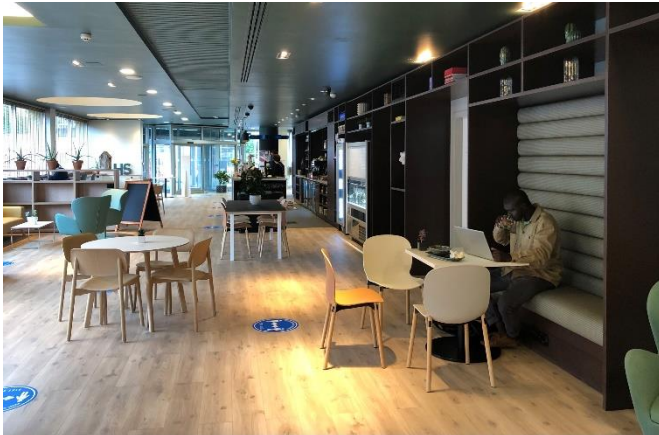


Annual Report and Financial Statements 2020 -21



MESSAGE FROM THE CHAIR



1

1. The newly refurbished ground floor in our Edinburgh Central Youth Hostel offers guests a welcoming and contemporary social space.

2

2. Just some of the February babies who received a FREE 'Lifetime Membership' as part of our 90th birthday celebrations.

3

3. Ullapool is the latest WoofHostel to offer guests Dog Friendly accommodation.

4

4. The refurbishment works at our Pitlochry Youth Hostel offers guests a new modern, self-catering kitchen along with this fantastic 'Room with a view'!



2020-21 was an exceptionally challenging year with the primary focus of the Board of Trustees being to safeguard the organisation and ensure we emerged from the pandemic ready to celebrate our 90th Anniversary in 2021. Only being open for a short period during the year heavily impacted our financial resources, however, thanks to the diligence and hard work of the Hostelling Scotland Team led by the Chief Executive, we generated a modest income whilst minimising costs wherever possible and protected the network ready for our 2021 summer season.

A huge thank you to all employees and members who have supported and continue to support us - your contribution is crucial to our recovery and future success.

Sally Mayer, Chair

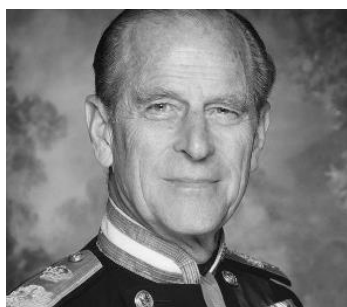


Join the conversation

Governance and Strategic Aims

Principal Charitable Objective

The principal charitable objective of SYHA is ‘the advancement of education, for the public benefit, by helping all, but especially young people, to experience and appreciate the Scottish countryside, environment, natural heritage and places of historic and cultural interest in Scotland, and through the promotion of their health, recreation and education, particularly by providing low cost accommodation for them on their travels’.



Patron

The Board of Trustees was deeply saddened by the death of our Patron, HRH The Prince Philip, Duke of Edinburgh, KG, KT, OM, GCVO, GBE, ONZ, QSO, AK, GCL, CC, CMM.

Scottish Youth Hostels Association was honoured to have been awarded his patronage and is extremely grateful for the support received over the years and we look forward to receiving continued royal patronage in the future.

Trustees and Directors

The Board, who are the Charity Trustees and Directors of the Company, received no remuneration for their services.

Those who served as Board members during the year were:

			Current Term
Sally Mayer	Chair	(2019-22)	Appointed 15.06.19
Martin Ambrose	Vice Chair	(2018-21)	Appointed 16.06.18
Claire McCorquodale	Vice Chair	(2020-23)	Appointed 05.09.20
Michael Anderson		(2019-22)	Appointed 15.06.19
Duncan Craig		(2020-23)	Appointed 05.09.20
Paul Randall		(2019-22)	Appointed 15.06.19
Sophie Bell (co-option)		(2018-21)	Appointed 06.10.18
William Thomson		(2017-20)	Retired 05.09.20
Michael West		(2018-21)	Appointed 16.06.18
Josephine Smith		(2018-21)	Appointed 16.06.18
Jennifer Ruddick		(2020-23)	Appointed 05.09.20

