



# Financial Statements

Scottish Youth Hostels Association  
(also known as Hostelling Scotland and SYHA)

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**For the year ended 31 January 2022**

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

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## Legal and administrative information for the year ended 31 January 2022

### Patron

Scottish Youth Hostels Association was honoured to have HRH The Prince Philip, Duke of Edinburgh, <sup>KG,</sup>  
<sup>KT, OM, GCVO, GBE, ONZ, QSO, AK, GCL, CC, CMM</sup> as patron for many years and 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:

Sally Mayer	Chair	(2019-22)	Appointed 15.06.19
Martin Ambrose (co-opted)	Vice Chair	(2021-22)	Appointed 04.09.21
Claire McCorquodale	Vice Chair	(2020-23)	Appointed 05.09.20
Michael Anderson		(2019-22)	Appointed 15.06.19
Sophie Bell		(2021-24)	Appointed 04.09.21
Duncan Craig		(2020-23)	Appointed 05.09.20
Donald Martin		(2021-24)	Appointed 04.09.21
Paul Randall		(2019-22)	Appointed 15.06.19
Jennifer Ruddick		(2020-23)	Appointed 05.09.20
Josephine Smith		(2018-21)	Retired 04.09.21
Robert Swinfen		(2021-24)	Appointed 04.09.21
Michael West		(2018-21)	Retired 04.09.21

### 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  
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Legal and administrative information (continued)  
for the year ended 31 January 2022

<b>Bankers:</b>	The Royal Bank of Scotland plc Units 22/23 Thistles Shopping Centre Stirling FK8 2EA
<b>Solicitors:</b>	Lindsays WS Caledonian Exchange 19A Canning Street Edinburgh EH3 8HE
<b>Auditor:</b>	Henderson Loggie LLP Ground Floor, 11-15 Thistle Street Edinburgh EH2 1DF
<b>Insurance Brokers:</b>	Aon Corporate Division 103 Waterloo Street Glasgow G2 7BW
<b>Financial Advisers:</b>	Chase de Vere 33 Bothwell Street Glasgow G2 6NL

## Trustee Report (including Strategic Report)

### Principal Charitable Objectives

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’.

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.*

Due to the impact of the COVID-19 pandemic starting from March 2020, the key aims as outlined in the Growth Strategy were used as the basis of the 2021-22 Strategic Objectives and will continue to be the guiding principles for the 2022-23 Strategic Objectives prior to the formation of a new strategy to commence in 2023.

### Outcome of 2021-22 Strategic Objectives

#### Strategic Aim 1: Delivering Excellence

Strategic Objective: 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.

This was achieved by:

1. Enhancing pre-arrival guest experience with the development of automated pre-arrival communications. – Achieved with all guests receiving direct communications after booking with further hostel specific information being sent a few days prior to arrival.
2. Ensuring a COVID safe hostel environment, service delivery and catering offering – Achieved with all guests being ensured a secure environment and hostel experience supported by Hostelling Scotland’s Enhanced Cleanliness Promise.
3. Focusing on organic and non-organic reach, deliver a social media strategy with KPI’s across all channels (FB, LinkedIn, Twitter, Instagram, YouTube, and Pinterest) – Achieved for all active social media channels with our strongest platforms performing very well. Facebook reach has grown by over 200% to 213,335 in 2021. The use of paid advertising has helped drive this reaching an additional 70K people. Whilst Facebook remains our largest channel, Instagram is our fastest growing with 565 additional followers over the course of the year. The impact that social media is having on engagement is also reflected in the increase in traffic from a younger demographic to our website.

## Trustee Report (continued)

4. Running marketing awareness campaigns designed to promote hostel products services and raise the profile of Hostelling Scotland - Achieved through the delivery of four campaigns; Lifetime Membership offer for all babies born in the month of February 2021, Annual Lifetime Membership promotion price of £90.00 in the 90<sup>th</sup> Anniversary year, re-creating Mary Harvie's epic bike trip from 1936 and commencement of the Dog Friendly 'WoofHostelling' Campaign.
5. Increasing the use of influencers to communicate the Hostelling Scotland story to greater audiences – Achieved through the Bike Packing Adventure and additional press trips promoting our WoofHostelling initiative.

### **Strategic Aim 2: Developing our People**

Strategic Objective: 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.

This was achieved by:

1. Providing training courses to support performance development – Achieved utilising local and national funding opportunities as well as investing in our Hostel and Duty Managers with training on first aid and licencing laws.
2. Reviewing of existing employee benefits and conditions, making recommendations for 2022 – Achieved through conducting a competitor pay review and package analysis and submitting recommendations for change which subsequently have been approved.
3. Improving current recruitment, selection and appointment processes – Achieved through review of existing processes and implementing changes to the advertisements further highlighting the employee benefits when working for Hostelling Scotland in particular focusing on flexible work practices, and being able to travel around a network including provision of live-in accommodation in key locations.
4. Reviewing flexible working practices, communications and promotion of a positive working environment – Achieved through implementation of monthly communications across the network along with weekly central management team and Head Office meetings. Flexible working further enhanced by introduction of Working From Home for employees where practical. This was further supported by the completion of Mental Health and Well-being training for all employees.

### **Strategic Aim 3: Enhancing our Properties**

Strategic Objective: 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.

This was achieved by:

1. Identification, timely completion and co-ordinated management of all necessary works (within budget) that meet quality standards and achieve VisitScotland quality assurance grading – Achieved and will continue to be progressed with all reactive maintenance matters acted upon within the agreed time frame. In addition further works relating to guest facing upgrading works and linked to prior year VisitScotland assurance grading have been undertaken.
2. Providing safe environments and working practices for our employees and guests – Achieved and continues to be progressed. Throughout the Coronavirus pandemic, the hostel network work practices followed Scottish Government COVID-19 safer workplace guidance for the tourism and hospitality sector, including procedures for staff and customer safety. COVID-19 risk assessments continue to be conducted and regularly reviewed with any additional required steps to meet

## Trustee Report (continued)

existing health and safety requirements actioned immediately. Continual consultation with the workforce is in place to help reduce risk further for everyone.

