

# 2023

annual report





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## About YHA New Zealand

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We are a membership-based incorporated society and a registered charitable organisation, operating in New Zealand since 1932.

Our affiliation with Hostelling International (HI) maintains our status as part of the world's first and largest budget accommodation network and ensures our members receive reciprocal benefits worldwide.

Our mission is currently being delivered through our independently owned Franchise and Associate partners.

We give equal consideration to our social, economic, and environmental impact. Our Annual Report reflects this triple bottom-line commitment.

### Our mission is:

To deliver quality budget accommodation and travel experiences which enrich people's understanding of each other, the environment, and Aotearoa, New Zealand.

### We are committed to:

- Living our values of respect, integrity, passion, excellence and authenticity
- Focusing on sustainability through our triple bottom line of People, Planet, and Profit
- Recognising and respecting the status of Māori in Aotearoa, New Zealand
- Providing a safe and healthy workplace and hostel experience for all.



Chris Sperring, General Manager



Ian Lothian, National Chair

# General Manager & National Chair Summary

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## Year in Review

As we celebrate our 91st year in operation, we are pleased to present a recap of the achievements and transformations that have shaped our organisation in the past year. In September 2022, the successful sale of hostel assets marked a pivotal moment for us, enabling the complete clearance of our debt and responsibilities to staff and creditors. This has paved the way for a new era, allowing us the time and space to investigate options which could enable sustainable economic growth in the future.

## Looking to the past to inform our future

The 2022 Annual General Meeting set the stage for our journey towards the future, highlighting several impending projects that have guided our efforts to future-proof the association in a phased approach. One of the most ambitious endeavours was the uncoupling of our antiquated and costly IT systems. This complex undertaking, in collaboration with key stakeholders from Datacom, Tomahawk, CMS and Fujitsu is nearing its completion and is scheduled to finalise in October 2023. This project will allow us to handle our historical data and financial information more efficiently and securely via a cloud based system.

## Doors Open

What mattered deeply to our team was re-establishing a network of hostels quickly which our loyal membership could take advantage of. We were keen to offer affordable accommodation during the first year of our borders re-opening following the Covid-19 pandemic.

We were able to deliver a network of hostels via our Franchise and Associate partner agreements who continued to provide 10% discount to our membership in an efficient way via our booking engine, website and dedicated online membership portal. We worked at great pace with the new owners (of our previously owned or managed hostels) in order to re-open hostels at Christmas time. This was a remarkable feat given global workforce shortages and other supply related challenges, which has seen costs increase dramatically in a short space of time.

## Rebuilding Relationships and Focusing on Growth

The post-Covid environment can best be described as “VUCA” (volatile, uncertain, complex and ambiguous), and operations are very challenging because of this. Partnerships and collaboration are one way to safeguard ourselves at this time and so re-establishing our relationships with important partners, such as Hostelling International (HI), YHA Australia, HI US, and HI Canada have been crucial this year. Regular monthly meetings have played a pivotal role in renewing our connections and reinstating our position within the organisation's fabric as we contribute once more to the global YHA culture.

## Embracing Innovation for Sustainable Growth

In a constantly evolving world, we must embrace innovation and leverage technology to keep abreast of new business models. This will enable us to adapt to changing customer preferences and position ourselves for sustainable economic growth. By removing barriers to innovation, our team is empowered to explore new possibilities and stay ahead of customer demands.

The challenge exists to find the sweet spot between desirability, feasibility and viability in the short-to-medium-term. This related to the desirability of our product offerings for our partners, members and guests, as well as the feasibility of harnessing the technology we have at our disposal to allow our customers to purchase when and how they choose. All of this needs to be on the basis of a viable business model to allow YHA to remain agile and nimble enough to achieve sustainable economic growth.

## Navigating Challenges with Resilience

Operating amid a worldwide labour shortage and a tourism sector still recovering from the impact of the pandemic, our operations have faced significant challenges. However, we have successfully launched our booking engine and website in March 2023, exceeding all expectations and generating over \$1 million in bed sales. Our commission from these sales remains steady at 10%, and our membership sales continue to provide a reliable source of income. Additionally, our Franchise agreement with new owners Gaw Capital Holdings has facilitated a quick restart with 9 previously owned or operated YHA assets reopening within a two-month window around Christmas 2022. This mutually beneficial relationship has the potential to extend further, bolstering our future prospects.

Whilst this relationship has developed over the year it is important to note that Franchise and Associate partner activity is not enough to sustain economic growth in itself in the future. We will need to develop further revenue streams to remain financially viable into the future.

