served as the Managing Director of MIX Diversity Developers, helping many large organisations shift their culture to one that is more inclusive of diversity. Her clients range from NHS Trusts to global companies such as Microsoft, T-Mobile and Britvic. She hopes to bring this expertise to the YHA to support our aim to reach an ever-wider range of people.

Previously Hayley worked at Non-Executive and Executive Board level at a number of travel and expedition companies. Her postgraduate training is in marketing, and she has significant experience in and passion for digital engagement.

Emma Bradley
Emma spent the first part of her career in the travel industry and passionately endorses YHA's belief that 'where you go changes who you become'. She also believes that access to nature and being outside can have positive effects on mental health and wellbeing.

After spending time in the travel industry Emma worked at the BBC, initially as Marketing and Fundraising Director for BBC Children in Need, and then in other marketing and strategy roles. She now runs Corporate Social Responsibility at Global, the media and entertainment group, which encompasses the UK's largest commercial radio company, including youth brand, Capital. As part of this brief, she runs the in-house charity, Global's Make Some Noise, which supports projects working across safety and shelter, physical and mental health, isolation and inclusion and life skills. Emma is also Chair of Governors for a secondary school. She became a Trustee in 2019.

Clare Fordham
Clare has worked in both television and radio news for over 25 years, enjoying time in both commercial and BBC newsrooms. She spent eight years travelling across Britain and further afield at ITV News, before moving across to the BBC. She's currently the editor of all daytime programmes on BBC Radio 5 Live, looking after a range of high-profile presenters, holding power to account, and making sure the listeners are entertained and informed. Clare is used to high-profile news projects; she's planned award-winning news stories involving NASA, the Duchess of Cornwall and Downing Street, as well as masterminding programming throughout the pandemic. Clare is passionate about finding and celebrating unheard voices and hearing untold stories. She takes great pride in her involvement with efforts to reach diverse audiences and bring a far broader range of perspectives to the programmes.

As a trustee of the Bury Voluntary Community and Faith Alliance, Clare has gained great insight into the rewards and challenges facing smaller local charities, the huge importance of volunteers, and engaging communities to help themselves. The YHA has been central to some of the great experiences of Clare's life, and she is passionate about widening that access for others.

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Cathryn Hayhurst
Cathryn was elected as a Trustee in 2017. Access to the outdoors is one of her passions and you will most likely find her hiking a fell or playing in a boat in the Lake District. Her young daughter and husband can be found enjoying the communal aspect of YHA hostels whilst Cathryn attends Board meetings.

Cathryn is a qualified accountant and insolvency practitioner with a BSc in Environmental Sciences, and is currently a member of the senior finance team at The Co-op. Previously she worked for five years at the National Trust where she was commercial lead for the Renewable Energy Programme to generate 50% of energy from Renewable Sources including hydro schemes. She developed her finance skills at KPMG and funding strategy at Barclays.

Tegryn Jones
Tegryn Jones is Chief Executive of the Pembrokeshire Coast National Park Authority. This role involves managing the Pembrokeshire Coast National Trail, along with a number of conservation sites and popular visitor attractions.

He has a degree in geography from Aberystwyth University and an MBA from the Open University and has previously worked for the General Teaching Council for Wales, Swansea University and Urdd Gobaith Cymru. Prior to joining the National Park Authority, he was Chief Executive of Keep Wales Tidy where he worked with the Welsh Government to develop the Tidy Towns initiative and the expansion of the Eco-Schools programme and Blue Flag Award in Wales.

Tegryn has been a charity trustee of the DPJ Foundation, a charity working to support men in the agricultural sector with mental health issues, and UNA Exchange, a charity promoting international exchanges for young people. He is currently a trustee of the UK National Parks Foundation. Tegryn is also Chair of Governors of Ysgol Caer Elen, a 3 to 16 Welsh medium school in Haverfordwest.

Barbara Kasumu
Barbara is the Director of Membership, Talent and Inclusion for the National Union of Students (NUS) a voluntary member organisation representing the interests of more than 7 million students and 600 students' unions. Barbara has championed equality in over 50 organisations across three continents. Barbara consults and speaks on the participation, employment and leadership of young people and women. She has represented the voice of seven million young people on the international stage including at the G8 and G20 summits. Barbara has a BA in Politics and a Masters in International Public Policy from University College London.

Josie Murray
Josie joined the Board in 2015. Josie has worked in the historic environment sector throughout her professional life and during the past twenty years exclusively with property. This has ranged from major infrastructure projects to private residential properties. She is currently involved in the management and interpretation of historic buildings and is particularly interested in ensuring that buildings are effectively managed to protect their historic significance while delivering commercial objectives. Josie took over as chair of PremCo after the February 2019 Board Meeting.

Hannah Paterson
Hannah lives in Manchester with her wife Jess. She started her career campaigning for the rights of disabled students whilst studying at university, she was particularly focused on improving access, having experienced a number of blockers herself within an education system that is currently designed around the 'average' person rather than being adaptable and flexible to different needs.

Hannah was introduced to YHA at a very young age and every January her family uses YHA to lift the post-Christmas blues and blow away the cobwebs with stays and walks in various parts of the country.

Hannah has significant experience in the not-for profit sector. She currently works as a Senior Portfolio Manager for the UK Portfolio team at the National Lottery Community Fund focusing on developing and implementing the aims of the portfolio. Her work has included focusing on equality, diversity and

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inclusion, as well as programme design and development using participatory approaches. She is a Churchill Fellow and is researching the topic of participatory grant making in South Africa and the USA.

Outside of work, Hannah is extremely embedded in local community work that brings together people from different backgrounds around shared themes.

Simon Reeve
Simon has significant international experience in developing teams and organisations, especially in engineering-related industries. In his current role, as Director of Commercial Engagement at Lloyd's Register Foundation, he sets up new business ventures and partnerships to extend the impact of the Foundation's work in supporting research, education, skills development and public engagement across all sectors and sections of society for a safer world. In his spare time, Simon is an avid outdoor enthusiast engaging in cycling, hill-walking, canoeing, sailing, surfing and skiing, frequently staying in Youth hostels as part of these activities.

Chris Roberts
Chris is an international business lawyer who as General Counsel manages worldwide legal and compliance matters for large corporates. Chris has previously served as a trustee for charities active in housing services and helping to address homelessness.

As a life member of the YHA, he enjoys outdoor activities such as cycling, walking and scuba diving. Since 2013, Chris has served as a member, then as Chair, of the Remuneration Committee, as well as a member of the Finance Committee and CEO Recruitment Committee. Currently, he is a member of the Audit and Risk Committee and the Nominations Panel.

Fiona Steggles
Fiona is a senior lecturer in journalism at the University of Central Lancashire. She previously worked for the BBC for almost 20 years. During that time, she reported and produced for radio and television, presented radio programmes and made documentaries. For eight years she produced the BBC1 regional news programme NorthWest Tonight, winning two Royal Television Society awards. She currently also runs her own media training and consultancy business working with local authority and commercial organisations.

Caleb Stevens
Caleb Stevens is an experienced safeguarding and child protection officer, supporting children and young people with their mental health, wellbeing and welfare.

Having completed a degree in public services, Caleb is currently studying a Masters in Diplomacy and International Relations as well as in Advanced Child Protection. Caleb has a multitude of governance appointments, presiding as the strategic lead for safeguarding for over five including being a Vice Chair for a large multi-academy trust in Cornwall. Caleb also enjoys serving as a Special Educational Needs and Disabilities Lead Governor for a large primary school.

Appointed as the youngest Magistrate for the Ministry of Justice in 2017 and former Independent Monitoring Board Member for Her Majesty's Prison Exeter, Caleb is committed to equality and diversity and has supported many organisations with their inclusivity and interaction with children and young people. This particularly includes developing 'youth voice' at strategic level, where Caleb is passionate about challenging perceptions that young people can have significant levels of responsibility, including Trusteeship.

Caleb is one of the YHA's youngest Trustee in the organisation's 90-year history since foundation and hopes to contribute his knowledge, experience and enthusiasm to developing and embedding 'youth voice' within the YHA. Furthermore, Caleb looks forward to contributing additional expertise on education and safeguarding to ensure all children and young people receive the best support and outcomes YHA has to offer.

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Living right next to Dartmoor, in his spare time Caleb enjoys taking long moor walks which has further contributed to his passion for being immersed within nature, travelling the UK and staying with many YHA hostels in the process.

Robert Varley
Robert has been a keen hosteller since his youth. He has a passion for the outdoors and loves exploring Britain's wild country and coastline on foot. A family man, a dad and a grandad, he has been volunteering in children's and youth work for over 40 years. He has a passion for everything the YHA stands for and is keen to see it make a real difference to even more young lives in the years ahead. "Because where you go changes who you become."

A meteorologist by profession, Robert worked for 35 years at the Met Office. He has served on numerous Boards and Councils at national and international level – as Chief Executive of the Met Office, Non-Executive Director of Ordnance Survey, President of Eumetnet, Vice President of the Royal Met Society and Vice President of the World Meteorological Organisation. In 2012 Robert was named as the Institute of Directors' Director of the Year (Public/Third Sectors), and in 2016 he was awarded an honorary degree of Doctor of Science from the University of East Anglia. He now works as a strategic consultant to leaders of weather services around the world.