### **Strategic Aim 4: Innovating new Systems**

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

This was achieved by:

1. Developing and streamlining automated processes and reporting functions – Achieved through the introduction of automated emails for guests pre-arrival and enhancements to membership renewals to give more opportunities for members to renew their membership. Further adaptations in progress to the integrated room plans thus reducing the time and resources needed to control forward reservations in our systems.
2. Improving the functionality and effectiveness of the website – Achieved through updates to hostel availability, exclusive private here; Rent a Hostel (RaH) online and page navigation.
3. Development of Sector & Destination Fund project – Achieved with enhancements to our website, online booking system and guest communications. Our exclusive use or RaH webpages and booking system have been updated to allow bookings to be made directly from the website. We have updated all hostel pages on our website to include a real time availability calendar giving a 12 month overview of availability and the ability to select a date and book directly from the online calendar. We have also updated our campaigns and promotions system to allow promotions to be created that can be exclusively for members.

### **Strategic Aim 5: Working with Young People**

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

This was achieved by:

1. Engagement of a fundraising consultant to source appropriate funding – achieved early 2021
2. Through funding, the appointment of a Youth & Volunteer Engagement Manager – postponed due to COVID restraints.
3. Re-introduction and development of key delivery partners – achieved with Respality and Scotspirit.

### **Strategic Aim 6: Engaging Membership**

Strategic Objective: 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.

This was progressed by:

1. Developing Lifetime membership offer – Achieved - 623 Lifetime Membership sold across the year (an increase of +240% on the previous year)
2. Reviving the membership review and presenting recommendations for implementation in 2022 - in progress with recommendations to membership category changes and pricing approved in December 2021 and implemented in January 2022 which will act as a foundation to progress with the membership review which is linked to increasing membership and attracting a younger audience.

## Trustee Report (continued)

### **Strategic Aim 7: Securing the Future**

Strategic Objective: Protect the long term sustainability of the organisation.

This was achieved:

1. Through robust operational financial management and planning – Achieved, with financial outcome for 2021-22 ahead of budget and cashflow position better than forecast.
2. Negotiation and securing funding from the Government, bank and sale of asset – Achieved with securing awards from various government funding initiatives; Aberdeen Youth Hostel is still on the market and discussions are ongoing with bankers regarding terming CBILS borrowing and any further funding requirement.
3. Development of the 2022-2025 Sustainable Strategy – Underway; proposal to extend the current strategy during this year of emergence, with a new strategy period starting 2023.
4. Establishment of a governance succession planning framework – Achieved with the call for nominations specifying key skills required and Chair and Vice-Chair elects from September 2022 having been selected.

**The Board of Trustees approved the following Values, Mission, Vision and Strategic Objectives for 2022-23:**

#### **Our Values**

- We promote our charitable objectives by being open to all.
- We work together with pride and integrity to get things done.
- We are committed to operating in an environmentally sustainable way.
- We actively promote and take equality, diversity and inclusion into account in everything that we do.
- We pledge to give back and provide young people and families, who otherwise wouldn't have the opportunity, the chance to experience Scotland and develop their skills for life, learning and work.
- We empower our teams by providing a fair work environment with meaningful opportunities for advancement.
- We work proactively in partnership with local communities, authorities and agencies.

#### **Our Mission**

Inspire all, especially young people to experience Scotland through the provision of great value and welcoming hostelling accommodation.

#### **Our Vision**

Staying true to our values, we offer the best hostelling experience throughout Scotland for everyone.

#### **Strategic Objectives 2022-23**

##### **1. Emerging from the pandemic**

We will:

- Build the financial health of the organisation to ensure sufficient funds are available for future years to come.
- Relaunch Volunteer and Youth Engagement Programmes working with key partners to deliver on our social tourism commitment
- Rebuild a resilient workforce with focus on employee satisfaction and retention
- Develop a future strategy for the organisation from 2023 to 2026



## Trustee Report (continued)

### 2. Customer Service Delivery

We will:

- Upgrade our facilities and services to provide the optimal customer experience and this will be reflected in our guest reviews and ratings
- Re-commence capital project investment in the network

## Review of Annual Activities

### Impact of the COVID-19 Pandemic

We operated 19 hostels from May until the end of October 2021 when we closed the seasonal hostels leaving 9 hostels fully open throughout the remainder of the financial year with RentaHostel available in other hostels. As a result, we welcomed 113,205 overnight guests (2021: 36,246) during the year, an increase of 212% on the previous year.

Operational income increased by £2,491,258, (£3,540,267 v £1,049,009), a 237% increase on 2020-21. We carefully managed costs and were also fortunate to receive funding from the Strategic Framework Business Fund and Visit Scotland administered funds: COVID-19 Business Support and Continuity Fund, Sector & Destination Operational & Market Readiness Fund and Destination and Sector Marketing Fund. This helped us to retain cash at bank throughout the year and into 2022, without having to take any further assistance from external lenders.

The Board of Trustees made the difficult decision to place Aberdeen Youth Hostel on the market during the year due to there being a lack of bookings pre-pandemic and in order to create a capital fund for the future.

### Hostelling Guests

Guest profiles were:

- 77% Individuals & Families (2021: 79%)
- 15% Groups (10 persons or more) (2021: 21%)
- 8% Exclusive Private Hire RentaHostel

Guest nationalities were:

- 28% Scotland (2021: 28%)
- 54% England, Wales and Ireland (2021: 43%)
- 12% European (2021: 23%)
- 6% Other International (2021: 6%)

**Membership** increased to 10,985 (2021: 9,778) mainly due to the uptake of our 90<sup>th</sup> Anniversary £90 Lifetime membership offer and the introduction of the 'Gift of a Lifetime Membership' to all babies born in the month of February 2021 which generated 150 new members.

## Trustee Report (continued)

### Working with Young People & Families

#### Explorer Fund

Eleven groups were able to enjoy their funded Explorer trips during the year to 31<sup>st</sup> January 2021, these having been postponed as a result of lockdown in 2020. All remaining group trips scheduled to benefit from funding in 2020 have been moved to 2022.

#### The Polar Academy

We were delighted to support the 2021 expedition by providing accommodation at Inverness Youth Hostel.

#### Respality

We continued our partnership working throughout 2021-22, offering 10 much needed short breaks for carers in late 2021 and early 2022.

#### Volunteers

Our volunteer programme once again had to be put on hold due to the continuing overseas travellers' restrictions and our shortage of resource to manage the programme. We hope to restart this programme in 2022/23.

### Hostelling People

**Employees:** During the coronavirus pandemic, Hostelling Scotland continued to access the Government's Coronavirus Job Retention Scheme (CJRS), in order to protect jobs wherever possible, until the end of September 2021 when the scheme closed.

At the beginning of 2021-22, we had 18 employees placed on furlough, with the majority of them returning to work as we re-opened our network. By the time the scheme closed in September 2021, we had 2 employee who were on flexible furlough, subsequently returning to work from October 2021.