At this point, we would like to thank our Associate and Franchise partners across the motu who continue to carry the brand with pride and who have remained loyal to YHA New Zealand during a tumultuous period in our history, delivering quality accommodation to our members.

## Shaping a Sustainable Operating Model

As we look to the future, we recognise the importance of delivering exceptional customer experiences. To ensure sustainable economic growth and without compromising our charitable status or our Member associate obligations with Hostelling International, we are currently engaged in a Request for Proposal (RFP) process. This process involves soliciting bids from suitably skilled and experienced Tourism Industry advisors to help us develop a preferred operating model that aligns with our core values and vision. It is a multi-phased project which presents an extraordinary opportunity to redefine our place within the Tourism Industry landscape. We will share more information about this project at the upcoming 2023 AGM.

## Conclusion

As we reflect on the achievements of the past year, we believe that we have taken steps to lay the foundation for the organisation's growth and prosperity. The challenges we faced have strengthened our resolve to innovate, adapt, and remain viable and sustainable in a rapidly changing world.

With revenue levels this year better than anticipated, we have been able to mitigate our losses during year one of our restart mode.

With the ongoing support of our dedicated team, valued partners, and loyal customers, we are confident that YHA New Zealand's future can be one of renewal and growth.



**Chris Sperring**  
General Manager  
October 2023



**Ian Lothian**  
National Chair  
October 2023

# Governance

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## National Board

Our organisation is governed by a National Board, which comprises six elected senior financial members and up to two co-opted members. The Board's role is to act in the best interests of YHA as a whole in order to deliver on our aims and objects and ensure our long-term sustainability.

Our Board members are volunteers and receive no payment for the substantial commitment of time and talent they make to YHA. However, they are able to claim reimbursement for actual and reasonable expenses.

The Board works hard to maintain a diverse base of skills and to balance the organisation's commercial realities with our not-for-profit charitable aims and objects. It aligns its processes with the Institute of Directors' best practice.

The Board meets at least six times each year. The Board exercises its leadership of YHA through a close working relationship with the General Manager.

### Board Members as at 30 June 2023

Ian Lothian, National Chair  
Maureen McCloy, Deputy Chair  
Darin Cusack  
Nancy Ward

Mark Ebrey  
Vivien Jones  
James Bishop, Intern

Maureen McCloy is also the Chair of the People and Engagement Komiti.

During the year we sadly farewelled Hayley Groves and Rachael Shadbolt from the Board and thank them for their years of governance service to YHA, particularly during the recent difficult times.



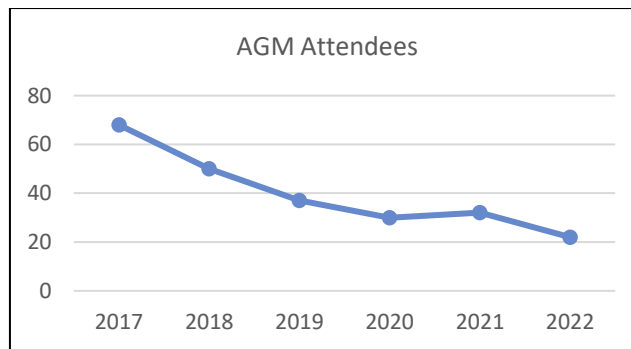
The National Board as at June 2023, from left to right: Darin Cusack, Vivien Jones, Maureen McCloy (Deputy Chair), Nancy Ward, Mark Ebrey and Ian Lothian (Chair)



## Member Engagement

Engaging our large membership base with matters of governance is an ongoing challenge. We share Board and governance-related updates with YHA News email subscribers, and previous to this last year, we used to distribute email newsletters on behalf of Branches and Member Groups, hold occasional member meetings over morning tea or lunch, and provide a social media forum to facilitate ongoing member interaction. Having such a small team for most of the last year and with our main focus being on the sale of our owned hostels, we have had to take a step back on some of our usual engagement with members.

All Senior Financial Members are, upon eight or more weeks' current membership, entitled to vote in all YHA elections and on Constitutional Notices of Motion. Members are encouraged to participate in the Annual General Meeting (AGM) in order to gain insight into YHA's strategic direction and performance. Prior to the 2022 AGM, 6,882 members were registered on the electoral roll; of whom 381 cast votes for the Board election. The AGM was held via live-stream and was attended by 22 members, which was a decline on previous years.