Executive Management

Chief Executive & Company Secretary: Margo S Paterson

Director of Operations & Deputy Chief Executive: Sabine Mackenzie

Registered Office:

7 Glebe Crescent
Stirling
FK8 2JA

Telephone: 01786 891400
Facsimile: 01786 891333
Email: info@hostellingscotland.org.uk
Website: hostellingscotland.org.uk

The Trustees and Directors in March 2018 agreed the following 7 key strategic aims in their adopted 2018 – 2021 Growth Strategy:

- 1. Delivering Excellence**
to our members, guests and stakeholders
- 2. Developing our People**
by nurturing our employee family so they in turn will deliver exceptional service
- 3. Enhancing our Properties**
to a standard of comfort and facilities that meet the needs of our guests
- 4. Innovating new Systems**
to attract new members and guests and to be able to respond quickly to their needs
- 5. Working with Young People**
supporting and promoting youth engagement and providing accessibility to Scotland for all
- 6. Engaging Membership**
ensuring members feel valued through regular communication
- 7. Securing the Future**
remaining relevant and ensuring our longevity to achieve the vision and charitable objectives of the organisation.

With the impact of the COVID-19 pandemic starting from March 2020, the organisation moved into crisis management and the Board of Trustees was unable to approve the proposed 2020-21 strategic objectives in what would have been the final year of the Growth Strategy 2018-2021.

The key aims as outlined in the Growth Strategy above form the basis of the 2021-22 Strategic Objectives.

Strategic aims summary for 2021-22

Hostelling Scotland is committed to putting members, guests and employees at the heart of the organisation. This strategic approach empowers our teams to deliver a consistently positive experience to all. Our aim is to anticipate guest needs from the moment they hear and think about staying with us, through to delivering a quality product and services. We will support this commitment through continued development of available resources, technology and communications. We want to succeed in achieving the most positive hostelling experience, creating a good lasting impression and satisfied guests.

Strategic Aim 1: Delivering Excellence

Development of our existing customer journey processes to ensure the delivery of continued positive and seamless guest experiences at all touchpoints and across all channels.



Welcoming guests to Scotland's Capital City.

Strategic Aim 2: Developing our People

Create a culture of wellbeing at work through the development of a positive working environment, development of retention plans, ongoing training and revised recruitment strategies.



People make hostelling and we are committed to the development of a positive working environment.

Strategic Aim 3: Enhancing our Properties

With asset protection in mind, support the development of a sustainable and well-functioning hostel network, ensuring employees, guests and visitors can expect and experience a high standard of accommodation and working environment.



A 'contemporary Scottish' feel to furnishings at our Glencoe and Torridon Youth Hostels

Strategic Aim 4: Innovating New Systems

Roll out of system upgrades to improve the booking journey, overall online experience, increase guest engagement and support productivity.



System developments will improve the booking journey for guests including the ability to check hostel availability and book RentaHostel online.

A great stay and an amazing location, even the train journey is sublime.
Definitely will be returning soon!!

Guest Review, Loch Ossian, 16.01.20

Strategic Aim 5: Working with Young People

Re-establishment of Explorers Programmes and volunteering opportunities for 2022.



We're looking forward to welcoming back youth groups as soon as travel restrictions ease and we are able to do so safely.

Strategic Aim 6: Engaging Membership

To retain existing and attract a diverse range of new members to the organisation through regular engagement and development of a membership that meets their requirements



Members and guests will once more be able to collect our unique hostel stamps as 'Hostel Passports' make a welcome return for our 90th year.

Strategic Aim 7: Securing the Future

Protect the long term sustainability of the organisation.



We will protect our long term sustainability with robust operational and financial management along with the development of the 2022-2025 Sustainable Strategy and establishment of a governance succession planning framework.