Board meetings attended	No.	Term of office
Philip Bale	7 of 7	Ended 2020
Hayley Barnard	8 of 9	Ends 2023
Emma Bradley	7 of 9	Ends 2023
Clare Fordham	2 of 2	Ends 2024
Margaret Hart	9 of 9	Ends 2022
Cathryn Hayhurst	9 of 9	Ends 2021**
Marcus Holburn	9 of 9	Ends 2021**
Tegryn Jones	2 of 2	Ends 2021*
Barbara Kasumu	7 of 9	Ends 2024
Josie Murray	9 of 9	Ends 2022
Hannah Paterson	7 of 9	Ends 2022
Simon Reeve	8 of 9	Ends 2022
Chris Roberts	8 of 9	Ends 2021
Fiona Steggles	9 of 9	Ends 2024
Caleb Stevens	2 of 2	Ends 2021*
Graham Turnock	9 of 9	Ends 2024
Robert Varley	9 of 9	Ends 2023

*eligible to be co-opted for a further one-year term
**eligible for re-election for a four-year term

Disclosures of Interest
No Trustee had, during or at the end of the year, any interest in contracts that are significant in relation to YHA's business other than disclosed above or in note 33 of the financial statements. For the purposes of company law, the Trustees listed above are also the Directors of YHA.

Executive Team

Chief Executive: James Blake

Other senior executives:

Chief Finance Officer and Company Secretary	William Howarth
Executive Director of Operations and People	Jane Price
Executive Director of Property and Risk	Jake Chalmers
Executive Director of Strategy, Commercial and Engagement	Anita Kerwin-Nye

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Report of the Trustees incorporating the Strategic Report

Jerry Robinson resigned as the Chief Operating Officer on 31st December 2020, and his responsibilities were distributed amongst other members of the Executive team. Jane Price and Anita Kerwin-Nye were formally appointed to their new Executive Director roles on 1 March 2021, having undertaken the roles on an interim basis since 1 January.

Employees

YHA is an Investors in People Gold organisation and is committed to employment policies which follow best practice based on equal opportunities for all employees irrespective of age, sex, sexual orientation, race, colour, disability, marital status, religion or belief.

Employees are kept informed of plans, receive regular updates on performance against our plans, are encouraged to attend or feed into our regular listening groups and attend our twice-yearly business briefings.

We had to temporarily close our National Office in Matlock because of the pandemic in March 2020, and employees moved immediately to remote working which continued throughout the year. We immediately introduced new means to engage with our staff team, including weekly all staff emails from the Chief Executive and weekly or fortnightly all staff webinars led by the Chief Executive and the Exec team. These have proved very popular and are likely to remain a key part of our employee engagement strategy in the future.

The Coronavirus pandemic has put a huge strain on staff, especially those working throughout, and we have placed increased emphasis on programmes to support positive employee mental health and wellbeing throughout the year.

Our annual employee survey is an opportunity for confidential feedback on all areas of the organisation and action plans are put in place to address any issues raised from these surveys.

We were pleased that despite the disruption caused by the pandemic, the headline measure of Employee Engagement as measured by the Employee Survey rose from 71% in 2019 to 79% in 2020.

Committees

Audit and Risk Committee ("ARC")

The ARC is a committee of the Board of Trustees. The Committee met five times during the year and is currently composed of:

- The Vice Chair Marcus Holburn who acts as the Chair of this Committee.
- Three Trustees: Emma Bradley, Chris Roberts and Caleb Stevens.

The Committee: agrees the programme for Internal and External Audits; considers reports from the auditors; considers the annual Financial Statements before submission to the Board; reviews the performance of the Internal and External Auditors; advises the Board regarding the adequacy of its risk register, policy, and management of risk; reviews the full risk register on an annual basis and every quarter reviews the high level significant risks and any changes to the full risk register; and, devises and tests key measures against which the performance of the organisation can be judged.

Finance Committee ("FC")

The FC is a committee of the Board of Trustees. The Committee met ten times during the year and is currently composed of:

- The Treasurer Graham Turnock who acts as the Chair of this Committee.
- Two Trustees: Cathryn Hayhurst and Tegryn Jones.

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Report of the Trustees incorporating the Strategic Report

The Committee supports the Board in ensuring the effective financial management of the Company; provides opinion on financial sustainability of YHA's strategic plans; advises on funding strategies and risks; provides appropriate scrutiny of finance related strategic KPIs; ensures effective financial planning, budgeting and treasury management; reviews and is consulted regarding capital and other investments; and works with the Audit and Risk Committee regarding financial risk management. Since the start of the pandemic, the Finance Committee has met monthly to allow regular review of YHA's cashflow and financial plans.

Impact and Engagement Committee ("I&E")
The Impact and Engagement Committee is a Committee of the Board. The Committee met three times last year and is currently composed of:

- Simon Reeve who acts as Chair of this Committee.
- Four Trustees: Hayley Barnard, Barbara Kasumu, Hannah Paterson and Fiona Steggles.

The Impact and Engagement Committee supports the Board in maximising the impact and effectiveness of YHA's work as a charity, and its member and stakeholder engagement, through ensuring effective management of these areas. This includes oversight of impact related KPIs; the design, delivery and evaluation of youth, education and activity programmes and YHA's engagement strategy with members, volunteers, donors and partners.

People and Remuneration Committee ("PremCo")
PremCo is a committee of the Board of Trustees. The Committee met five times last year and was composed of:

- Josie Murray who acts as Chair of this Committee.
- Two Trustees: Clare Fordham and Robert Varley.

The Committee agrees the Remuneration Policy, determines the remuneration of the Executive Directors, and the remuneration of the Chief Executive in consultation with the Chair; determines the terms and conditions of employment of the Executive Directors; and determines the terms and conditions of employment of the Chief Executive in consultation with the Chair.

In setting the organisations Remuneration Policy, the Committee makes such external consultations and comparisons as may be necessary to ensure that the pay and emoluments of YHA staff are fair in value to those having similar responsibilities and circumstances in organisations in the not for profit and commercial sectors (excluding financial).

The Committee also consider strategic HR matters which impact on our financial position or our position as an employer, e.g. pensions, performance management. This year that has included plans for managing workforce at different stages of the pandemic and oversight of YHA's gender pay reporting which is available on our website. The Committee is also responsible for People risk.

Financial control and Risk Management

Trustee responsibilities statement
The Trustees (who are also directors of YHA (England and Wales) for the purposes of company law) are responsible for preparing the Report of the Trustees incorporating the Strategic Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 YHA and the group and of the incoming resources and application of resources, including the income and expenditure of YHA and the group for that year.

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Report of the Trustees incorporating the Strategic Report

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP (FRS 102)
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that YHA and the group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 YHA and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that:

- so far as each Trustee is aware, there is no relevant audit information of which the YHA auditors are unaware; and
- the Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

Section 172(1) Statement
Section 172 of the Companies Act 2006 requires a Director of a company to act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole. In doing this, section 172 requires a Director to have regard, among other matters, to: the likely consequences of any decision in the long term; the interests of the company's employees; the need to foster the company's business relationships with suppliers, customers and others; the impact of the company's operations on the community and the environment; the desirability of the company maintaining a reputation for high standards of business conduct; and the need to act fairly with members of the company.

YHA is a leading national charity which depends on the trust and confidence of its members and beneficiaries to operate sustainably in the long term. YHA seeks to put its beneficiaries' best interests first, invests in its employees, supports the communities in which it operates and strives to generate sustainable surpluses to be reinvested into the charity.

The Trustees have acted in accordance with their duties codified in law, which include their duty to act in the way in which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, having regard to the matters set out in section 172(1) of the Companies Act 2006. The Board recognises that building strong relationships with our members and beneficiaries will help us to deliver our strategy in line with our long-term values and operate the business in a sustainable way.

Reserves Policy
As a charity YHA is obliged by the Charity Commission to set a policy on reserves which establishes a level appropriate for YHA.

YHA's reserves policy is set to manage unforeseen financial difficulties, and not to fund its future capital strategy. The level of reserves is set based on forecast income and expenditure and the likelihood of material risks crystallising which would not be covered by future income or insurance.

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Report of the Trustees incorporating the Strategic Report

The reserves policy is set with regard to the:

- Strategic capital strategy - set by the Board within the context of a five-year time frame.
- The annual budget - set to ensure our future expenditure levels are matched to the income we receive from operating youth hostels.
- Risk management process - assesses the impact and likelihood of all risks to the YHA and the appropriate level of short-term reserves to be held.

YHA has introduced an active reserve monitoring process managed by the Audit & Risk Committee (ARC) and governed by the Trustees. The ARC assesses the impact and likelihood of uninsured risks to create an expected value, which is reduced by the assessment of mitigating controls to set the appropriate level of short-term reserves to be held. This value is formally reviewed on an annual basis with the opportunity for any material changes to be picked up within YHA's quarterly risk review process

The ARC will report if these reserves have been used and the consequent impact on the long-term strategy. In the event of a movement beyond the reserves limit the ARC would report immediately to the Board with recommendations for action.

Before the impact of COVID-19 we had assessed our maximum level of risk, including the possibility of some form of pandemic to be at £5m. Given the unprecedented scale and duration of the crisis, this proved to be an underestimate and the final impact is likely to be at least four times this amount.

The Executive and Board have developed a liquidity plan to ensure that we have enough headroom within our existing bank facilities which are monitored on a weekly basis to ensure commitments can be met when due and identifying assets which could be disposed of to provide enough scope to match the impact of any further unseen risk whether pandemic related or otherwise.

Fundraising policy
It is always our aim to provide the best possible donor experience and deliver the highest possible standards of donor care. We are registered with the Fundraising Regulator to demonstrate our commitment to achieving the highest standards in fundraising and we strive at all times to comply with the Fundraising Regulator's Code of Fundraising Practice.

We are committed to undertake our fundraising in a legal, open, honest and respectful manner by following the standards for fundraising set out in the Fundraising Regulator's Fundraising Promise. We therefore use the Fundraising Regulator logo on our fundraising materials to show that we are following these standards.