Despite the impact of the pandemic, Hostelling Scotland secured training funding under the 2021 Flexible Workforce Development Fund (FWDF), which allowed our employees to access training, primarily focusing on their health, safety and wellbeing. Courses included IOSH Fire Safety, IOSH Managing Safely, Mental Health Champion and Mental Health Awareness, with attendance of 63 trainees in total.

We also continued to provide internal training to prepare for the 2021 re-opening of hostels, including refresher courses to ensure employees were well informed, trained and prepared on COVID-19 compliant policies, procedures and practices.

#### Hostelling Operations

55% of all bookings in the year (2021: 69%) were generated through Reservations, at the hostels and on our website, with 45% (2021: 31%) being generated through third party booking engines.

## Trustee Report (continued)

On a basis of 1,851 reviews, Hostelling Scotland Guest Reviews scored 91% for overall stay, with guests scoring the following for the individual parts of their hostelling experience:

- 88% Good Value
- 88% Atmosphere
- 93% Cleanliness
- 87% Comfort
- 84% Facilities
- 95% Check in
- 91% Service
- 97% Location

Hostelling Scotland Guest recommendation score was 95%.

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

	<b>Hostels 2021/22</b>	<b>Network %</b>	<b>Hostels 2020/21</b>	<b>Network %</b>
4-5 Stars	17	52%	17	52%
3 Star	11	33%	11	33%
1-2 Star	4	12%	4	12%
Awaiting Accreditation	1	3%	1	3%
<b>Total SYHA Hostels</b>	<b>33</b>	<b>100%</b>	<b>33</b>	<b>100%</b>

**Green Tourism:** We continue to take steps to increase energy efficiency, reduce carbon footprint through hostel refurbishment and promotion of sustainable projects to reduce negative environmental impacts. We work 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.

	<b>Hostels 2021/22</b>	<b>Network %</b>	<b>Hostels 2020/21</b>	<b>Network %</b>
Gold	11	33%	11	33%
Silver	18	55%	18	55%
Bronze	1	3%	1	3%
Awaiting Accreditation	3	9%	3	9%
	<b>33</b>	<b>100%</b>	<b>33</b>	<b>100%</b>

## Trustee Report (continued)

### Hostelling Property

£566,373 was re-invested into the network during the year. £118,147 was expended on capital, the major element of this being works on shower rooms and toilets, the balance was invested into various projects throughout the network including floor covering replacements, wet room refurbishments, employee accommodation upgrades, kitchen upgrades and protective screens and sanitiser stations. £344,031 was expended on routine youth hostel maintenance and equipment and costs relating to statutory compliance and health and safety. £48,022 was spent on furniture and equipment across the network, with the remaining £56,173 spent on upgrading the organisation's information technology infrastructure and system enhancements.

### Hostelling Finance

Total operational income was £4,656,673 (2021: £3,658,477) a 27.2% increase of £998,196 on prior year (2021: £5,154,139 decrease). Total resources expended was £4,804,351 (2021: £4,438,877), an 8.2% increase of £365,474 (2021: £3,618,690 decrease). The resulting deficit of expenditure over income was £147,678 in the year after all costs including depreciation (2021: deficit £780,400).

SYHA (Trading) Ltd. a wholly owned subsidiary trading company generated, in its twelfth year of trading, incoming resources of £170,044 (2021: £154,766), with resources expended of £140,857 (2021: £128,026) providing a net profit of £29,187 (2021: £26,740), a sum which has been gifted to the parent company.

SYHA gratefully received general donations and legacies of £16,948 (2021: £79,943) along with restricted donations and legacies totalling £189,717 (2021: £802,299).

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

- Social Inclusion: £18,221 (2021: £3,642) was expended on social inclusion youth programmes
- Small Hostels Project: £0 (2021: £132,695)
- Property Legacy : We had no expenditure in the year
- Visit Scotland Funding £19,028 was expended on marketing (£10,453) and IT (£8,575) in the year

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 as explained further in the accounting policies (Page 28). SYHA reports net deficit in funds for the year ended 31 January 2022 of £143,641 (2021: £780,400 net deficit) after providing for all charges, including depreciation. The resulting balance of funds as at 31 January 2022 is £12,657,238 (2021: £12,661,275). It is the intention of the Trustees that this sum be carried forward to be utilised by SYHA to further its charitable objectives.

### 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 regularly with British and Irish Youth Hostelling Associations and other European national associations to discuss matters of mutual benefit and cooperation.

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

## Trustee Report (continued)

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.

### **Risk Management**

SYHA's major risks are assessed to be:

1. Financial sustainability in a challenging economic climate, such as the impact of COVID-19 and Brexit;
2. Competitor growth in market share and SYHA brand protection;
3. Breakdown of Key IT infrastructure;
4. Fire or other serious incident involving employees, guests and property;
5. Declining tourism

The Board of Trustees endorse the following key procedural controls used to manage the charity's risks:

Clear terms of reference for roles and responsibilities, formal agendas and minutes for Governance, and Management meetings and special projects, including structural lines of reporting and issuing of instructions, authorisation and approval at each level;

1. Strategic and operational planning, budgeting, management control and finance reporting, conducted through the Board and Management meetings;
2. Formal written policies where required;
3. A formal review of SYHA's risk management process, undertaken on an annual basis.

SYHA's Board of Trustees maintains a Risk Register which includes measures to control and mitigate these risks. The Register is reviewed regularly at Management and Board meetings. It is recognised that systems can only provide reasonable, and not absolute, assurance that major risks have been appropriately managed.

### **Successes of 2021-22: A Year of Resilience**

2021-22 was a year of resilience which tested us, yet also brought many positives:

- Our people achieved a great deal through hard work and dedication with each and every employee contributing to a productive and successful year.
- We learned to work differently and more efficiently through the development of online systems, improved communication channels and adapting services and facilities.
- We still, despite the waves of virus, welcomed 113,205 overnights and we were proud that through hard work, determination and pride in what we do, continued to deliver the best hostelling experience, achieving 91% guest satisfaction.
- We were proactive in our engagement and have grown our following with a younger demographic. This trend has been seen in both our social and website analytics.