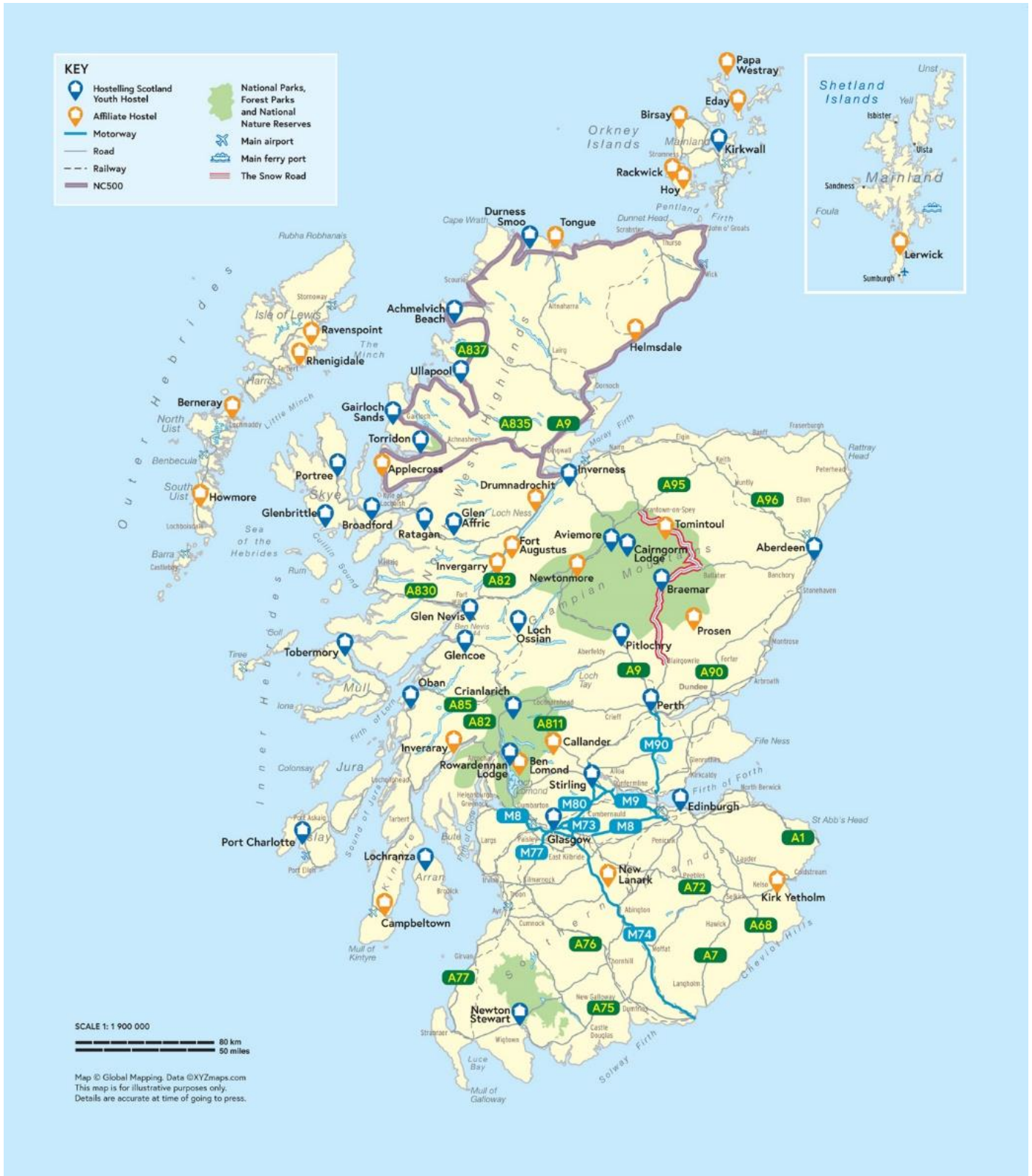
Margo Paterson, Chief Executive



Social Media has proved to be a key communication channel over the last year.

Where to stay?

From cities to islands, beaches to hills and mountains and all points in between, there's no better way to explore and discover Scotland -
#GoHostelling



Impact of the Covid-19 Pandemic

Mat at Torricon Youth Hostel is doing an amazing job in difficult circumstances. Arrangements to keep us safe and as comfortable as possible were excellent. He was unfailingly good humoured, helpful and thoughtful.