We are always committed to uphold the highest standards of practice in our fundraising and will:

- comply with all relevant law and regulation including the Charities Act 1992, the Charities (Protection and Social Investment) Act 2016, the Data Protection Act 1998, and the Fundraising Regulator's Code of Fundraising Practice and where relevant the Gambling Act 2005.
- treat the information that supporters provide to YHA in line with our Privacy Policy and never share or sell their personal information to third parties for the purpose of marketing or fundraising.
- ensure clear governance and management controls for the legal, safe and transparent raising of funds from a diverse range of sources.
- operate policy and guidance for working with supporters who are in vulnerable circumstances.
- have clear rules for when donations may be returned to donors.
- report regularly to the trustees of YHA regarding fundraising activity, including an annual summary of complaints and action taken to address these.

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Report of the Trustees incorporating the Strategic Report

Investment policy
Investments acquired in accordance with the powers of the Trustees, primarily in respect of endowment funds, total £1.044 million at the end of this financial year. Close Wealth Management and Rathbone Investment Management manage the assets on YHA's behalf, with an investment strategy aimed at maximising income at an acceptable level of risk including growth of asset values.

Borrowing and financial instruments policy
YHA uses financial instruments, comprising borrowings secured against property. The main purpose of these financial instruments is to finance the working capital cycle of YHA and to finance longer-term capital needs.

The policies for managing the risks open to YHA are summarised below:

- YHA's financing and treasury policy governs the way that YHA borrows money and how it manages its interest risk.
- Working capital requirements are managed through the Revolving Credit Facility put in place with HSBC to finance network investment over the 5 years of the agreement.
- Other borrowings are designed to be appropriate for the type of asset being financed. Thus, IT equipment and software are likely to be financed over no more than five years, equipment no more than ten years and property will be financed over twenty years.

Risk management group
The Board of Trustees is ultimately responsible for risk management in YHA, setting the control framework, the risk appetite and approving major decisions affecting YHA's risk management or profile. The Board annually approves YHA's risk management plan, including the risk register, reviews the effectiveness of YHA's internal control and risk management system, and allows in its agenda a detailed review of a specific risk to be tabled at every Board meeting.

The Audit & Risk Committee (ARC) has delegated authority from the Board to review and manage risk and the organisational risk register is the key tool used to record risks within YHA. The ARC:

- reviews the risk management policy and processes annually.
- reviews and agrees on an annual basis the significant risks to which YHA is exposed.
- ensures that sufficient action is being taken to mitigate the risks.
- provides the Board of Trustees with an annual statement of assurance on risk management and internal controls and corporate governance.
- agrees specific risks to be reviewed by the Board.
- ensures that the control environment is sufficient to ensure the effective management of risk.
- monitors compliance with charity commission and corporate governance requirements.

At an operational level YHA has a risk management group under the Chair of a member of the senior management team, currently the Associate Director for Risk. This group focuses on key organisation level risk. The group is drawn from all directorates to ensure that risk management is embedded in all directorates. Individuals on the group are responsible for identifying action plans for all lower-level risks and for bringing these to the risk management group as required.

Insurance policy
YHA has insured Trustees and officers of the company against liability for wrongful acts in relation to the charitable company, as permitted under Section 532 of the Companies Act.

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Report of the Trustees incorporating the Strategic Report

LEGAL AND ADMINISTRATIVE DETAILS

Bankers:

HSBC Bank plc
Level 6
71 Queen Victoria Street
LONDON
EC4V 4AY

Santander Bank
Carlton Park
Narborough
LEICESTER
LE19 0AL

Solicitors:

Browne-Jacobson
3rd Floor, No 1 Spinningfields
1 Hardman Square
Spinningfields
MANCHESTER
M3 3EB

Russell Cooke
2 Putney Hill
LONDON
SW15 6AB

Pinsent Masons LLP
55 Colmore Row
BIRMINGHAM
B3 2FG

Auditor:

Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
1 Holly Street
SHEFFIELD
S1 2GT

Investment Fund Managers:

Close Wealth Management
10 Crown Place
Clifton Street
LONDON
EC2A 4FT

Rathbones Investment Management
George House
50 George Square
GLASGOW
G2 1EH

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Report of the Trustees incorporating the Strategic Report

Internal Auditors
KPMG are the internal auditors for YHA and act as an assurance function to provide an independent and objective opinion to YHA on the design and operation of the internal control environment.

Appointment of Auditors
In accordance with S485(4) of the Companies Act 2006 a resolution to reappoint Grant Thornton UK LLP will be proposed at the Annual General Meeting.

In approving the Report of the Trustees, the Trustees are also approving the Strategic Report in their capacity as company directors.

ON BEHALF OF THE TRUSTEES

Margaret Hart

M Hart
Chair
10 July 2021

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Grant Thornton

Independent auditor's report to the members of YHA (England and Wales)

Opinion

We have audited the financial statements of YHA (England and Wales) (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 28 February 2021, which comprise the Consolidated Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 28 February 2021 and of the group's and the parent charitable company's incoming resources and application of resources including, the group's and the parent income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We have been appointed as auditor under the Companies Act 2006 and report in accordance with regulations made under that Act. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.

In our evaluation of the trustees' conclusions, we considered the inherent risks associated with the group's and parent charitable company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the trustees and the related disclosures and analysed how those risks might affect the group's and parent charitable company's financial resources or ability to continue operations over the going concern period.

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Independent auditor's report to the members of YHA (England and Wales)

Material uncertainty related to going concern

We draw attention to the disclosure in note 2 of the financial statements, which details the factors that the directors have considered in making their going concern assessment, including the availability of additional funding from the charitable group's bankers. The uncertainty as to the future impact of the recent Covid-19 outbreak has been included as part of the directors' consideration, and they have considered the reasonably plausible impact of the outbreak on trading and cashflow forecasts.

While the directors consider the charitable group to be a going concern, the uncertainty around the magnitude of the impact of the outbreak indicates the existence of a material uncertainty which may cast significant doubt about the group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees incorporating the Strategic Report prepared for the purposes of company law, included in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Report of the Trustees incorporating the Strategic Report has been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees incorporating the Strategic Report included in the Report of the Trustees.

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Independent auditor's report to the members of YHA (England and Wales)

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent charitable company, or
- returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements

As explained more fully in the Trustees' Responsibilities Statement set out on pages 17 and 18, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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Grant Thornton

Independent auditor's report to the members of YHA (England and Wales)

Explanation as to what extend the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- The Company is subject to many laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements. We identified the following laws and regulations as the most likely to have a material effect if non-compliance were to occur; Charities SORP (FRS 102), FRS 102, Charities Act 2011, Data Protection Act 2018 and the Charity Code of Governance.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- We understood how the Company is complying with those legal and regulatory frameworks by making enquiries of management. We corroborated our enquiries through our review of board minutes and legal expenses.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by discussions with management to understand where management considered there is a susceptibility to fraud.
- Audit procedures performed by the engagement team included:
  - evaluation of the controls established to address the risks related to irregularities and fraud;
  - testing manual journal entries, in particular journal entries determined to be large or relating to unusual transactions based on our understanding of the business;
  - identifying and testing related party transactions;
  - completion of audit procedures to conclude on the compliance of disclosures in the annual report and accounts with applicable financial reporting requirements.
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
  - knowledge of the industry in which the client operates
  - understanding of the legal and regulatory requirements specific to the entity.
- We did not identify any matters relating to non-compliance with laws and regulation or relating to fraud.

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Grant Thornton

Independent auditor's report to the members of YHA (England and Wales)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Peter Edwards
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Sheffield
10 July 2021

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Consolidated statement of financial activities (incorporating the consolidated income and expenditure account)

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2021 £'000	Total 2020 £'000
Income						
Income from charitable activities	6	**11,481**	**-**	**-**	**11,481**	47,064
Income from trading activities (YHA Trading Limited)	14	**2,023**	**-**	**-**	**2,023**	6,893
Donations, gifts and legacies		**1,400**	**398**	**-**	**1,798**	1,575
Grants receivable	5	**-**	**2,506**	**-**	**2,506**	314
Coronavirus Job Retention Scheme payments receivable		**-**	**8,225**	**-**	**8,225**	-
Investment and similar income	7	**-**	**20**	**-**	**20**	27
Total income before net gain on disposal of tangible fixed assets		**14,904**	**11,149**	**-**	**26,053**	55,873
Net gain on disposal of tangible fixed assets		**210**	**-**	**-**	**210**	-
Total income		**15,114**	**11,149**	**-**	**26,263**	55,873
Expenditure						
Costs of charitable activities	9	**27,656**	**10,839**	**-**	**38,495**	51,458
Costs of trading activities (YHA Trading Limited)	9	**1,829**	**-**	**-**	**1,829**	5,314
Fundraising	9	**301**	**-**	**-**	**301**	384
Total expenditure		**29,786**	**10,839**	**-**	**40,625**	57,156
Unrealised gains/(losses) on investments	24	**-**	**-**	**18**	**18**	(11)
Realised gains on investments	24	**-**	**-**	**66**	**66**	11
Net income/(expenditure) before tax and refinancing costs		**(14,672)**	**310**	**84**	**(14,278)**	(1,283)
Tax on commercial activities		**-**	**-**	**-**	**-**	-
Net income/(expenditure)*		**(14,672)**	**310**	**84**	**(14,278)**	(1,283)
Transfer between funds	25	**14**	**(14)**	**-**	**-**	-
Net income/(expenditure) after transfers		**(14,658)**	**296**	**84**	**(14,278)**	(1,283)
Other recognised gains and losses						
Actuarial (loss) on defined benefit pension scheme	23	**(678)**	**-**	**-**	**(678)**	(189)
Actuarial (losses) on multi-employer pension scheme	23	**(15)**	**-**	**-**	**(15)**	(36)
Net movement in funds		**(15,351)**	**296**	**84**	**(14,971)**	(1,508)
Fund balances brought forward at 1 March 2020		**36,133**	**4,049**	**960**	**41,142**	42,650
Fund balances carried forward at 28 February 2021	26	**20,782**	**4,345**	**1,044**	**26,171**	41,142

All income was from continuing operations.