Members can join or form local Branches or Member Groups. There is currently one Branch, Auckland, with a core of 10-15 members involved in local Branch activities. There is also one Member Group (Canterbury) which is a less formal network of 15-20 members.



YHA Queenstown Lakefront

# Our People

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## People and Culture

Our dedicated team of staff have had a challenging year managing 5 distinct workstreams. These are at various stages of completion.

1. YHA New Zealand's online booking engine and website development
2. Renewal Agreements with Hostelling International, Franchise and Associate partners
3. Project Thrive – Identify and develop a sustainable economic operating model
4. Migration of our IT and financial data to a cloud based system
5. Membership – Reimagining the future of YHA New Zealand memberships offering

It has been a tremendous amount of work, but the team are in good spirits and fully understand the value that they bring in reshaping our business operating systems.

The Christchurch based team have recently re-located to a co-working space in the city as we look to maintain acceptable working conditions which enhances and promotes physical and mental well-being.

## Staff Composition

We employed a total of six people as at 30 June 2023, and at the time of publication this number has reduced to five people, with a full-time equivalency (FTE) of 3.5. This compares to 6 people and 3 FTEs in 2022.

50% of our current staff are female and 50% are male, with three nationalities represented (New Zealand; UK; and Canada).

This team will continue to work hard for the future of YHA New Zealand. Those in the team are:

- Chris Sperring, General Manager | Manahautū
- Michele Duguay, Finance Manager | Kaitiaki Pūtea
- Richard Lingard, Systems & Performance | Kaitātari
- Leiali Al-Afrangi, Administration & Communications | Kaituitui
- Kate Ufton, Payroll

We have also contracted a Social Media Marketer to assist on a casual basis.



Our core staff as at June 2023: from left to right: Chris Sperring, Michele Duguay, Richard Lingard and Leiali Al-Afrangi



## Special Thanks

A big thank you to Maureen McCloy who returned to support the team with the remaining asset sales that were finalised in September 2022. Maureen was previously our Corporate Services Manager for several years before retiring in 2019, and later joined our National Board in 2021. Maureen's wealth of experience and knowledge was a huge asset to the team in ensuring YHA New Zealand remained in a strong position to begin our journey as a 91-year old start up.

## Health and Safety

Our team have continued to work from home for the majority of the last year, and have been provided with the necessary work-station set-ups and support. To enhance overall well-being by reconnecting as a team, we have explored and tested different co-working environments in Christchurch, and the team have recently sub-leased desks within a shared office space in Christchurch CBD.



Moke Lake, Queenstown





Top: YHA Westport, Triplnn  
Below: YHA Taupo, Finlay Jacks

# Our Hostels

## The Hostel Network

Following the changes last year, YHA New Zealand’s current network consists of solely associate, independently run hostels.

Although YHA New Zealand no longer owns or directly manages any hostels in our network, it is important to note that we still have a significant Franchise and Associate partner network that we are looking to expand.

YHA New Zealand did not always own properties, and returning to this stage is a vital step as we manage our outgoings and plan for our future.

YHA Arthurs Pass and Kinloch have left our Associate network.

## Franchise Partners

- |                            |                          |
|----------------------------|--------------------------|
| YHA Auckland International | YHA Aoraki Mt Cook       |
| YHA Rotorua                | YHA Franz Josef          |
| YHA Wellington             | YHA Wanaka               |
| YHA Christchurch           | YHA Queenstown Lakefront |
| YHA Lake Tekapo            |                          |

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FRANCHISE PARTNERS

## Associate Partners

- YHA Taupo, Finlay Jacks
- YHA Waitomo, Juno Hall
- YHA Whanganui, Braemar House
- YHA Hanmer Springs, Kakapo Lodge
- YHA Westport, Triplnn
- YHA Ahipara Backpackers & Holiday Park
- YHA Bay of Islands, The Rock Adventure Cruise
- YHA Paihia, Bay of Islands Lodge
- YHA National Park Backpackers
- YHA Golden Bay, Annie’s Nirvana Lodge
- YHA Nelson, by Accents
- YHA Picton, The Villa
- YHA Punakaiki, Te Nikau Retreat
- YHA Springfield, Smylies Accommodation