Guest Review, Torricon, 29.10.20

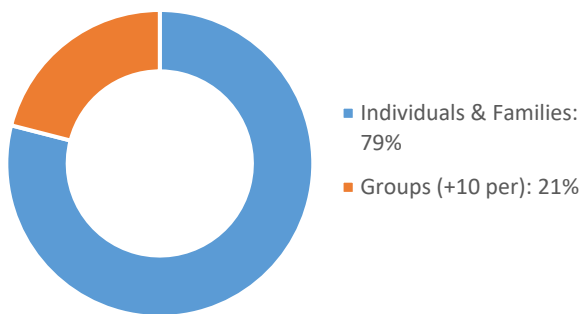
We operated for the full month of February 2020 and in March 2020 until the country went into lockdown. We were then able to re-open seven of our hostels between August and October 2020 on a private room only basis, with RentaHostel available in other hostels. As a result, we welcomed 36,246 overnight guests (2020: 346,989) during the year, a decrease of 90% on the previous year.

Having entered the COVID-19 crisis in a healthy financial position, we saw our cash reserves decrease rapidly due to repayment of bookings made for 2021. We carefully managed costs and having seen an 89% drop in our operational income, we took advantage of the Coronavirus Business Interruption Loan Scheme (CBILS) and borrowed £1m to aid cashflow. We were also fortunate to receive some funding from the Strategic Framework Business Fund and were able to retain cash at bank throughout the year and into 2021, without having to take any further assistance from external lenders.

Hostelling Guests

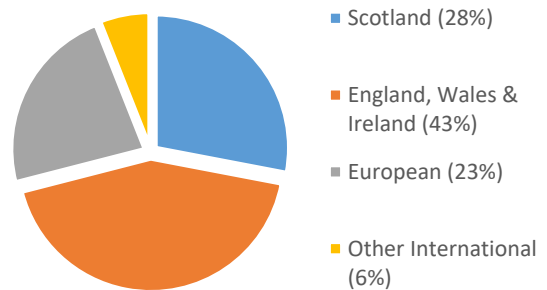
Guest profiles were:

2020 - 2021

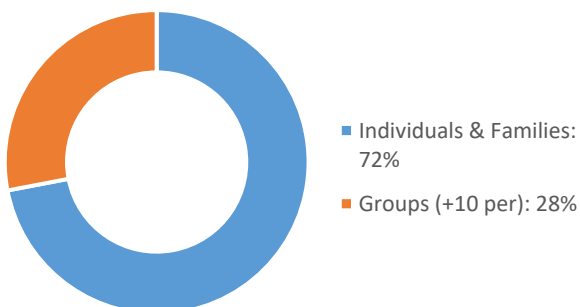


Guest nationalities were:

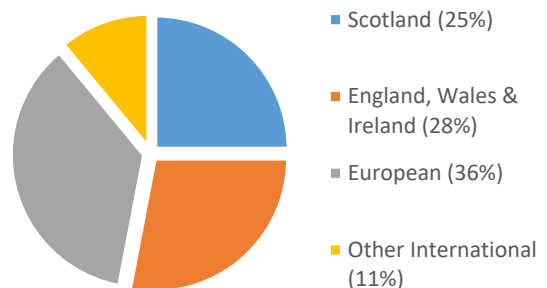
2020 - 2021



2019 - 2020



2019 - 2020



Working with young people:

Youth Engagement

To reach those most in need we will continue to develop partnerships with key organisations, utilising our diverse range of youth hostels in our network to provide memorable positive hostelling experiences for children, young people, families and leaders across Scotland.

Explorer Fund

Four groups were able to enjoy their funded Explorer trips before lockdown in March 2020. All other group trips scheduled to benefit from funding in 2020 have been moved to 2021 or 2022.

We were disappointed that so many groups and young people missed out on a welcome break due to the Covid Pandemic and we look forward to welcoming them back as soon as it is safe to do so.

Respite

We continued our partnership working throughout 2020-21 and hope to host much needed breaks for carers in late 2021.

Volunteers

Our well established and successful German volunteer programme had to be put on hold due to the continuing overseas travellers' restrictions, and our network having been closed for the majority of 2020-21. We do not expect volunteering to commence again until late 2021 or early season 2022.



A big thank you to Scott and Mary, who helped Mat and Em at Torridon prepare for the start of the new season. Volunteers play a key role in our hostels and we look forward to welcoming them back as soon as it is possible to do so.