*Information up to and including net income/expenditure represents the information required by the Companies Act 2006.

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

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Balance sheets

	Note	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Fixed assets					
Tangible assets	12	**94,518**	98,652	**94,518**	98,652
Intangible fixed assets	13	**626**	840	**626**	840
Investments	14	**1,044**	960	**1,045**	961
		96,188	100,452	**96,189**	100,453
Current assets					
Stocks	15	**94**	351	**94**	351
Debtors	16	**2,152**	2,356	**2,152**	2,356
Cash at bank and in hand	28	**4,134**	2,558	**4,134**	2,558
		6,380	5,265	**6,380**	5,265
Creditors: amounts falling due within one year	17	**(59,082)**	(12,586)	**(59,093)**	(13,981)
Net current liabilities		**(52,702)**	(7,321)	**(52,713)**	(8,716)
Total assets less current liabilities		**43,486**	93,131	**43,476**	91,737
Creditors: amounts falling due after more than one year	19	**(8,814)**	(43,720)	**(8,814)**	(43,720)
Provisions for liabilities	20	**(1,233)**	(1,116)	**(1,233)**	(1,116)
Net assets excluding pension liability		**33,439**	48,295	**33,429**	46,901
Multi-employer pension scheme liability	23	**(1,866)**	(2,278)	**(1,866)**	(2,278)
Defined benefit pension scheme liability	23	**(5,402)**	(4,875)	**(5,402)**	(4,875)
Net assets		**26,171**	41,142	**26,161**	39,748
Funds					
Endowments	24	**1,044**	960	**1,045**	961
Restricted funds	25	**4,345**	4,049	**4,345**	4,049
		5,389	5,009	**5,390**	5,010
Unrestricted funds excluding pension liability		**3,854**	19,090	**3,843**	17,695
Revaluation reserve		**24,196**	24,196	**24,196**	24,196
Pension reserve	23	**(7,268)**	(7,153)	**(7,268)**	(7,153)
Total unrestricted funds		**20,782**	36,133	**20,771**	34,738
Total charity funds	26	**26,171**	41,142	**26,161**	39,748

The financial statements were approved by the Board of Trustees on 10 July 2021.

M Hart Margaret Hart

Trustees

M Holburn Marcus Holburn

Company registration number: 282555

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

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Consolidated Statement of Cash Flows

	Note	2021 £'000	2020 £'000
Cash flows from operating activities			
Net cash provided by operating activities	27	**(15,227)**	5,169
Cash flows from investing activities			
Investment Income (including interest received)	7	**20**	26
Sale of tangible fixed assets		**379**	-
Purchase of tangible and intangible fixed assets		**(1,226)**	(10,210)
Net cash used in investing activities		**(827)**	(10,184)
Cash flows from financing activities			
Repayment of borrowings		**(19)**	(53)
Capital element of finance lease rentals		**(199)**	(197)
Cash receipts from borrowings		**19,219**	6,000
Interest paid	8	**(1,371)**	(1,438)
Net cash provided/ (used in) by financing activities		**17,630**	4,312
Change in cash and cash equivalents in the reporting period		**1,576**	(703)
Cash and cash equivalents at the beginning of the reporting period		**2,558**	3,261
Cash and cash equivalents at the end of the reporting period	28	**4,134**	2,558

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

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Notes to the financial statements

1 Company information

YHA is a company limited by Guarantee (company number 282555). The registered office is Trevelyan House, Dimple Road, Matlock, Derbyshire, DE4 3YH.

2 Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards including 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) and the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

YHA (England and Wales) meets the definition of a public benefit entity under FRS 102, and applied the sections in FRS 102 as applicable.

The financial statements are presented in Sterling £'000.

Going concern

These financial statements have been prepared on a going concern basis taking note of the guidance issued by the Financial Reporting Council on Going Concern Assessments in determining that this is an appropriate basis of preparation of the financial statements.

The Trustees have reviewed forecasts to July 2022 as well as our longer-term projections to February 2024. Worst case scenarios were modelled based on likely levels of pandemic restrictions and, taking these into account, it was concluded that the Charity will be able to meet its liabilities as they fall due over the period.

Notwithstanding this positive indication of the financial stability of the charity and the progress made on vaccinations there remains a scenario in which there are further prolonged Covid-19 lockdowns. It is also possible, though unlikely, that HSBC will withdraw Credit approval before a formal agreement is signed. In either of these circumstance that would represent a material uncertainty which could cast doubt on the company's ability to continue as a going concern.

Nonetheless the Trustees expect that YHA has sufficient resources to enable it to continue to adopt the going concern basis in preparing the financial statements. These financial statements do not include any adjustment that would arise if the going concern basis of preparation was not considered appropriate.

Basis of consolidation

The group financial statements consolidate those of YHA and of its subsidiary undertaking (see note 14). Subsidiaries are defined as entities where the parent charity has control and derives financial benefit and are consolidated on a line-by-line basis.

3 Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The items in the financial statements where these judgements, estimates and assumptions have been made include:

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Notes to the financial statements

3 Significant judgements and estimates (continued)

Retirement benefit schemes

The determination of the pension cost and defined benefit obligation of the Group's defined benefit pension schemes depends on the selection of certain assumptions which include the discount rate, inflation rate, salary growth and mortality. Differences arising from actual experience or future changes in assumptions will be reflected in subsequent periods. Note 23 provides information on the assumptions used in these financial statements.

The Group also participates in a multi-employer defined benefit scheme, which is accounted for as a defined contribution scheme, administered by The Pensions Trust, who are responsible for the above assumptions in relation to determining the total liability of the overall scheme. As a participating employer, the YHA's share and contribution to the liabilities of the scheme is reviewed and agreed by the Trustees every 3 years. Under the provisions of FRS102 this liability is included in these statements on a discounted net present value basis. Further details on the accounting policies relating to the multi-employer defined benefit scheme are provided in note 4.

Provisions

These financial statements include provisions for liabilities as at 28 February 2019 that have arisen as a result of a past event, and that are judged probable to materialise at a future date. Where precise factual valuations of the liability are not available, judgement has been used to estimate the size and probability of the liability. Specifically, these provisions include estimates of dilapidation liabilities under property leasehold contracts and are stated on a net present value basis.

Assets under Construction

These represent spend and work-in-progress on partially complete assets that are not in productive use in the business. This will principally be (but not exclusively) major refurbishment and development projects in YHA's estate portfolio and business systems/IT infrastructure projects. Where projects stretch over more than one year the values are reviewed to ensure that the spend still represents a tangible or intangible asset.

Grants

The recognition of grants and capital contributions in these financial statements involves judgements as to whether performance or other relevant entitlement conditions have been met. The recognition of grants in restricted funds involves a judgement as to the Useful Economic Life of the asset to which it relates.

4 Principal accounting policies

Income

Income generated from the operation of youth hostels represents the fair value of the amount receivable by YHA for goods supplied and services provided, excluding value added tax and net of trade discounts. Consequently, the income due from a particular guest is recognised when that guest stays with YHA. Payment received from guests in advance of their stay is recorded as deferred income (see note 18). Membership subscriptions are recognised when received.

Where hostels have been leased to organisations to provide accommodation for charitable purpose these amounts have been recognised as income.

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Notes to the financial statements

4 Principal accounting policies (continued)

Income from YHA Trading Limited represents commercial goods supplied and services provided by that YHA company to its customers and income is recognised when the goods or services are delivered. Donations, gifts and legacies are recognised in the statement of financial activities when it is probable that the income will be received, and all entitlement conditions will be met.

The Charity carries out work for government bodies and income under these contracts is recognised once milestones attached to income have been met. Incoming resources on government contracts are included in the statement of financial activities when the Charity is entitled to the income and the amount can be quantified with reasonable accuracy.

Grants
Revenue grants are credited as incoming resources when they are receivable provided conditions for receipt have been complied with, unless they relate to a specified future period, in which case they are deferred.

Grants for the purchase of fixed assets are credited to restricted incoming resources when receivable.

Income from investments
Investment income is recognised when receivable.

Endowments
Endowment income is credited to the income and expenditure account on a receivable basis. Income from restricted endowments not expended in accordance with the restrictions of the endowment, is transferred from the income and expenditure account to restricted endowments. Any realised gains and losses are retained within the endowment in the balance sheet.

Restricted permanent endowment
This relates to funds where the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

Restricted expendable endowment
This relates to funds which were permanent endowments but given the small scale of the specific individual funds, agreement was received from the Charities Commission that these could be spent in line with the original objective of each fund.

Fund accounting
Restricted funds are those for which specified purposes were laid down by the donor or grant-giving body. Expenditure for those purposes is charged to the appropriate fund.

Unrestricted funds are donations and other income received or generated for expenditure on the general objectives of YHA.

When grants and donations are received for a specific purpose involving capital investment, the cash will be recorded against a restricted fund. When the investment has been made, the relevant capital asset will be recorded against the relevant fund, and depreciation of the asset charged against the fund. Once any restrictions on the use of the asset have expired, the asset will be transferred from the restricted fund to YHA's unrestricted funds.