# 14

ASSOCIATE PARTNERS

# 23

TOTAL HOSTELS





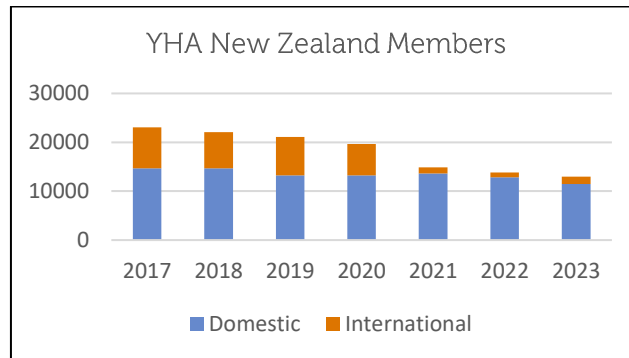
Clockwise from top: YHA Waitomo Juno Hall, YHA Taupo Finlay Jacks, YHA Waitomo Juno Hall, YHA Westport TripInn; YHA Whanganui Braemar House and YHA Hanmer Springs Kakapo Lodge)



# Membership

We launched a new online member portal in December 2022 ensuring the continuation of discounts at YHA New Zealand's franchise and associate network and at Hostelling International locations around the world.

Through this online portal existing members can view their membership details, view their digital membership card and renew memberships as they expire. New members can also purchase memberships easily through the portal.



We regularly communicated with our members via YHA News, updating them on the re-opening of familiar hostels and other available properties within our network, sharing details about the new online membership portal, advising members of our Annual General Meeting held in November 2022, promoting our partner hostels across the country, and giving travel tips for our beautiful Aotearoa.

We also connected with the public through social media, where members and potential guests expressed joy in seeing our return to these platforms.

Thank you to all who have participated in the Angus and Associates brand work by completing the recent survey. This important work will allow us to gain valuable insight into our members and your travel habits which will be used to inform future product offerings in the membership space in support of our charitable goals.



YHA Wanaka

# International

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**YHA New Zealand is an active member of the International Youth Hostelling Federation known as Hostelling International (HI). This membership is strategically important for YHA New Zealand, especially during these tough times and remains a key competitive advantage.**

We remain committed and contributing members of HI and enjoy a positive relationship with our sister Associations.

During the last year, we finalised a renewed agreement with HI, which allows us the right to operate under the Hostelling International brand as a member associate.

YHA New Zealand has remained in contact with key associations across Australia, North America, Europe, and the UK. These associations closely match our operating model and the connections have been useful in terms of learning different approaches to post-Covid travel.

We hope to re-engage on a personal level with the Hostelling International community at the 2024 International Conference which is being held in Germany.

Specifically, we have an active involvement in the following:

## **PacRim Marketing Collaboration**

We work with YHA Australia, HI Canada and HI USA on collective marketing projects. This year our focus has been on understanding the impacts of Covid and learning how each of us are emerging from this period to build back for the future.

## **HI General Participations**

YHA New Zealand continues to contribute positively to HI at a general level as well as support key meetings. General Manager, Chris Sperring, has met with the Director of Digital Sales for HI. There has been synergies between our organisations as HI are embarking on a 10 year digital strategy similar to our own with regards to establishing a plan for sustainable economic growth following the fall-out from Covid.

## **YHA Australia Relationship**

We continue to enjoy a very close collaborative working relationship with YHA Australia at both management and operational levels. This includes structured meetings among senior management as well as staff participation in each country's key meetings.



# Our Financials

Youth Hostels Association of New Zealand Inc



## SUMMARY STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$ 000s	\$ 000s
<b>GROSS REVENUE</b>	283	3,097
<b>TOTAL EXPENDITURE</b>	1,421	8,845
<b>(Deficit) before Financing Costs</b>	<b>(1,138)</b>	<b>(5,748)</b>
Interest Received	74	5
Interest Paid	(19)	(822)
<b>Surplus / (Deficit) after Financing Costs</b>	<b>(1,083)</b>	<b>(6,565)</b>
Gain / (Loss) on Sale of Assets	69	799
Realisation Basis Adjustment	-	24,533
<b>NET DEFICIT for the YEAR</b>	<b>(1,014)</b>	<b>18,767</b>
Revaluation of Land & Buildings	-	1,050
<b>TOTAL COMPREHENSIVE DEFICIT</b>	<b>(1,014)</b>	<b>19,817</b>



## SUMMARY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$ 000s	\$ 000s
<b>TOTAL COMPREHENSIVE DEFICIT FOR THE YEAR</b>	<b>(1,014)</b>	<b>19,817</b>
<b>Net Movement in Equity for the Year</b>	<b>(1,014)</b>	<b>19,817</b>
Equity at Start of the Year	4,755	(15,062)
<b>TOTAL EQUITY AT END OF THE YEAR</b>	<b>3,741</b>	<b>4,755</b>