All in all despite the challenges we faced, we moved forward and have been fortunate to be able to celebrate many key successes, the impact of which often ran across a number of months, as set out below:

## Trustee Report (continued)

### February 2021

- We celebrated 90 years of hostelling in Scotland with a yearlong offer on “Lifetime Membership” of only £90.00, generating an increase of +240% on Lifetime Membership sales across the year.
- Launched the “Gift of a Lifetime Membership” to all babies born in the month of February resulting in the signing up of 150 future hostellers and generating coverage in the Scotsman and Herald Newspapers (on our birthday), a commissioned article in the Scotsman Magazine (again on our birthday), coverage in The P&J, Inverness and Dundee Courier, Oban & Lochaber Times, Scottish Field and a number of regional publications.
- We were awarded £50K Sector & Destination Operational & Market Readiness fund to help us develop our website and membership system.
- Despite the network being closed, we ‘kept the light on’ through our social channels and newsletters and received many positive messages of support.

### March 2021

- Virtual attendance and participation at VisitScotland’s three-day Scotland Reconnect 2021 event linking with groups and trade clients from all over the UK and international with a view to maintaining and securing future business relations.
- We focussed on inspiring future travel and promoting the benefits of the great outdoors – a tangible aspect of Hostelling which proved popular with our core audience and helped us grow our following.

### April 2021

- Re-opening of Tourism and Hospitality on the 26<sup>th</sup> April which enabled hostels to be available for booking on a Rent-A-Hostel basis and Edinburgh Central coffee shop to open its doors to customers.
- Five Hostelling Scotland employees successfully completed a 10-week Hospitality and Tourism Leadership, Management and Supervisory Training programme which was funded by the Scottish Government, delivered by HIT Scotland and the Scottish Tourism Alliance (STA).
- Upgrade completed of the three core physical servers that host the virtual server network over which all Hostelling Scotland systems run on including CRS, Finance and website.
- We planned for the partial re-opening of the network, offering travel inspiration with a particular focus on our more rural locations - favourites with our core audience of outdoor enthusiasts and seen by many who had not previously chosen hostelling as a safer, more desirable option for a break in the UK.

### May 2021

- Re-opened 19 hostels on a room only basis on 28<sup>th</sup> May 2021 with widespread coverage in the Scotsman, Press & Journal, The National, and Sunday Post along with an interview on BBC Radio Scotland on Saturday, 29<sup>th</sup> May 2021.
- Early completion of Pitlochry Youth Hostel works following flood damage.
- Following lengthy negotiations with our insurers, confirmation that a £1M settlement was agreed in respect of our business interruption claim (accounted for in 2020-21 Financial Statements)

## Trustee Report (continued)

- Press release on the 19<sup>th</sup> May 2021 of the sale of Aberdeen Youth Hostel received some media coverage in the local area which was largely sympathetic to the organisation.

And what did our guests say:

***“Fantastic service from start to finish. The team looked after us even serving breakfast to us all. Great hostel location, an easy 5 minute walk to the ferry terminal and Ullapool itself”***

June 2021

- Release of our Special Edition 90th Anniversary passport along with our Hostelling Scotland Anniversary mug and celebratory pin badge.
- Launch of the Rent-a-Hostel online booking platform as part of our VisitScotland Destination funded project
- Improvements to the website to provide a real time hostel calendar on each hostel page which includes all accommodation options available along with the ability to book directly from the calendar via our online booking system.
- Welcomed, as part of our youth engagement activities, The Polar Academy 2021 expedition at Inverness Youth Hostel during their Scottish expedition

And what did our guests say:

***“We loved our 3 night stay at Torridon despite the COVID restrictions. The staff were very helpful and informative and their enthusiasm for such a lovely place was infectious. We enjoyed the nearby Coire Mhic Fhearchair walk and Beinn Eighe mountain trail plus strolls around Kinlochewe and the hostel surroundings. Sitting outside with the amazing views with beer and local gin makes a holiday despite the midges trying to spoil our fun”***

July 2021

- Hosteller Handbook published at [www.hostellingscotland.org.uk](http://www.hostellingscotland.org.uk) and is shared with members.

And what did our guests say:

***“The hosts kept the hostel place very very clean and I really appreciate it the drying room they had set up. The hosts were very nice and tried to address each person’s needs. They served a wonderful breakfast and it was much appreciated. They always smiled when they greet you in the morning by name”***

August 2021

- Successful migration to a new payment gateway solution to process all online and automated payments processed by Hostelling Scotland.
- We completed rollout of a new chip & pin solution throughout the hostel network to process all customer-present payments.
- We welcomed the return of the ScotSpirit Holiday Voucher Scheme for low income families supporting some of the most vulnerable within our communities who deserve a much needed hostelling break.
- Partnership engagement continues with Respitality through the offer of 10 breaks for unpaid carers and their families and with the CEO delivering presentations to service delivery providers about Hostelling.

## Trustee Report (continued)

- We focused on our Glencoe ensuite camping pod and through working with influencer Kay Gillespie's (Chaotic Scot's) shared what "Podlife" is all about.

And what did our guests say:

***"Amazing place to stay. Take the stress out of walking up Ben Nevis with the family and enjoy some home comforts before and after"***

### September 2021

- The membership voted for changes to the Articles of Association which included amendments to add flexibility for member participation in general meetings.
- Proxy AGM held for the second year and production of online Annual Report
- We welcomed two new Trustees, Donald Martin and Robert Swinfen
- The CEO (virtually) attended the Hostelling International CEO conference
- We successfully secured £18K VisitScotland marketing funding specifically focused on WoofHostelling supporting an increasingly popular market
- Popular 'Dog Friendly' travel influencer Sam Grant and the Wee White Dug, enjoyed a summer staycation in our Pitlochry and Cairngorm Lodge Youth Hostels. The sun came out for her trip and the trip generated significant reach, promoting WoofHostelling with a highly engaged, dog loving audience.
- We developed a new working partnership with aerial drone photographer, hillwalker and 'Munro Bagger', Megan Moss to capture new and inspiring photographic and video content of our hostels and the areas in which they sit.
- We installed two new firewalls into our network improving our cyber resiliency.

And what did our guests say:

***"Friendly welcome from the chap at reception of this fantastic property. Deceptively big with an amazing staircase, what a place! Our room looked out over Kelvingrove Park, was spacious, had everything we needed and was clean. Honestly, what more do you need? Great place to explore the West End"***

### October 2021

- Bike packing Adventure with Lee Craigie and the Adventure Syndicate where we re-created the 500 mile cycle trip taken by Mary Harvie and her 2 sisters in 1936 at the age of 17yrs (featured in our anniversary handbook) resulting in widespread coverage in The Scotsman, Herald, Metro, Evening Times and Scottish Field as well as a number of regional titles.
- Improved the navigation on the main hostel information pages of the Hostelling Scotland website by including section navigation within the header of each hostel page.
- Torridon and Loch Ossian Hostels shortlisted in the TGO Magazine Awards and our press release celebrating this was picked up and covered by Scottish Field and a number of regional titles.