Tangible and intangible fixed assets

Fixed asset accounting policy
Tangible and intangible fixed assets are stated at cost, net of depreciation. No depreciation is charged during the period of development or construction.

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Notes to the financial statements

4 Principal accounting policies (continued)

Depreciation is calculated to write down the cost or estimated residual value of all tangible fixed assets over their expected useful lives. All depreciation is on a straight-line basis, and assets are amortised as follows:

Freehold properties	:	land not amortised
Freehold properties	:	buildings superstructure up to 50 years
Freehold properties	:	buildings sub-structure / other between 10 and 30 years
Leasehold properties	:	long term leases: market value over length of lease
Leasehold properties	:	building shorter of economic life or length of lease
Fixtures & Fittings	:	between 3 and 15 years

Assets under construction represent spend and work-in-progress on partially complete assets that are not in productive use in the business. This will principally be (but not exclusively) major refurbishment and development projects in YHA's estate portfolio and business systems/IT infrastructure projects.

Assets under construction are carried at cost and are not depreciated until they come into use and are capitalised in the asset register. Where the date of capitalisation is later than the date of productive use, a retrospective depreciation adjustment is made to correct Net Book Value (NBV). Amounts totalling £242k were reclassified in the year as shown in note 12.

Impairment of assets
At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss.

Investment in subsidiaries
The consolidated financial statements incorporate the financial statements of the company and entities controlled by the group (its subsidiaries). Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

Investments
Assets held for investment purposes are measured at fair value. Changes in fair value are recognised in the income and expenditure accounts. Fair value is estimated using value at the balance sheet date.

Net gains and losses on revaluations and disposals during the year are included in the statement of financial activities.

Expenditure
Expenditure, which is charged on an accruals basis, is allocated between:

- Expenditure incurred directly in the fulfilment of YHA's objectives (direct charitable). This includes head office support costs which are directly attributed to the operation of youth hostels.
- Expenditure incurred directly in the effort to raise voluntary contributions (membership, fundraising and publicity).
- Expenditure incurred in the governance of YHA. This includes internal and external audit costs, chief executive costs and similar governance costs.

Redundancy and termination payments
All redundancy and termination payments, including ex-gratia payments and amounts in lieu of notice are charged or accrued as incurred.

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Notes to the financial statements

4 Principal accounting policies (continued)

Debtors
Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Creditors
Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Cash and cash equivalents
Cash is represented by cash in hand and deposits with financial institutions.

Provisions for liabilities
Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in the SOFA in the period it arises.

The group recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employers are entitled to carry forward and use within the next 12 months. The provision is measured at the salary cost payable for the period of absence.

Financial instruments
Financial liabilities are classified according to the substance of their governing contractual arrangements.

Where the contractual obligations of financial instruments are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the statement of financial activities. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability. Financial liabilities are initially recognised at fair value then subsequently at amortised cost using the effective interest method.

Stocks
Stocks are stated at the lower of cost using the first in, first out method and net realisable value.

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

Assets held under finance leases are recognised initially at the fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation using the effective interest method so as to achieve a constant rate of interest on the remaining balance of

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Notes to the financial statements

4 Principal accounting policies (continued)

the liability. Finance charges are deducted in measuring income and expenditure. Assets held under finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

Rentals payable under operating leases are charged to the SOFA on a straight-line basis over the lease term, unless the rental payments are structure to increase in line with expected general inflation, in which case the group recognises annual rent expense equal to amounts owed to the lessor.

The aggregate benefit of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight-line basis.

Retirement benefits
Defined contribution group personal pension schemes
Contributions payable to the schemes in respect of each accounting period are included in the statement of financial activities in that period.

Defined benefit pension scheme (closed)
The scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the attained age method on the basis of triennial valuations and are discounted at appropriate high-quality corporate bond rates. The net surplus or deficit is presented separately from other net assets on the balance sheet. A net surplus would only be recognised to the extent that it is recoverable by the group.

The current service cost and costs from settlements and curtailments are included in the statement of financial activities. Past service costs are spread over the period until the benefit increases vest. The difference between interest on the scheme liabilities and the expected return on scheme assets is included in interest payable or investment income as appropriate. Actuarial gains and losses are reported in the consolidated statement of financial activities.

Multi-employer defined benefit scheme
YHA participates in a multi-employer scheme, administered by The Pensions Trust, which provides benefits for 854 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for YHA to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, YHA accounts for the scheme as a defined contribution scheme. The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore, the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This actuarial valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid to the scheme as follows:

From 1 April 2016 to 31 March 2025: £12.95m per annum (payable monthly and increasing by 3% each year on 1st April). The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

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Notes to the financial statements

4 Principal accounting policies (continued)

Where the scheme is in deficit and where YHA has agreed to a deficit funding arrangement, YHA recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Gift aid payment to parent charity
The company pays all its taxable profits for the year to its parent charity under the gift aid scheme. These gift aid payments are recognised as distributions to owners in equity within retained earnings.

At the reporting date the Board had indicated its intention to pay the taxable profits to the parent charity in respect of the reporting period. The payment is expected to be made within 9 months of the end of the reporting date.

The company previously recognised gift aid payments in the income statement in the year that profits arose. The company has changed its accounting policy as a result of The Financial Reporting Council clarifying the accounting treatment for such payments in its triennial review of FRS 102.

The change in accounting policy for gift aid payments results in the company recognising a taxation charge on its profits for the year. However, the application of the exception under paragraph 29.14A of FRS 102 provides relief in respect of the accounting for the tax charge. This results in an overall £nil charge for tax in the income statement. This exception is only applicable as its probably that the gift aid payment will be made by the company to the parent charity within 9 months of the reporting date.

5 Grants and contracts

	2021 Restricted Funds (Capital) £'000	2021 Restricted Funds (Other) £'000	Total 2021 £'000	Total 2020 £'000
Covid related grants	-	2,421	2,421	-
Other grants	2	83	85	314
Grants receivable in the year	**2**	**2,504**	**2,506**	314

All grants receivable in the year related to restricted funds (see note 25).

During the year grants totalling £2,421,000 (2020: NIL) were received to support the charity through the Covid pandemic including of which £1,464,000 related to business and hospitality support grants received from Local Authorities.

This funding was supplemented by support from the National Lottery Cultural Recovery Fund with a grant award of £866,000 with £780,000 being received in the year. Other grants were received from the London Community Response Fund of £45,000, Heritage Emergency Fund of £50,000, Wales Third Sector Resilience Fund of £56,000, and the Wales ERF Sector Specific Grant of £25,000. All grants were gratefully received in the year, and these have really helped to provide much needed financial support in these very challenging times.

Other grants received in the year amounted to £85,000.

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Notes to the financial statements

6 Charitable income

	2021 £'000	2020 £'000
Income from operating youth hostels	**10,598**	45,956
Membership income received directly by the group	**883**	1,108
Total income from operating youth hostels	**11,481**	47,064

7 Investment income

	2021 £'000	2020 £'000
Listed stocks and shares	**20**	26
Cash and deposits	**-**	1
	20	27

8 Interest and financing costs

	2021 £'000	2020 £'000
Net pension cost	**83**	128
On bank loans, overdrafts and other loans	**1,296**	1,269
Financing costs amortised	**70**	162
Finance charges in respect of finance leases	**5**	7
	1,454	1,566

Interest payable is included within other direct costs (see note 9).

9 Total expenditure

Due to the structure of YHA it is considered that any allocation of support costs from costs of operating youth hostels would be immaterial.

	Direct Staff Costs £'000	Other Direct Costs £'000	Deprec'n £'000	Total 2021 £'000	Total 2020 £'000
Costs of Operating Youth Hostels	**19,882**	**13,306**	**5,163**	**38,351**	51,309
Costs of Operating YHA Trading Ltd	**-**	**1,829**	**-**	**1,829**	5,314
Other Fundraising Costs	**200**	**101**	**-**	**301**	384
Other costs - Governance Costs	**-**	**144**	**-**	**144**	149
Total expenditure	**20,082**	**15,380**	**5,163**	**40,625**	57,156

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Notes to the financial statements

	Total 2021 £'000	Total 2020 £'000
Depreciation comprises:		
Depreciation on owned tangible and intangible assets	**5,148**	5,288
Depreciation on tangible assets held under finance lease	**15**	121
	5,163	5,409
Other direct costs comprise:		
Repairs and maintenance of buildings – ongoing	**2,540**	4,078
Repairs and maintenance of buildings - dilapidation provision	**100**	100
Fuel, heat & light	**1,432**	2,160
Food and beverage costs	**838**	5,108
Activity & transport providers	**77**	733
Restructuring costs (including redundancy)	**1,167**	80
Travel	**426**	1,153
Communication costs	**459**	450
Cleaning and laundry	**822**	3,028
Interest payable (note 8)	**1,454**	1,566
Marketing and Publications	**385**	859
Insurance	**498**	446
Auditors' Remuneration – audit	**48**	36
Auditors' Remuneration - non-audit services taxation (inc.IXBRL)	**5**	1
Operating lease rentals - land and buildings	**2,011**	2,124
Operating lease rentals - fixtures & fittings	**492**	678
Other direct costs	**2,626**	3,876
	15,380	26,476

10 Trustees and employees

All Directors are Trustees and all Trustees are Directors.

Staff costs during the year were as follows:	Group 2021 £'000	2020 £'000
Wages and salaries	**17,061**	21,881
Social security costs	**1,292**	1,560
Other pension costs	**909**	949
Redundancy costs	**1,167**	80
	20,429	24,470

The average number of employees of YHA during the year was 977 (2020: 1,272).