Hostelling People:

Employees

During the coronavirus pandemic, Hostelling Scotland accessed the Government's Coronavirus Job Retention Scheme (CJRS) to protect jobs wherever possible. At the beginning of the pandemic 75% of our workforce was eligible to be placed on furlough. With the prolonged lockdown measures, we regrettably had to make a difficult decision around the operational scope of our organisation, resulting in 49 redundancies of various posts across the organisation with 15 employees securing alternative employment within the network to avoid redundancies.



The safety and wellbeing of our teams is of the utmost importance with the Covid pandemic and Brexit both bringing significant operational challenges.

As a result of the pandemic, although our application for training funding was approved under the 2020 Flexible Workforce Development Fund (FWDF), all funded training was suspended during the year. We continued to provide internal training including refresher courses to ensure employees were well informed, trained and prepared on COVID-19 compliant policies, procedures and practices leading up to the summer when our network re-opened in a reduced capacity. All risk assessments including pre-opening COVID-19 health check interviews were conducted with employees to ensure support during their return for the re-opening of hostels in 2020.

The pandemic has also created a different working environment for employees to work remotely, with our Continuity Team adopting this working pattern.

Following the end of the Brexit transition period, UK General Data Protection Regulation Awareness Refresher training was also rolled out to all employees reinforcing the importance of data protection and our commitment through our policies, procedures and practices, to safeguarding personal information of individuals.

Hostelling Operations:

I've stayed before, always excellent, this time surpassed excellent, loved the new facelift, friendly, welcoming ...a joy to stay there!

Guest Review, Edinburgh Central, 08.03.20

69% of all bookings in the year (2020: 66%) were generated through Reservations, at the hostels and on our website, with 31% (2020: 34%) being generated through third party booking engines.

For the months of February and March and then August to October 2020 and on a basis of 643 reviews, Hostelling Scotland Guest Reviews scored 94% overall, with a breakdown of:

Value	92%
Atmosphere	88%
Cleanliness	94%
Comfort	90%
Facilities	86%
Check-in	96%
Service	94%
Location	96%



Green Tourism: We continue to take steps to increase energy efficiency, reduce our carbon footprint through hostel refurbishment and promote sustainable projects to reduce negative environmental impacts. We work closely with the independent environmentally qualified assessors of Green Tourism to reassure members and guests that we care about sustainability and are working hard to make a difference. Green Tourism rating is valid for three years.

	Hostels 2020/21	Network %	Hostels 2019/20	Network %
Gold	11	33%	11	33%
Silver	18	55%	18	55%
Bronze	1	3%	1	3%
Awaiting Accreditation	3	9%	3	9%
Total Hostels	33	100%	33	100%



VisitScotland Quality Assurance (QA): 2019 Gradings were carried forward due to the COVID-19 pandemic:

	Hostels 2020/21	Network %	Hostels 2019/20	Network %
4-5 Star	17	52%	17	52%
3 Star	11	33%	11	33%
1-2 Star	4	12%	4	12%
Awaiting Accreditation	1	3%	1	3%
Total Hostels	33	100%	33	100%



Social distancing measures have been put in place in hostels across the network and we've been awarded VisitScotland's 'Good to Go' accreditation.

The newly refurbished kitchen at our Pitlochry Youth Hostel sees us move away from the use of gas in favour of electricity.

Annual Activities Summary

Fantastic stay. Staff were extremely helpful and flexible with our requests. Very impressed overall given the restrictions due to Covid-19

Guest Review, Cairngorm Lodge, 08.09.20



Our Torridon Youth Hostel won a Silver Award in the 2020 TGO Magazine Awards and guests at our newly refurbished Edinburgh Central Youth Hostel enjoyed a new and contemporary social space and café bar. During lockdown our Social Media networks proved to be a key communication platform and our 90th birthday celebrations got off to a great start with our Lifetime Membership offer and 'baby' promotion.

We commenced 2020-21 with a clear plan of action in place and an ambitious programme of capital works as our focus was, and remains on, the guest experience, raising standards and improving the product throughout the network.