And what did our guests say:

***"A brilliant hostel in the most fantastic location in the Cairngorms. Bedrooms and toilet/shower facilities have been upgraded to a great standard. Apart from huge dining areas there are three spacious lounge areas for socialising. A drying room that is second to none"***



## Trustee Report (continued)

### November 2021

- COP26 hailed as a success generating significant revenue for Edinburgh, Glasgow and Stirling YHs.
- Hostelling Scotland's partnership with Young Scot is confirmed for 2022 with both organisations working together to promote each other.
- We celebrated the reopening of self-catering kitchens and social spaces.
- Enhancement to bookable rates with the introduction of Bed and Breakfast packages available for guests to book online.
- Improvements to the system used to contact members to remind them that their membership will soon expire and to give members multiple opportunities to renew.
- The return of an "in-person" Board meeting at Stirling Youth Hostel

And what did our guests say:

***Staying in the camping pod was a very special experience. Great size pod, stunning views, felt very private and secluded yet close to the youth hostel for kitchen facilities. Electric heater was essential in November- it does take a while to heat the pod. Thank you for a great stay.***

### December 2021

- Torridon Youth Hostel won Gold and Loch Ossian Youth Hostel won Silver in the hostel or bunkhouse of the year category in The Great Outdoors Readers Awards 2021.

And what did our guests say:

***"Just to say we had a wonderful time in Oban. The hostel was really something spotless with lovely views over the bay and nice rooms and communal areas. Lovely staff. The winter festival was on so lots to see and do. Even the journey bus there train back as no bus on a Sunday offered spectacular scenery. The whole break was just perfect and done us all the world of good. Think I might join as definite a great experience"***

### January 2022

- Launched revised membership, simplifying our categories and promoting adoption of digital membership in line with aspirations for more sustainable tourism.

And what did our guests say:

***Lifetime Membership: "I did this. Once of the best decisions I have made for me and my family this year"***

***"I have been a member since 1954/55 off and on then, due to Army Service (9 years) I and wife and two daughters are Life Members from away back, I am considering taking my two Grandsons 12 and 15, cycle hostelling in June/July this year, I am 82 at the moment, but I want to get them interested. I gave my daughters the Life Membership plus a ten year passport for their respective sixteenth birthdays and I will do the same for my four Grandchildren, the girls are too young yet. Thank you for a wonderful service"***

## Trustee Report (continued)

### Annual Activities Summary

2021/22 was a busy year of celebrations, challenges and hope for the future.

Whilst celebrating our 90<sup>th</sup> Anniversary, we were challenged with a further period of lockdown at the start of the year but were encouraged by strong forward bookings ahead of 19 of our hostels reopening in May 2021. Social spaces continued to be closed, with kitchens and lounges re-opening towards the end of the year. Our priority is at all times to look after our people, guests and visitors and create the best hostelling experience and during 2021 we continued to provide confidence to our guests of our cleanliness, check in procedure and service and this was reflected in our guest review scores.

It has been wonderful to welcome back hostellers and we are delighted to also see 'new hostellers' who have either come back to us after many years or enjoyed their first experience of hostelling.

Our commitment to social tourism and our work with young people and families continued through the delivery of postponed Explorer Fund breaks from 2020 and partnership working with Respitality and VisitScotland Scotspirit where we offered much needed short breaks. We were also delighted to provide accommodation to the Polar Academy on their expedition in Scotland.

Financially we were supported by grants in the year and this provided us with additional cash flow which, along with the generated cash surplus in the year, has allowed us to plan for 2022 and ensure we are a financial going concern. The Board of Trustees made the difficult decision in the year to place Aberdeen Youth Hostel on the market following a period of poor demand pre pandemic. The sale of this property will allow Hostelling Scotland to create a capital fund for re-investment in the network.

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 had great interest and coverage of the 'What would Mary do?' epic bike ride recreating Mary Harvie's adventures from 1936 as documented in her diary. We also launched our Woofhostelling campaign, supported by funding administered by Visit Scotland.

We have highlighted earlier in the report our successes in the year and we are proud of Torridon and Loch Ossian Youth Hostels winning Gold and Silver TGO Awards.

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

Our recovery post COVID-19 will take a number of years to achieve and we will continue to work with colleagues in hospitality and specifically the hostelling sector to consult with Scottish Government. As part of an international youth hostelling family, we are missing our international employees and are delighted to see the gradual return of our international visitors and groups.

## Trustee Report (continued)

2022-23 is our Year of Emergence post pandemic and our strategic objectives focus on two key areas: Emerging from the pandemic and Customer Service Delivery. The Board of Trustees have produced updated Values, Vision and Mission as noted earlier in the report and these principles will form the basis of the new strategy for 2023-26.

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.

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.

### **Hostelling Governance**

As defined by the Articles of Association, the governance of SYHA derives from a Board of Trustees and Directors of up to 9 members who are elected by rotation annually for a renewable term of three years up to a maximum of 9 years, through a ballot of SYHA's current Hostelling Members prior to each AGM. The Articles of Association also provide for 3 individuals to be co-opted to be members of the Board. SYHA remains committed to broaden participation in its Board's diversity and skills base, in order to facilitate succession planning and enhance the achievement of its charitable purposes.

At the proxy AGM in September 2021, members passed a motion to modernise the articles to allow for members' meetings to be held by electronic means, enabling a larger number of members to view and participate in meetings going forward.

The Board normally meets formally at least four times per annum and during 2021-22 met more frequently averaging once every two months. The Board is accountable in law for SYHA's charitable and company activities with specific responsibility for governance, strategy, and the monitoring of operational activities, risk and financial sustainability. Furthermore the Audit and Risk and the Governance Committees of the Board, meet formally at least four times each year, along with the Remuneration Committee which meets at least twice every year. The day-to-day executive and operational management is delegated to the Chief Executive and where appropriate, to those to whom specific duties have been responsibly assigned.

The training of Trustees and Directors after election or co-option usually comprises an induction briefing programme involving elected Board members, the Chief Executive and Management Team. Trustees and Directors are issued with copies of previous annual reports and minutes, audited financial statements and management accounts, relevant governance strategy and procedural policies, the Articles of Association, and a copy of the Office of the Scottish Charity Regulator's Trustees' guidelines. Ongoing training is also provided where needs are identified.