The full-time equivalent number of employees was 632 (2020: 785).

The Chief Executive is the highest paid employee and is not a Trustee of the organisation. His annual salary in 2020/21 was £128,174 per annum (2020: £128,174). The Board of Trustees neither received nor waived any emoluments during the year (2020: £nil).

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Notes to the financial statements

The number of other staff whose total emoluments for the year exceeded £60,000 was as follows:

	2021	2020
£60,000 - £69,999	**7**	1
£70,000 - £79,999	**-**	-
£80,000 - £89,999	**1**	-
£90,000 - £99,999	**2**	2
£100,000 - £109,999	**2**	2
£110,000 - £119,999	**-**	-
£120,000 - £129,999	**-**	-
£130,000 - £139,999	**1**	1

YHA made payments totalling £46,122 (2020: £24,032) into defined contribution schemes for 13 (2020: 6) of these employees.

Out of pocket expenses were reimbursed to Trustees as follows:

	2021 Number	2020 Number	**2021 £'000**	2020 £'000
Travel and attendance at meetings	**5**	12	**1**	6

During the year, no goods were purchased from companies in which Trustees held an interest. No amounts were owing to such companies at the end of the financial year.

The key management personnel of the parent charity, the Trust, comprised the Trustees, the Chief Executive Officer, and increased from four to five other Executive Directors for most of the year, reducing down again to four from December 2020. The total employee benefits of these key management personnel of the YHA were £660,060 (2020: £533,716).

The remuneration of the key management personal is determined by the Board's Remunerations Committee. In determining this, the Committee makes use of external consultations and comparisons to ensure that the pay and emoluments of YHA staff are fair in value to those having similar responsibilities and circumstances in organisations in the not for profit and commercial sectors. Salaries are set at the lower quartile of recognised industry wide benchmark surveys.

The Chief Executive Officer and other Executive Directors repaid their cost-of-living increase granted by the Remuneration Committee before the covid crisis and included within the March 2021 payroll. In addition, the senior team, including the six newly appointed Associate Directors, agreed a voluntary 10% salary cut for a three-month period over the winter months. The appointment of these six existing team members into their new roles, proved invaluable in dealing with the complexities of managing through the COVID-19 crisis.

The Chief Executive and one other Executive Director also used payroll giving to make charitable donations to the YHA totalling £34,909 in the year.

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Notes to the financial statements

11 Charitable company results

The charitable company has taken advantage of Section 408 of the Companies Act 2006 and has not included its own income and expenditure account in these financial statements. The results of YHA are summarised below:

	2021 £'000	2020 £'000
Total income	**24,240**	48,979
Total expenditure:	**(38,796)**	(51,842)
Net (expenditure)	**(14,556)**	(2,863)
Net investments gains	**84**	-
Net (expenditure)	**(14,472)**	(2,863)

During the year the charitable company received a gift aid donation amounting to £1,579,000 (2020: £1,354,000) from its trading subsidiary.

12 Tangible fixed assets (group and company)

	Freehold L&B £'000	**Long Leasehold L&B £'000**	**Short Leasehold L&B £'000**	**Fixtures, Fitting & equipment £'000**	**Assets under construction £'000**	**Total £'000**
Cost						
At 1 March 2020	82,301	31,124	21,208	19,608	5,099	159,340
Reclassifications	-	-	-	-	(242)	(242)
Transfers	3,176	459	46	422	(4,103)	-
Additions	153	553	88	91	271	1,156
Disposals	-	(283)	-	(49)	-	(332)
At 28 February 2021	85,630	31,853	21,342	20,072	1,025	159,922
Depreciation						
At 1 March 2020	23,618	9,037	12,962	15,071	-	60,688
Provided in the year	2,191	954	768	966	-	4,879
Disposals	-	(126)	-	(37)	-	(163)
At 28 February 2021	25,809	9,865	13,730	16,000	-	65,404
Net book amount At 28 February 2021	**59,821**	**21,988**	**7,612**	**4,072**	**1,025**	**94,518**
At 29 February 2020	58,683	22,087	8,246	4,537	5,099	98,652

All tangible fixed assets were used for charitable purposes.

The net book amounts stated above include fixtures, fittings and equipment held under finance leases and similar hire purchase contracts of £NIL (2020: NIL) and freehold property held under finance leases and similar hire purchase contracts of £970,000 (2020: £985,000).

Depreciation of assets held under finance leases and similar hire purchase contracts was £NIL (2020: £106,000) on fixtures, fittings and equipment and £15,000 (2019: £15,000) on freehold property.

Land values were increased on transition to FRS 102 in 2016 to reflect fair market value. A post year-end review of these values based on valuations received as part of the refinancing exercise in 2017 found no reason to amend these values.

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Notes to the financial statements

13 Intangible fixed assets (group and company)

	Fixtures, Fitting & equipment £'000	Assets under construction £'000	Total £'000
Cost			
At 1 March 2020	1,057	111	1,168
Transfer	94	(94)	-
Additions	-	70	70
At 28 February 2021	1,151	87	1,238
Depreciation			
At 1 March 2020	328	-	328
Provided in the year	284	-	284
At 28 February 2021	612	-	612
Net book amount			
At 28 February 2021	**539**	**87**	**626**
At 29 February 2020	729	111	840

14 Fixed asset investments

Total fixed asset investments comprise:

	Group		Company	
	2021 £'000	2020 £'000	**2021 £'000**	2020 £'000
Interest in group undertakings	**-**	-	**1**	1
Other fixed asset investments	**1,044**	960	**1,044**	960
Market value at 28 February 2021	**1,044**	960	**1,045**	961

Interests in group undertaking

At 28 February 2021 the charitable company held 100% of the allotted share capital of the following:

	Country of incorporation	Class of share capital held	Company number	Capital and reserves £	Result for the financial period £
YHA Trading Limited	England and Wales	Ordinary shares	05373368	100	194,014

	£'000
YHA Trading Limited	
Turnover	2,023
Expenditure	(1,829)
Result for the period before tax	**194**

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Other fixed asset investments

	Group and Company £'000
Market value as at 1 March 2020	960
Additions	254
Disposals	(245)
Realised gain	17
Unrealised loss	58
Market value at 28 February 2021	1,044

At 28 February 2021 the other fixed asset investments were held as follows:

	2021 £'000	2020 £'000
Listed stocks and shares	1,014	912
Cash	30	48
Market value at 28 February 2021	1,044	960

At 28 February 2021 the following investments represented more than 5% of the portfolio by market value:

	Percentage %	Value £'000
Close Select Fixed Income Inc	5.7	60

15 Stocks

Group and Company

	2021 £'000	2020 £'000
Goods for resale	94	351

16 Debtors

Group and Company

	2021 £'000	2020 £'000
Trade debtors	171	360
Prepayments and accrued income	407	1,004
Other debtors	1,574	992
	2,152	2,356

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Notes to the financial statements

17 Creditors: amounts falling due within one year

	Group		Company	
	2021	2020	**2021**	2020
	£'000	£'000	**£'000**	£'000
Bank loans	**52,371**	-	**52,371**	-
Other loans	**3**	19	**3**	19
Trade creditors	**1,212**	2,481	**1,212**	2,481
Amounts due to group undertakings	**-**	-	**11**	1,396
Social security and other taxes	**423**	1,570	**423**	1,570
Other creditors	**895**	216	**895**	216
Accruals	**1,907**	1,992	**1,907**	1,991
Deferred income (note 18)	**2,153**	6,108	**2,153**	6,108
Amounts due under finance leases	**118**	200	**118**	200
	59,082	12,586	**59,093**	13,981

18 Deferred income

Group and Company

	2021	2020
	£'000	£'000
At 1 March 2020	**9,207**	9,111
Released during year	**(9,207)**	(9,111)
Deferred during year	**3,551**	9,207
At 28 February 2021	**3,551**	9,207

The deferred income consists of:

Advance bookings	**3,459**	8,984
Un-allocated cash receipts	**92**	223
	3,551	9,207
Creditors: amounts falling due within one year	**2,153**	6,108
Creditors: amounts falling due after more than one year	**1,398**	3,099
	3,551	9,207

19 Creditors: amounts falling due after more than one year

Group and Company

	2021	2020
	£'000	£'000
Bank Loans	**7,075**	40,174
Other loans	**19**	3
Amounts due under finance leases	**253**	370
Deferred income	**1,398**	3,099
Other amounts	**69**	74
	8,814	43,720

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Notes to the financial statements

20 Provision for liabilities

	General provisions £'000	Dilapidation provision £'000	Total provisions £'000
Balance at 1 March 2020	42	1,074	1,116
Released during the year	(42)	-	(42)
Arising in the year	59	100	159
Balance at 28 February 2021	**59**	**1,174**	**1,233**

The general provision includes the holiday balances accrued as a result of services rendered in the current period and which employees are entitled to carry forward.

The dilapidations provision represents obligations for rented properties which are due for renewal in the next 3 years. £854,000 of the provision (2020: £804,000) relates to YHA London St Pauls.

21 Borrowings

Borrowings are repayable as follows:

Group and Company 2021	Within one year £'000	After one year and within two years £'000	After two years and within five years £'000	After five years £'000	Total £'000
Bank loans	52,371	7,075	-	-	**59,446**
Other loans	3	19	-	-	**22**
Finance leases	118	123	130	-	**371**
Total Borrowing	52,492	7,217	130	-	**59,839**
Cash at bank and in hand					**(4,134)**
Net Borrowings					**55,705**

Group and Company 2020	Within one year £'000	After one year and within two years £'000	After two years and within five years £'000	After five years £'000	Total £'000
Bank loans	-	40,174	-	-	**40,174**
Other loans	19	3	-	-	**22**
Finance leases	200	118	252	-	**570**
Total Borrowing	219	40,295	252	-	**40,766**
Cash at bank and in hand					**(2,558)**
Net Borrowings					**38,208**

The Bank Loans are secured by fixed charges over certain properties of YHA and a floating charge over all the assets of YHA. Interest (excluding margin) is charged at both fixed and variable rates between 0.026% and 0.07%.