Having operated during February and March 2020 up until the initial lockdown of the country, all previous plans had to be put on hold as the key priorities were to ensure continuity management of the organisation, looking after our people and properties, continue marketing and provide customer services along with ensuring financial going concern.

We did manage to officially open the refurbished ground floor at Edinburgh Central Youth Hostel and the new look café, bar, lobby, restaurant, meeting and games rooms were hailed a great success by travel writers and the press.

Throughout 2020-21, it was important for us to ensure awareness of Hostelling Scotland and we continued to promote hostelling as a lifestyle choice 'when it was safe to do so again'. Social media channels were a key source of engagement throughout the year and we also continued to communicate with our members and followers through regular e-mail and newsletter updates.

We are extremely grateful to all individuals, trusts and corporate organisations that have supported our charitable objectives during the year - to our own people, for their work as employees and contributions as volunteers, to our members and guests for their custom, support and patience during these difficult times, and to those who have provided financial support by gift or waiver.



The extensive exterior and interior of our Cairngorm Lodge Youth Hostel offers guests improved washroom facilities and a contemporary Scottish feel to the social space. 2020 also saw our first venture into alternative accommodation with the POD in Glencoe available for guests to book. Members and guest were kept up to date on business development through our monthly newsletter and we enjoyed widespread coverage in the media throughout the year.

Our recovery post COVID-19 will take a number of years to achieve and we will continue to work with colleagues in the hostelling sector to consult with Scottish Government on timescales when we can return to the full hostelling experience. As part of an international youth hostelling family, we are concerned by the loss of our international visitors, groups and employees and look forward to an easing of restrictions surrounding international travel, when it is deemed safe to do so.

We commenced planning for our 90th Anniversary year, determined to approach 2021 with positivity and hope. In celebration of our anniversary, we introduced a £90 Lifetime membership offer which has been extremely successful, providing much needed income during 2020-21.

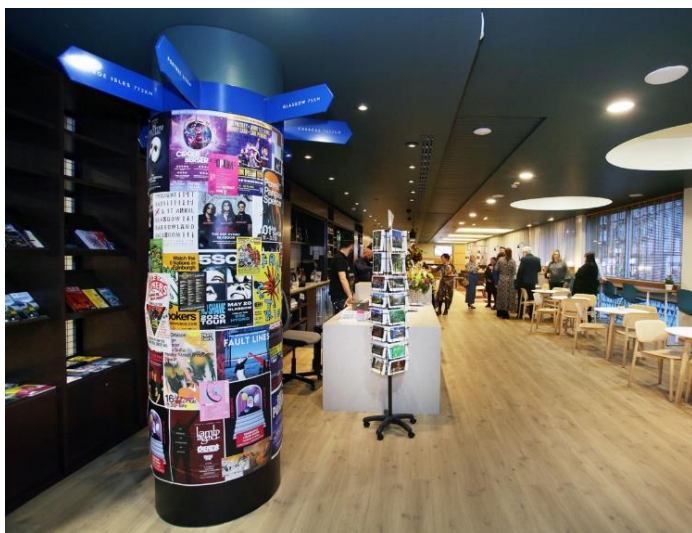
Early 2021 started off with some great news that our Torridon Youth Hostel had won Silver in this year's prestigious TGO Magazine Awards under 'Bunkhouse/Hostel' accommodation, following its sister hostel Achmelvich Beach Youth Hostel's win in 2020.

We continue to achieve our charitable objectives through our financial management, investment in properties and drive to deliver customer excellence to guests, along with our development of and commitment to social tourism and youth programmes. In our 90th year, the Board of Trustees and Directors is committed to rebuilding surpluses to invest back into the Youth Hostelling network as we recover from the impact of the COVID-19 pandemic, ensuring our long-term future.

Since 1931 it has been our mission to make more of Scotland more accessible to more people. This remains core to everything we do and we will continue to work hard to provide quality experiences for all.

The cleanliness and overall Covid prevention procedures at the hostel were excellent. Such a stunning location and really friendly staff.

Guest Review, Glen Nevis, 28.09.20



Guests enjoying the new lounge area and contemporary café bar at our Edinburgh Central Youth Hostel.