SYHA maintains liability insurance cover for Trustees, Directors and Officers, which includes provision for legal representation expenses for Trustees and Directors and for the Executive Management of the Charity and Company.

## Trustee Report (continued)

### Trustees' Responsibilities Statement

The Trustees (who are also Directors of SYHA for the purposes of company law) are responsible for preparing the Trustees' Annual 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 FRS102 "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 the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. 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 (FRS102);
- make judgements 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 the charitable 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 the charitable company 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 charitable 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 the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### ON BEHALF OF THE TRUSTEES AND DIRECTORS

*Sally Mayer*

Sally Mayer - 2022-06-09, 14:14:27 UTC

**Sally Mayer**  
**Chair**  
**9th June 2022**

*Margo Paterson*

Margo Paterson - 2022-06-09, 12:53:14 UTC

**Margo Paterson**  
**Chief Executive**  
**9th June 2022**

## Standard operating policies for the year ended 31 January 2022

The Board of Trustees and Management Team operate the following key policies and procedures:

### Reserves

The reserves policy of SYHA is to hold its reserves in the form of property, which represents its principal working asset and is integral to the pursuit of its charitable objectives. SYHA re-invests all surpluses generated through the running of youth hostels back into the network.

It is the Trustees' opinion that the substantial reserve which exists in excess of market value over book value of SYHA's heritable properties along with strict cash management during this period of recovery post COVID-19 pandemic provides sufficient security to meet existing and future known commitments.

### Investments

An investment is held in SYHA (Trading) Ltd. which is a wholly owned subsidiary of SYHA.

### Payments

It is SYHA's policy to settle the terms of payment with suppliers when agreeing the terms of transaction, to ensure that suppliers are aware of these terms, and to abide by them.

### Employees

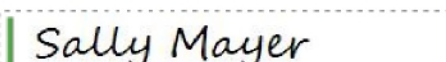
SYHA declares its intention to continue to work for the furtherance of equality of opportunity in all areas of its work; in particular, equality is sought in employment practices, access to services, service provision, Board and committee structures, Hostel Membership, volunteer recruitment, selection and training processes.

SYHA has continued its practice of keeping employees informed of matters affecting them as employees and the financial and economic factors affecting SYHA through employee meetings and communications, regular meetings with the management team and postings on the internal intranet system. It is the policy of SYHA that appropriate training, career development and promotion opportunities should be available to all employees.

The Board of Trustees determines the terms and conditions of employment of the Chief Executive Officer, taking into account employment market conditions and financial affordability. It also reviews, on an annual basis, the remuneration of the Chief Executive Officer, Senior Management Team and all other employees.

SYHA operates a defined contribution pension provision which was established in February 2010. The scheme provider is AEGON Scottish Equitable and contributions made by both SYHA and members are a percentage of participating members' pay dependent on length of continuous service. In addition, a Qualifying Workplace Pension Scheme commenced on 1<sup>st</sup> April 2014 to allow SYHA to comply with its auto enrolment requirements. The scheme provider is The Peoples Pension. All eligible employees are auto enrolled into the scheme following a three month postponement period, with contributions in line with the current minimum auto enrolment requirements.

### ON BEHALF OF THE TRUSTEES AND DIRECTORS

  
Sally Mayer – 2022-06-09, 14:14:27 UTC

**Sally Mayer**  
**Chair**  
**9th June 2022**

  
Margo Paterson – 2022-06-09, 12:53:14 UTC

**Margo Paterson**  
**Chief Executive**  
**9th June 2022**

## Independent auditor's report to the trustees and members of the Scottish Youth Hostels Association

### Opinion

We have audited the financial statements of Scottish Youth Hostels Association (the 'charitable company') for the year ended 31 January 2022 which comprise the group and parent charitable company statements of financial activities, the group and parent charitable company balance sheets, the group and parent charitable company cashflow statements 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 FRS 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 the parent charitable company's affairs as at 31 January 2022 and of its 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, the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 & 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)

### Basis of opinion

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 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

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. 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 charitable company'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 Trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

## **Independent auditor's report to the trustees and members of the Scottish Youth Hostels Association (continued)**

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.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Strategic Report and the Trustees' Report which includes the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Trustees' Report which includes the Directors' Report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Trustees' Report which includes the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006, the Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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, 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'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 charitable company or to cease operations, or have no realistic alternative but to do so.

## **Independent auditor's report to the trustees and members of the Scottish Youth Hostels Association (*continued*)**

### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder

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. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiries with management, about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reading correspondence with regulators including OSCR;
- Reviewing board minutes;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to depreciation charges; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: Health and Safety; employment law (including the Working Time Directive); and compliance with the UK Companies Act and Charity legislation.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some 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). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognize the non-compliance.


A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



## **Independent auditor's report to the trustees and members of the Scottish Youth Hostels Association (continued)**

### **Use of this report**

This report is made solely to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity's trustees, as a body, in accordance with Section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charity's trustees 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 charity, its members as a body and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

  
Diana Penny - 2022-06-09, 15:37:51 UTC

**Diana Penny (Senior Statutory Auditor)**

**For and on behalf of Henderson Loggie LLP**

**Chartered Accountants**

**Statutory Auditor**

**Eligible to act as an auditor in terms of section 1212 of the Companies Act 2006**

11-15 Thistle Street

Edinburgh

EH2 1DF

9th June 2022

## Group statement of financial activities (incorporating the group income and expenditure account) for the year ended 31 January 2022

	Note	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Total funds 2021 £
<b>Income from:</b>					
<i>Donations and legacies</i>	2	16,948	189,717	206,665	882,242
<i>Grants receivable</i>	3	909,441		909,441	718,068
<i>Charitable activities</i> - Operating Youth Hostels		3,092,168	-	3,092,168	814,900
<i>Other trading activities</i>					
Commercial Income from SYHA (Trading) Ltd	4	170,044	-	170,044	154,766
Membership subscriptions	4	278,055	-	278,055	79,343
<i>Investments</i> – bank interest		300	-	300	9,158
<i>Other Income</i> – insurance receipt		-	-	-	1,000,000
<b>Total income</b>		<b>4,466,956</b>	<b>189,717</b>	<b>4,656,673</b>	<b>3,658,477</b>
<b>Expenditure on:</b>					
<i>Raising funds</i>					
SYHA (Trading) Ltd expenditure	8	140,857	-	140,857	128,026
Membership costs		39,155	-	39,155	38,988
<i>Charitable activities</i> - Operating Youth Hostels		4,587,090	37,249	4,624,339	4,271,863
<b>Total expenditure</b>	5	<b>4,767,102</b>	<b>37,249</b>	<b>4,804,351</b>	<b>4,438,877</b>
<b>Net (expenditure)/income</b>		<b>(300,146)</b>	<b>152,468</b>	<b>(147,678)</b>	<b>(780,400)</b>
<b>Transfers between funds</b>		-	-	-	-
<b>Net movement in funds</b>		<b>(300,146)</b>	<b>152,468</b>	<b>(147,678)</b>	<b>(780,400)</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		11,903,660	901,256	12,804,916	13,585,316
<b>Total funds carried forward</b>	16	<b>11,603,514</b>	<b>1,053,724</b>	<b>12,657,238</b>	<b>12,804,916</b>