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22 Financial instruments

Group

	2021 £'000	2020 £'000
Financial assets measured at amortised cost		
Trade debtors	**171**	360
Other debtors	**1,574**	992
	1,745	1,352

	2021 £'000	2020 £'000
Financial liabilities measured at amortised cost		
Bank loans	**59,446**	40,174
Other loans	**22**	22
Trade creditors	**1,212**	2,481
Accruals	**1,907**	1,992
Amounts due under finance leases	**371**	200
	62,958	44,869

23 Retirement benefits

Group and company
Historically YHA has operated a number of different Pensions Schemes:

A final salary defined benefit scheme administered by the Pensions Trust. This scheme is now closed but the residual liabilities of this scheme are disclosed within our accounts in line with FRS17 definitions.

YHA employees also had the opportunity to join the Pensions Trust Growth Plan. This is a multi-employer scheme which has progressed through four versions (or Series).

Although set up as defined contribution schemes, because of the guaranteed benefits they offered, Series 1 & 2 have subsequently been deemed to be defined benefit schemes. Series 3 which carried a guarantee that the value of investments would not fall, has also now be re-classified as a defined benefit scheme. Only Series 4 can be classified as a defined contribution scheme. Although Series 1 to 3 are defined benefit schemes as defined within FRS17, YHA is unable to identify its share of the underlying assets and liabilities of the schemes. Accordingly, the contributions have been accounted for as if they were defined contribution schemes.

YHA operates a defined contribution scheme administered by Scottish Widows as well as the auto enrolment pension scheme for all new employees (and for those existing employees who were not members of either the Growth Plan or the defined contribution scheme). All auto enrolment contributions are paid into the Peoples Pension administered by B&CE.

Defined benefit pension scheme
YHA operated a defined benefit pension scheme for the benefit of staff. The assets of the scheme are administered by Trustees in funds independent from those of YHA and its subsidiary undertaking.

Pension costs are assessed, on a triennial basis and in accordance with the advice of a qualified actuary using the projected unit method. The assumptions, which have had the most significant effect on the results of this year's valuation are those relating to the assumed discount rate used to value the scheme's liabilities, the rate of return on investments and the rates of increase in salaries and pensions.

In order to minimise future liabilities, the scheme was closed to new entrants at 31 December 2002, and to future accrual from 31 December 2011.

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A full actuarial valuation was carried out at September 2017, which showed that the value of those assets was sufficient to cover 76% of the benefits that had accrued to members, after allowing for expected future increases in earnings.

Pension cost
The charge for the year was as follows:

	2021	2020
	£'000	£'000
Defined benefit scheme – expenses	**93**	92
Defined contribution pension schemes	**450**	499
Multi-employer defined benefit scheme	**459**	450
	1,002	1,041

Included within the multi-employer defined benefit scheme contributions above are amounts of £341,724 (2020: £331,391) relating to additional contributions as part of the recovery plan agreed with the Pension Trust.

The above charge is exclusive of top up contributions for the final salary pension scheme of £447,634 (2020: £453,006).

In accordance with FRS 102 the net pension liability of the defined benefit scheme is included on the balance sheet of YHA. The most recent actuarial valuation of the scheme has been updated by an independent qualified actuary, taking account of the requirements of FRS102 to assess the liabilities of the scheme at 28 February 2021. Scheme assets are stated at their market value.

The principal assumptions used by the actuary were:

	2021	2020	2019
Inflation CPI	**2.9%**	1.9%	2.2%
Rate of increase in salaries	**3.2%**	3.9%	4.2%
Rate of increase of pensions	**2.9%**	2.0%	2.3%
Rate of increase for deferred pensions	**3.2%**	2.9%	3.2%
Discount rate	**2.1%**	1.8%	2.7%

The post-retirement mortality assumptions used to value the liability at 28 February 2021 is based on the SAPS table S2PXA (all pensioners – Pensions Amounts) with a scaling factor of 0% (pre-retirement) and 114% (post-retirement) projected using CMI-2020 improvements with a 1.5% pa long term improvement rate for males and a 1.25% long term improvement rate for females.

The life expectancy of a male member reaching age 65 in 2041 is projected to be 22.8 years (2020: 23.6 years) compared to 21.2 years (2020 22.3 years) for someone reaching 65 in 2021. The life expectancy of a female member reaching age 65 in 2041 is projected to be 25.1 years (2020: 25.3 years) compared to 23.6 years (2020: 24.0 years) for someone reaching 65 in 2021.

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The split of assets in the scheme and the expected long-term rates of return were:

	2021 Value £'000	2020 Value £'000	2019 Value £'000
Equities	**2,188**	2,357	4,246
Bonds	**7,027**	6,053	2,294
Property	**1,071**	1,056	1,272
LDI	**6,359**	7,524	7,937
Other	**6,963**	6,373	4,585
Total market value of assets	**23,608**	23,363	20,334
Present value of scheme liabilities	**(29,010)**	(28,238)	(25,229)
Net pension liability	**(5,402)**	(4,875)	(4,895)

The rate of return for 2021 is equal to 3.7% (2020: 3.7%). Under FRS 102 the rate of return is not split between the assets of the scheme.

The movement in the deficit in the year, included in the financial statements, was as follows:

	2021 £'000	2020 £'000
Contributions	**93**	92
Additional contributions	**232**	331
	325	423
Net contributions less expenses of the scheme	**(91)**	(86)
Expected return on pension scheme assets	**406**	540
Interest on pension scheme liability	**(489)**	(668)
	151	209
Actuarial gain/(loss) (see below)	**(678)**	(189)
	(527)	20
Deficit in scheme at beginning of year	**(4,875)**	(4,895)
Deficit in scheme at end of year	**(5,402)**	(4,875)
Actual return less expected return on pension scheme assets	**159**	3,173
Experience gains and losses arising on the scheme liabilities	**(345)**	34
Changes in the assumptions underlying the present value of the scheme liabilities	**(492)**	(3,396)
Actuarial gain/(loss)	**(678)**	(189)

The net of the expected returns on pension scheme assets and interest on pension scheme liabilities of £83,000 (2020: £128,000) is shown in interest payable.

Changes in the present value of the defined benefit obligation are as follows:

	2021 £'000	2020 £'000
Opening defined benefit obligation at 1 March	**28,238**	25,229
Interest cost	**489**	668
Actuarial losses	**837**	3,362
Benefits paid	**(554)**	(1,021)
Closing defined benefit obligation at 28 February	**29,010**	28,238

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Changes in the fair value of plan assets are as follows:

	2021 £'000	2020 £'000
Opening fair value of scheme assets at 1 March	**23,363**	20,334
Expected return	**406**	540
Expenses	**(91)**	(86)
Actuarial gains	**159**	3,173
Employer contributions	**325**	423
Benefits paid	**(554)**	(1,021)
Closing fair value of scheme assets at 28 February	**23,608**	23,363

	2021 £'000	2020 £'000	2019 £'000	2018 £'000	2017 £'000
Fair value of scheme assets at 28 February	**23,608**	23,363	20,334	20,496	20,383
Present value of defined benefit obligation at 28 February	**(29,010)**	(28,238)	(25,229)	(25,457)	(27,441)
Deficit in the scheme	**(5,402)**	(4,875)	(4,895)	(4,961)	(7,058)
Experience adjustments on scheme assets	**159**	3,173	(276)	197	3,064
Experience adjustments on scheme liabilities	**(345)**	34	191	157	370

On 27th May 2021 TPT advised YHA that it has recently been brought to the attention of the Trustee that changes have been made in the past to the benefits provided to members from the Scheme, which may not have been executed as required by the Scheme's documentation. This means that, although members are receiving the benefits that they expected to receive and employers intended to provide at the time the changes were made, they need to verify whether and when certain historic benefit changes took proper legal effect and are seeking legal judgment to ascertain this.

This process is likely to take some time but if judgement went against the Trustee this would result in an increase in liabilities for this defined benefit scheme. An initial estimated figure of £1.25m has been provided by TPT as the likely cost of an adverse ruling. Given this liability is the result of a change made by the administrators of the scheme, whilst we await further details YHA reserves its right to take such action as may be necessary to protect its position.

Multi-employer defined benefit scheme
Under the definition set out in FRS 17, the Pensions Trust Growth Plan Series 1, 2 and 3 are multi-employer pension schemes. YHA is unable to identify its share of the underlying assets and liabilities of the schemes. Accordingly, the contributions have been accounted for as if they were defined contribution schemes. Schemes 1 and 2 closed to new members in 2001, members of scheme 3 have the opportunity to remain in the scheme or join the Scottish Widows defined contribution scheme.