The newly refurbished kitchen at Pitlochry Youth Hostel offers guests more cooking and preparation space while the extensive renovation works at Cairngorm Lodge provides modern washroom facilities and a modern Scottish feel to all of the social areas. 2020 also saw the opening of our accommodation pod in Glencoe.

Hostelling Property

£768,672 was re-invested into the network during the year. £469,018 was expended on capital, the major element of this being on the refurbishments of Cairngorm Lodge (£288,297) and completion of Edinburgh Central ground floor (£43,450), the balance was invested into various projects throughout the network including replacement windows and boilers, upgrades to washrooms and health and safety and compliance works. £236,028 was expended on routine youth hostel maintenance and equipment and costs relating to statutory compliance and health and safety. £54,575 was spent on furniture and equipment across the network, with the remaining £9,051 spent on upgrading the organisation's information technology infrastructure and system enhancements.

Hostelling International



Since our formation in 1931, we have taken an active part in the activities of Hostelling International (HI) which co-ordinates over 70 national Youth Hostel Associations

across the world, averaging over 30 million overnights per annum. HI provides our members access to over 4,000 youth hostels worldwide.

We meet with British and Irish Youth Hostelling Associations and other European national associations annually to discuss matters of mutual benefit and cooperation. Meetings were held virtually during 2020-21 to which the Chair and CEO attended.

We are pleased to continue our Affiliate Hostel programme with independent, trust and community accommodation providers. We promote hostels in the western and northern isles belonging to the Gatliff Hebridean Hostels Trust and Orkney and Shetland Councils along with all other Affiliate Hostels throughout the country. We also continue to collaborate with the Cairngorm Business Partnership to promote and develop the hostelling ethos within the Cairngorms National Park.

Group Statement of Financial Activities

(incorporating the Group Income and expenditure account) For the year ended 31 January 2021.

Independent Auditor's Statement on the Summarised Financial Statements to the Members of Scottish Youth Hostels Association

We have examined the summarised financial statements of Scottish Youth Hostels Association for the year ended 31 January 2021. This statement, including the opinion has been prepared for and only for the charity's members and trustees as a body and for no other purpose. We do not, in giving this opinion accept or assume responsibility for any other purpose or to any other person to whom this statement is shown or into whose hands it may come, save where expressly agreed by our prior consent in writing.

Respective responsibilities of Trustees and auditor

The Trustees are responsible for preparing the summarised report and financial statements in accordance with applicable United Kingdom law and the recommendations of the Charities SORP. Our responsibility is to express an opinion on the consistency of the summarised financial statements within the Annual Review with the full annual financial statements and trustees report. Our procedures, which were conducted with regard to Bulletin 2008/3 which was issued by the Auditing Practices Board.

Opinion

In our opinion the summarised financial statements are consistent with the full annual financial statements and the trustees report of the Scottish Youth Hostels Association for the year ended 31 January 2021.

Henderson Loggie LLP

Chartered Accountants
Statutory Auditor
11-15 Thistle Street
Edinburgh EH7 5EQ

	Total funds 2021	Total funds 2020
	£	£
Income from:		
<i>Donations and legacies</i>	882,242	375,658
<i>Grants receivable</i>	718,068	-
<i>Charitable activities</i> - Operating Youth Hostels	814,900	7,696,519
<i>Other trading activities</i>		
Commercial Income from SYHA (Trading) Ltd	154,766	232,437
Membership subscriptions	79,343	471,906
<i>Investments</i> – bank interest	9,158	36,096
<i>Other Income</i> – insurance receipt	1,000,000	-
	<hr/>	<hr/>
Total income	3,658,477	8,812,616
	<hr/>	<hr/>
Expenditure on:		
<i>Raising funds</i>		
SYHA (Trading) Ltd expenditure	128,026	194,531
Membership costs	38,988	31,678
<i>Charitable activities</i> - Operating Youth Hostels	4,271,863	7,831,358
	<hr/>	<hr/>
Total expenditure	4,438,877	8,057,567
	<hr/>	<hr/>
Net income	(780,400)	755,049
Transfers between funds	-	-
Net movement in funds	(780,400)	755,049
Reconciliation of funds		
Total funds brought forward	13,585,316	12,830,267
	<hr/>	<hr/>
Total funds carried forward	12,804,916	13,585,316
	<hr/>	<hr/>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities