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

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

## Charity statement of financial activities (incorporating the charity income and expenditure account) for the year ended 31 January 2022

	Note	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Total funds 2021 £
<b>Income from:</b>					
<i>Donations and legacies</i>	2	16,948	189,717	206,665	882,242
<i>Grants Receivable</i>	3	909,441		909,441	718,068
<i>Charitable activities</i> - Operating Youth Hostels		3,092,168		3,092,168	814,900
<i>Other trading activities</i>					
Membership subscriptions	4	278,055	-	278,055	79,343
<i>Investments</i> – bank interest		300	-	300	9,158
- donation from subsidiary		29,187	-	29,187	26,740
<b>Other Income</b> – insurance receipt		-		-	1,000,000
<b>Total income</b>		<b>4,326,099</b>	<b>189,717</b>	<b>4,515,816</b>	<b>3,530,451</b>
<b>Expenditure on:</b>					
<i>Raising funds</i>					
Membership costs		39,155	-	39,155	38,988
<i>Charitable activities</i> - Operating Youth Hostels		4,587,090	37,249	4,624,339	4,271,863
<b>Total expenditure</b>	5	<b>4,626,245</b>	<b>37,249</b>	<b>4,663,494</b>	<b>4,310,851</b>
<b>Net (expenditure)/income</b>		<b>(300,146)</b>	<b>152,468</b>	<b>(147,678)</b>	<b>(780,400)</b>
<b>Transfers between funds</b>		-	-	-	-
<b>Net movement in funds</b>		<b>(300,146)</b>	<b>152,468</b>	<b>(147,678)</b>	<b>(780,400)</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		11,903,660	901,256	12,804,916	13,585,316
<b>Total funds carried forward</b>	16	<b>11,603,514</b>	<b>1,053,724</b>	<b>12,657,238</b>	<b>12,804,916</b>

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

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

## Group and charity balance sheets As at 31 January 2022

	Note	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
<b>Fixed assets</b>					
Tangible assets	7	15,153,194	16,255,262	15,153,194	16,255,262
Investments	8	-	-	100	100
		<u>15,153,194</u>	<u>16,255,262</u>	<u>15,153,294</u>	<u>16,255,362</u>
<b>Current assets</b>					
Stocks	9	20,108	15,908	20,108	15,908
Debtors	10	702,112	1,926,330	738,984	1,960,134
Cash at bank and in hand		3,736,805	1,931,798	3,699,833	1,897,894
Assets held for sale		650,174	-	650,174	-
		<u>5,109,199</u>	<u>3,874,036</u>	<u>5,109,099</u>	<u>3,873,936</u>
<b>Creditors: amounts falling due within one year</b>	11	<u>(2,715,988)</u>	<u>(1,764,551)</u>	<u>(2,715,988)</u>	<u>(1,764,551)</u>
<b>Net current assets</b>		<u>2,393,211</u>	<u>2,109,485</u>	<u>2,393,111</u>	<u>2,109,385</u>
<b>Total assets less current liabilities</b>		<u>17,546,405</u>	<u>18,364,747</u>	<u>17,546,405</u>	<u>18,364,747</u>
<b>Creditors: amounts falling due after more than one year</b>	13	<u>(4,889,167)</u>	<u>(5,559,831)</u>	<u>(4,889,167)</u>	<u>(5,559,831)</u>
<b>Net assets</b>		<u>12,657,238</u>	<u>12,804,916</u>	<u>12,657,238</u>	<u>12,804,916</u>
<b>Funds</b>					
Restricted Funds	16	1,053,724	901,256	1,053,724	901,256
Unrestricted general funds	16	11,603,514	11,903,660	11,603,514	11,903,660
<b>Total charity funds</b>	16	<u>12,657,238</u>	<u>12,804,916</u>	<u>12,657,238</u>	<u>12,804,916</u>

The financial statements were approved by the Board of Trustees on 9th June 2022 and signed on their behalf by:

*Sally Mayer*  
Sally Mayer - 2022-06-09, 14:14:27 UTC  
**Sally Mayer**

**Director**

*MARTIN AMBROSE*  
MARTIN AMBROSE - 2022-06-09, 13:09:35 UTC  
**Martin Ambrose**

**Director**

Company Registration Number SC310841

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

## Group and charity cash flow statement for the year ended 31 January 2022

	Note	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
<b>Cash flows from operating activities:</b>					
Net cash provided by/ (outflow from) operating activities	18	2,545,705	(3,182,852)	2,542,637	(3,180,305)
<b>Cash flows from investing activities</b>					
Interest and similar income received		300	9,158	300	9,158
Purchase of tangible fixed assets		(222,342)	(532,644)	(222,342)	(532,644)
<b>Net cash outflow from investing activities</b>		<b>(222,042)</b>	<b>(523,486)</b>	<b>(222,042)</b>	<b>(523,486)</b>
<b>Cash flows from financing activities</b>					
Interest paid		(61,860)	(62,403)	(61,860)	(62,403)
Repayment of defined benefit scheme		(180,000)	(180,000)	(180,000)	(180,000)
Repayment of borrowings		(276,796)	(67,664)	(276,796)	(67,664)
Additional borrowing in year		-	1,000,000	-	1,000,000
<b>Net cash from/used in financing activities</b>		<b>(518,656)</b>	<b>689,933</b>	<b>(518,656)</b>	<b>689,933</b>
<b>Increase/ (decrease) in cash and cash equivalents for the year</b>		<b>1,805,007</b>	<b>(3,016,405)</b>	<b>1,801,939</b>	<b>(3,013,858)</b>
Cash and cash equivalents at the beginning of the year		1,931,798	4,948,203	1,897,894	4,911,752
<b>Cash and cash equivalents at the end of the year</b>		<b>3,736,805</b>	<b>1,931,798</b>	<b>3,699,833</b>	<b>1,897,894</b>

## Notes to the financial statements for the year ended 31 January 2022

### 1 Accounting policies

#### Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including the Charities SORP (FRS 102)– “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 United Kingdom and Republic of Ireland (FRS 102)”, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and with the Companies Act (2006) and the Charities and Trustee Investment (Scotland) Act 2005. They have been prepared under the historical cost convention.