SUMMARY STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2023



FUNDS OF THE ASSOCIATION	2023	2022
	\$ 000s	\$ 000s
Accumulated Funds	3,741	(4,782)
Revaluation Reserve	-	9,537
<b>TOTAL ASSOCIATION FUNDS</b>	<b>3,741</b>	<b>4,755</b>

These were represented by:

	2023	2022
	\$ 000s	\$ 000s
<b>ASSETS</b>		
<i>Current assets</i>	4,336	524
Assets Classified as Held for Sale	-	16,106
	4,336	16,630
<i>Term assets</i>		
Property Plant & Equipment	14	-
Intangible Assets	49	-
	62	-
<b>TOTAL ASSETS</b>	<b>4,398</b>	<b>16,630</b>
<b>LESS LIABILITIES</b>		
Current Liabilities	657	3,115
Term Liabilities	-	8,760
<b>TOTAL LIABILITIES</b>	<b>657</b>	<b>11,875</b>
<b>NET ASSETS PER THE ASSOCIATION'S FUNDS</b>	<b>3,741</b>	<b>4,755</b>

SUMMARY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023



	2023	2022
	\$ 000s	\$ 000s
Net Cashflows From Operating Activities	(4,298)	(5,902)
Net Cashflows From Investing Activities	16,931	2,017
Net Cashflows From Financing Activities	(8,760)	1,000
<b>NET INCREASE / (DECREASE) IN CASH</b>	<b>3,873</b>	<b>(2,885)</b>
Add Opening Cash Balance	392	3,277
<b>CLOSING CASH and BANK BALANCES</b>	<b>4,265</b>	<b>392</b>
REPRESENTED BY		
Cash at Bank and on Hand	4,266	392
	<b>4,266</b>	<b>392</b>

On Behalf of the National Board

*Jan Lothian*

I Lothian – National Chair





Michele Duguay, Finance Manager

# Notes to the Summary Financial Statements

For the year ended 30 June 2023

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These are the Summary Financial Statements of the Youth Hostels Association of New Zealand Incorporated (YHA New Zealand) for the year ending 30 June 2023.

The specific disclosures included in these summary financial statements have been extracted from the full annual financial statements authorised for issue on 20 October 2023. The full financial statements have been prepared in accordance with the requirements of the Charities Act 2005, which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The full financial statements have been prepared in accordance with Tier 2 Public Benefit Entity Standards and reduced disclosure concessions have been applied. The criteria under which an entity is eligible to report in accordance with Tier 2 Public Benefit Entity Standards are that Youth Hostels Association of New Zealand Incorporated is not publicly accountable and not considered large as its expenses over the last two financial period do not exceed \$30 million per annum.

The full financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

These summary financial statements do not include all the disclosures provided in the full financial statements and cannot be expected to provide as complete an understanding as provided by the full financial statements. A copy of the full YHA New Zealand financial statements for the year ended 30 June 2023 may be obtained by emailing [national.secretary@yha.co.nz](mailto:national.secretary@yha.co.nz).

The qualified audit opinion, below, has been received on the full financial statements for the year ended 30 June 2023.

# Auditor's Report

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## Nexia Audit Christchurch

Nexia House  
Level 4, 123 Victoria Street  
Christchurch 8013

POSTAL  
PO Box 4160  
Christchurch 8140

T: +64 3 379 0829

[nexia.co.nz](http://nexia.co.nz)

## INDEPENDENT AUDITOR'S REPORT

To the members of Youth Hostels Association of New Zealand Incorporated

### Report on the Financial Statements

#### Opinions

We have audited the accompanying financial statements of Youth Hostels Association of New Zealand Incorporated (the "Association") which comprise the financial statements on pages 2 to 16 and the statement of service performance on page 17. The complete set of financial statements comprise the statement of financial position as at 30 June 2023, statement of comprehensive revenue and expense, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

#### Qualified Opinion on Financial Statements

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion on the Financial Statements section of our report, the accompanying financial statements presents fairly, in all material respects;

- The financial position of Youth Hostels Association of New Zealand Incorporated as at 30 June 2023, and its financial performance, and cash flows for the year then ended

in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

#### Opinion on the Statement of Service Performance

In our opinion, the accompanying statement of service performance presents fairly, in all material respects, the service performance for the year ended 30 June 2023, in that the service performance information is appropriate and meaningful and prepared in accordance with the entity's measurement bases or evaluation methods in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