Balance Sheet

At 31 January 2021

	Group 2021 £	Group 2020 £
Fixed assets		
Tangible assets	16,255,262	16,408,381
Investments	-	-
	<hr/>	<hr/>
	16,255,262	16,408,381
	<hr/>	<hr/>
Current assets		
Stocks	15,908	32,784
Debtors	1,926,330	299,305
Cash at bank and in hand	1,931,798	4,948,203
	<hr/>	<hr/>
	3,874,036	5,280,292
	<hr/>	<hr/>
Creditors: amounts falling due within one year	(1,764,551)	(3,296,859)
	<hr/>	<hr/>
Net current assets	2,109,485	1,983,433
	<hr/>	<hr/>
Total assets less current liabilities	18,364,747	18,391,814
	<hr/>	<hr/>
Creditors: amounts falling due after more than one year	(5,559,831)	(4,806,498)
	<hr/>	<hr/>
Net assets	12,804,916	13,585,316
	<hr/>	<hr/>
Funds		
Restricted Funds	901,256	235,294
Unrestricted general funds	11,903,660	13,350,022
	<hr/>	<hr/>
Total charity funds	12,804,916	13,585,316
	<hr/>	<hr/>

The financial statements were approved by the Board of Trustees on 5th August 2021 and signed on their behalf by:

Sally Mayer Director
Martin Ambrose Director

Note to the Summarised Financial Statements

The summarised financial statements are taken from the audited financial statements of Scottish Youth Hostels Association for the year ended 31 January 2021. The auditor's opinion on those financial statements was unqualified. The summarised financial statements may not contain enough information for a full understanding of Scottish Youth Hostels Association's affairs and members are invited to read them in conjunction with the audited financial statements of the charitable company. Copies of the full annual accounts can be obtained from The Chief Executive, SYHA, 7 Glebe Crescent, Stirling, FK8 2JA.

Hostelling Finance

Total operational income was £3,658,477 (2020: £8,812,616) a 58.5% decrease of £5,154,139 on prior year (2020: £162,152 increase). Total resources expended was £4,438,877 (2020: £8,057,567), a 44.9% decrease of £3,618,690 (2020: £5,176 decrease). The resulting deficit of expenditure over income was £780,400 in the year after all costs including depreciation (2020: surplus £755,049).

SYHA (Trading) Ltd. a wholly owned subsidiary trading company generated, in its eleventh year of trading, incoming resources of £154,766 (2020: £232,437), with resources expended of £128,026 (2020: £194,531) providing a net profit of £26,740 (2020: £37,906), a sum which has been gifted to the parent company.

SYHA gratefully received general donations and legacies of £79,943 (2020: £219,186) along with restricted donations and legacies totalling £802,299 (2020: £156,472).

The following expenditure was made from these restricted funds in the year;

Social Inclusion:

£3,642 (2020: £56,535) was expended on social inclusion youth programmes

Hostel Projects:

£132,695 (2020: £4,434) on the Cairngorm Lodge refurbishment (£130,000) and window renewals for Achmelvich Beach

After making all due enquiry, and in light of the continuing impact of the COVID-19 crisis post balance sheet, the Trustees confirm their expectation following preparation of forecasts and in consideration of key scenarios and assumptions, that SYHA has adequate resources to continue to operate as a charity for the foreseeable future. Therefore, in preparing the accounts, the Trustees continue to adopt the going concern basis. SYHA reports net deficit in funds for the year ended 31 January 2021 of £780,400 (2020: £755,049 net income) after providing for all charges, including depreciation. The resulting balance of funds as at 31 January 2021 is £12,804,916 (2020: £13,585,316). It is the intention of the Trustees that this sum be carried forward to be utilised by SYHA to further its charitable objective.



Registered Office:

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Stirling
FK8 2JA

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Facsimile: 01786 891333

Email: hello@hostellingscotland.org.uk

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Scottish Youth Hostels Association (also known as SYHA or Hostelling Scotland) is a registered Scottish charity No.SC013138 and a company limited by guarantee, registered in Scotland, No. SC310841. Registered Office 7 Glebe Crescent, Stirling, FK8 2JA.