The last actuarial valuation concluded and published by the Pensions Trust was at 30 September 2017. The assets and liabilities and comparison to the previous triennial valuation in September 2014 were as follows:

	30 September 2017 Million £	30 September 2014 Million £
Assets	**794.9**	793.4
Present value of liabilities	**(926.4)**	(969.9)
Deficit	**(131.5)**	(176.5)

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The assumptions that had the most significant effect on the valuation were as follows:

	30 September 2017	30 September 2014
Financial assumptions		
Market Implied Inflation	**3.4%**	3.4%
Long term gilt yield	**1.8%**	3.0%
Discount rates		
Pre-retirement rate	**3.1%**	4.2%
Post retirement rate	**2.3%**	3.3%
Inflation		
RPI	**3.4%**	3.1%
CPI	**2.5%**	2.2%

The deficit of £131.5 million represents a funding level of 85.8%. At the 2011 valuation the Trustees put in place a recovery plan with the aim of eliminating this deficit via a combination of additional contributions from employers and investment returns over a period of 10 years from 1 April 2013. As a result of the 2014 valuation the recovery plan had been extended by 2 years and 5 months until 31 August 2025. However, the current valuation now reduces this repayment period to 31st January 2025.

The Pensions Trust had previously notified YHA that the additional contributions required from YHA (England and Wales) from 1 April 2013 would be £385,220 rising by 3% per year. This was subsequently revised from 1 April 2016 to £403,318 and more recently from 1 April 2019 to £436,021.

As part of the agreement reached on the final salary scheme recovery plan on 31 March 2015 YHA will continue to meet its Growth Plan contributions from within total contributions across both schemes of £700,000 per annum rising by 3% per annum starting from 1 April 2015.

Multi-employer Pension Scheme movements

	2021 £'000	2020 £'000
Balance at 1 March	**2,278**	2,638
Paid in the year	**(448)**	(435)
Interest expense	**21**	39
(Decrease)/increase in liability	**15**	36
Balance at 28 February	**1,866**	2,278

24 Endowments

Permanent Endowments (group only)

	At 1 March 2020 £'000	**Realised gain £'000**	**Unrealised loss £'000**	**At 28 February 2021 £'000**
Wilderhope Funds	125	3	10	**138**
Richards bequest	389	8	32	**429**
Peter Grant Fund	77	2	5	**84**
Peter Grant Endowment Fund	96	2	8	**106**
Merseyside YH Golden Jubilee Trust	141	-	1	**142**
	828	15	56	**899**
Expendable endowments	132	3	10	**145**
	960	18	66	**1,044**

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The Wilderhope Manor Fund and the Wilderhope Fund were created to provide financial support for the continuing use of Wilderhope Manor as a youth hostel.

The Richards Bequest generates income to pay for providing "various equipment for inside and outside sports & games, and material for handicrafts".

The Peter Grant funds were given to generate income for the maintenance of our hostels, (the endowment fund) and to give disadvantaged youngsters the opportunity to experience YHA.

The Merseyside Youth Hostel Golden Jubilee Trust endowment provides assistance, financial or otherwise to "enable needy or disabled young persons to enjoy the benefits of youth hostelling activities".

25 Restricted funds

Group and Company

	At 1 March 2020 £'000	Incoming resources £'000	Expenditure £'000	Transfers to/from unrestricted fund £'000	At 28 February 2021 £'000
Breaks 4 Kids/Project 90 Fund	83	360	(43)	-	**400**
Small Hostels Fund	382	5	(30)	-	**357**
Capital Grants & Donations	3,380	35	(113)	(11)	**3,291**
Revenue Grants & Donations	15	10,729	(10,642)	(4)	**98**
Other	189	20	(11)	1	**199**
	4,049	11,148	(10,839)	(14)	**4,345**

	2021 £'000	2020 £'000
Restricted funds (capital)	**3,291**	3,380
Restricted funds (other)	**1,054**	669
	4,345	4,049

The **Break 4 Kids** fund has been a long-standing fundraising appeal designed to give financial support to groups of disadvantaged youngsters and provide the opportunity of a stay with YHA. In 2019/20 we extended this project to expand the scope of the scheme to cover a wider group of disadvantaged young people and families as part of our 90th anniversary celebrations. Unfortunately given the covid pandemic we were unable to provide the residential stays during 2020/21 as we had hoped. Government restrictions permitting, we will recommence our programme later in 2021/22.

The **Small Hostels Fund** is supplemented by donations and legacies from people wishing to support the maintenance and development of YHA's small rural hostels. Donations of £5,000 (2020: £245,000) were gratefully received in the year with £30,000 being spent from the fund this year to support the refurbishment of a number of hostels throughout the network.

During the year capital grants of £2,000 (2020: £176,000) were received. This related to the final claim towards the refurbishment of YHA Street. A further £32,000 (2020: £450,000) of donations were received to support other capital refurbishment projects including £22,000 for the refurbishment of Bryn Gwynant and £10,000 for Swanage.

The £14,000 transfer from restricted funds is where projects have been completed and the terms of the restriction have been met.

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26 Analysis of net assets between funds

Group	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total £'000
Tangible fixed assets	91,227	3,291	-	**94,518**
Intangible fixed assets	626	-	-	**626**
Investments	-	-	1,044	**1,044**
Current assets	5,326	1,054	-	**6,380**
Current liabilities	(59,082)	-	-	**(59,082)**
Long term liabilities	(10,047)	-	-	**(10,047)**
Pension liability - Defined benefit	(5,402)	-	-	**(5,402)**
- Multi-employer	(1,866)	-	-	**(1,866)**
	20,782	4,345	1,044	**26,171**

Company

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total £'000
Tangible fixed assets	91,227	3,291	-	**94,518**
Intangible fixed assets	626	-	-	**626**
Investments	-	-	1,045	**1,045**
Current assets	5,326	1,054	-	**6,380**
Current liabilities	(59,093)	-	-	**(59,093)**
Long term liabilities	(10,047)	-	-	**(10,047)**
Pension liability - Defined benefit	(5,402)	-	-	**(5,402)**
- Multi-employer	(1,866)	-	-	**(1,866)**
	20,771	4,345	1,045	**26,161**

27 Reconciliation of changes in resources to net cash inflow from operating activities

	2021 £'000	2020 £'000
Net expenditure for the reporting period (as per the statement of financial activities)	**(14,278)**	(1,283)
Adjustments for :		
Depreciation	**5,163**	5,409
Pension contributions to reduce liabilities	**(591)**	(766)
Pension cost expenses non cash	**91**	86
Pension net interest non cash	**83**	128
Borrowings – non cash items (amortisation)	**70**	162
(Gains)/losses on investments	**(84)**	-
(Loss)/profit on sale of tangible fixed assets	**(210)**	-
Interest charge	**1,371**	1,438
Investment income – cash element	**(20)**	(26)
(Increase)/decrease in stock	**257**	(31)
Decrease/(increase) in debtors	**204**	(625)
Increase/(decrease) in creditors	**(7,400)**	727
Increase/(decrease) in provisions	**117**	(50)
Net cash provided by/ (used in) operating activities	**(15,227)**	5,169

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28 Analysis of cash and cash equivalents

	2021 £'000	2020 £'000
Cash in hand	**4,134**	2,558

29 Reconciliation of net cash outflow to movement in net debt

	Group 2021 £'000	2020 £'000
(Decrease)/increase in cash	**1,576**	(703)
Cash outflow from movement in debt and lease financing	**(19,001)**	(5,750)
Change in net debt resulting from cashflows	**(17,425)**	(6,453)
Non cash changes	**(72)**	(162)
Movement in net debt	**(17,497)**	(6,615)
Net debt at 1 March	**(38,208)**	(31,593)
Net debt at 28 February	**(55,705)**	(38,208)

30 Analysis of changes in net debt

	At 1 March 2020 £'000	Cash flows £'000	Non-cash Changes £'000	At 28 February 2021 £'000
Cash in hand and at bank	2,558	1,576	-	**4,134**
Debt within one year	(19)	19	(52,374)	**(52,374)**
Debt after more than one year	(40,177)	(19,219)	52,302	**(7,094)**
Finance leases	(570)	199	-	**(371)**
	(38,208)	(17,425)	(72)	**(55,705)**
Cash in hand and at bank	2,558	1,576	-	**4,134**
Total borrowing & finance leases	(40,766)	(19,001)	(72)	**(59,839)**
	(38,208)	(17,425)	(72)	**(55,705)**

31 Capital commitments

	2021 £'000	2020 £'000
Contracted for but not provided for in these financial statements	**-**	487

Capital commitments are included for any remaining expenditure required to complete major projects. This is intended to reflect YHA's commercial intent and any material commitments to full completion of these projects, in previous years this could have been in excess of the contractually binding liability as at the year-end date but that is not relevant this year as no such projects were in progress.

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32 Leasing commitments

Operating lease and rental payments fall due as follows:

Group and Company

	2021		2020	
	Land and buildings £'000	**Other £'000**	Land and Buildings £'000	Other £'000
In one year or less	**2,118**	**514**	2,028	677
Between one and five years	**8,556**	**262**	8,232	207
Between five and twenty-five years	**51,168**	**-**	49,093	-
Twenty-five years or more	**3,288,843**	**-**	3,356,668	-
	3,350,685	**776**	3,416,021	884

YHA holds leases on 13 properties beyond 25 years giving rise to a £3.3bn FRS 102 calculated liability. 96% of this calculated liability relates to commercial rent payable on a single property with 237 years of a 250-year term remaining. There is a break clause on this property in 18 years' time and every 35th anniversary thereafter which mitigates any risk to the charity.

33 Transactions with Trustees and other related parties

There were no transactions with Trustees other than those disclosed in note 10. There were no material transactions with related parties.

As YHA Trading Limited is a wholly owned subsidiary of YHA, YHA is exempt from the requirements of FRS 8 to disclose transactions with this company.

34 Contingent land commitment

We have an agreement which would allow us to purchase land with the intention of building a new hostel, and we have 18 months to take advantage of this option. This arrangement is subject to commercial sensitivity therefore the financial impact of this cannot be disclosed within this report.