#### Basis for Opinions, Including Basis for Qualified Opinion on the Financial Statements

##### *Impact of prior year qualification on our opinion*

As part of the cessation of hostel operations the Association terminated redundant IT systems including those associated with the revenue and receivables process. As a consequence of this, the Association did not maintain appropriate books and records to allow for an audit of revenue transactions to be completed for the year ended 30 June 2022, and the previous auditor was unable to obtain sufficient appropriate audit evidence regarding the revenue recognised during that period. Consequently, we are unable to determine whether any adjustments might have been necessary in respect of the profit for the comparative year reported in the statement of comprehensive revenue and expense or the comparative net cash flows from operating activities in the statement of cash flows.



We conducted our audit of the statement of comprehensive revenue and expense, statement of financial position, statement of changes in net assets, statement of cash flows, statement of accounting policies and notes to the financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)), and the audit of the statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised).

Our responsibilities under those standards are further described in Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Association in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board 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 qualified opinion on the financial statements and an opinion on the statement of service performance.

Other than in our capacity as auditor, we have no relationship with, or interests in, the Association.

### **Other Matters**

#### *Prior year auditor*

The financial statements of the Company for the year ended 30 June 2022 were audited by another auditor who expressed a qualified opinion on those statements on 24 November 2022. The first qualification was due to the impact of the prior year disclaimer of opinion, where the auditor was unable to obtain sufficient appropriate audit evidence to support the assumptions made by the Association in determining the value of property, plant and equipment, intangible assets and lease provisions as at 30 June 2021. The second part of the qualification has been described in the Basis for Qualified Opinion on the Financial Statements section of our report.

#### *Corresponding Figures in the Statement of Service Performance*

This is the first year that service performance information has been reported in the financial statements of the Association. The Service Performance Information includes corresponding figures for the prior year. These corresponding figures are unaudited.

### **Other information**

The National Board is responsible for other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of audit opinion or 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 and our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the National Board and use our professional judgement to determine the appropriate action to take.

### **National Board Responsibility for the Financial Statements**

The National Board is responsible, on behalf of the Association, for:

- a. Identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;
- b. The preparation and fair presentation of the financial statements on behalf of the Association which comprises:
  - The statement of service performance; and
  - The financial statements in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board, and
- c. For such internal control as the National Board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the National Board are responsible on behalf of the Association for assessing the Association'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 National Board either intends to liquidate the Association 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 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 (NZ) and ISAE (NZ) 3000 (Revised) 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.

As part of an audit in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the National Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures to obtain evidence about and evaluate whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

We communicate with the National Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Restriction on use of our Report**

This report is made solely to the members, as a body. Our audit work has been undertaken so that we might state to the members, as a body those matters which we are required to state to them in our audit 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 Association and the members, as a body, for our audit work, for this report or for the opinions we have formed.

*Nexia Audit Christchurch.*

**Nexia Audit Christchurch**

20 October 2023  
Christchurch

# Acknowledgements

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## Bequests

We express our heartfelt appreciation to those who have left us a gift in their will. Thank you for helping us continue to deliver on our charitable aims and objects for generations to come.

## Donations

YHA is very grateful for the following donations of \$500 or more:

Estate Alcock: \$1,000

## Our Structure

We are a registered charitable organisation and an incorporated society.

Our Charities Services Registration Number is CC37649.

YHA New Zealand's registered office is at PO Box 436, Christchurch 8011.

**Bank:** Bank of New Zealand

**Auditors:** Nexia New Zealand

**Solicitors:** Young Hunter, Rhodes & Co

## Honorary Life Members

1967	Gordon Solloway
1968	Jim Mckie
1982	Donald Paterson
1986	Rodney Metcalfe
1989	Ruth Wildish
1996	Peter Bugler
2001	Malcolm Wade
2006	Mike Northmore Gilbert Whalley
2007	Bruce Bertram Moira Lipyeat (passed away August 2023)
2011	Ross Butler Lancy Kiddey Ben Mitchell John Wilson
2012	Harry Guitry
2013	Bruce Ward
2014	David Berry Amanda Gower
2015	Coral Laughton Clive Croy
2019	Kevin Brewer
2020	Ray Salter



**Youth Hostels Association of New Zealand Inc.**

PO Box 436, Christchurch 8140, New Zealand

email: [info@yha.co.nz](mailto:info@yha.co.nz)

[www.yha.co.nz](http://www.yha.co.nz)