The charity meets the definition of a public benefit entity and a company limited by guarantee, incorporated in Scotland with the registered office as noted on page 1. The Financial Statements are prepared under FRS102 and are prepared in £ Sterling, the functional currency of the charity rounded to the nearest pound.

#### Going concern

The financial statements have been prepared on a going concern basis. The Trustees have considered relevant information, including the annual budget, forecasted future cash flows and the impact of subsequent events in making their assessment. The COVID-19 pandemic has had a significant impact on the charitable company’s operations including the temporary closure of hostels and a significant loss of income. As restrictions have now been eased the hostels are now operational. On this basis, the Trustees have performed a robust analysis of forecasted future cash which support the ability of the charitable company to remain a going concern and be able to trade and meet its debts as they fall due.

The Trustees therefore are of the opinion that they can continue to adopt the going concern basis in preparing the annual report and accounts.

#### Income

Income is recognised when there is entitlement to the funds, any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from accommodation, goods supplied and services is recognised in the statement of financial activities when a guest stays in a hostel. Income received in advance of a visit is held as deferred income until such time as the stay occurs. Cancellation charges are applied as per the standard SYHA terms and conditions if a guest cancels a booking within the allotted timeframe.

Membership fees, including life membership fees, are recognised when membership is taken out and fees are non-refundable.

Donations, gifts and legacies that provide core funding or are of a general nature are recognised when there is entitlement, probability of receipt and the amount can be measured with sufficient reliability.

Commercial income from SYHA (Trading) Ltd represents goods and services supplied and is recognised when goods and services are delivered.

#### Grants

Revenue grants are credited as income 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 income when receivable. The grant is released to general reserves by equal annual instalments over the expected useful lives of the relevant assets.

## Notes to the financial statements for the year ended 31 January 2022

### 1 Accounting policies (continued)

#### Income from investments

Investment income is recognised when receivable.

#### 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 SYHA. Designated funds are unrestricted funds that have been designated for specific purposes by the Trustees.

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 SYHA's unrestricted funds.

#### Tangible fixed assets

Individual fixed assets costing more than £500 and which are not part of a designated project are capitalised at cost.

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

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets other than freehold land over their expected useful lives. The rates generally applicable are:

Heritable property	-3% - 12%	straight line
Short leasehold property	-10%	straight line or, for leases of less than 10 years, over the period of the lease
Long leasehold property	-3%	straight line
Hostel equipment	-10%	straight line
Office equipment	-20%	straight line
Computer equipment	-33%	straight line
Transport	-30%	of cost in the first year and 15% of cost thereafter

#### Assets under construction policy

Costs of construction projects which are unfinished at the year-end are classed as Assets Under Construction and are not depreciated. When the project is complete the costs will be transferred out and will be subject to depreciation at the above rates for Heritable Property.

#### Impairment

Tangible Fixed Assets will be tested for impairment if there is an indication that impairment has occurred. Impairment will be measured by comparing the net book value of the asset with the net recoverable value of the asset or group of assets.

## Notes to the financial statements *(continued)* for the year ended 31 January 2022

### 1 Accounting policies *(continued)*

#### Expenditure

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

- expenditure on charitable activities which include costs of operating the hostels and associated support costs; and
- costs of raising funds which comprise the cost of commercial trading and membership matters.

#### 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.

#### Stocks

Stocks are stated at the lower of cost and net realisable value.

#### Leased assets

Operating leases and the payments made under them are charged to the statement of financial activities on a straight line basis over the lease term.

#### Pensions

Pension costs charged to the statement of financial activities represent contributions payable in the year to the defined contribution pension schemes which are run for the benefit of employees. In the year ended 31 January 2016 the association agreed to withdraw from the defined benefit Scottish Voluntary Sector Pension Scheme and to pay its share of the crystallised scheme deficit of £2,160,000 equally over 12 years.

#### Redundancy and termination payments

Hostelling Scotland aims to avoid redundancies, where this is not possible redundancy and termination costs are recognised as an expense in the Statement of Financial Activities and a liability on the Balance Sheet immediately at the point the charity is demonstrably committed to: terminate the employment of an employee.

#### Basis of consolidation

The group financial statements consolidate those of the Scottish Youth Hostels Association and its subsidiary undertaking, SYHA (Trading) Ltd using the acquisition method of consolidation.

#### Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discounts offered. Prepayments are valued at the amount prepaid.

#### Creditors and provisions

Creditors and provisions are recognised when the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due. Loans are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.



## Notes to the financial statements *(continued)* for the year ended 31 January 2022

### 1 Accounting policies *(continued)*

#### Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount 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. Actual results may differ from these estimates.

In preparing these financial statements, the trustees have made the following judgements:

- Tangible fixed assets are depreciated over a period to reflect their estimated useful lives. The applicability of the assumed lives is reviewed annually, taking into account factors such as physical condition, maintenance and obsolescence.
- Fixed assets are also assessed as to whether there are indicators of impairment. This assessment involves consideration of the economic viability of the purpose for which the asset is used.

### 2 Income from donations and legacies

	Unrestricted funds 2022	Restricted funds 2022	Total 2022	Unrestricted funds 2021	Restricted funds 2021	Total 2021
Group and charity	£	£	£	£	£	£
Donations - general	14,761	-	14,761	24,620	-	24,620
Give Us a Break/ Social Inclusion	-	4,462	4,462	-	2,299	2,299
Explorer Fund	-	-	-	-	-	-
Legacies	2,187	116,855	119,042	55,323	800,000	855,323
Small Hostels Fund	-	400	400	-	-	-
Visit Scotland Funding	-	68,000	68,000	-	-	-
	<u>16,948</u>	<u>189,717</u>	<u>206,665</u>	<u>79,943</u>	<u>802,299</u>	<u>882,242</u>

### 3 Government Grants Receivable

Group	2022 £	2021 £
Strategic Business Fund	242,500	12,500
CJRS Grants	98,141	705,568
Visit Scotland Funding	568,800	-
	<u>909,441</u>	<u>718,068</u>

### 4 Income from other trading activities

Group	2022 £	2021 £
Income from SYHA (Trading) Ltd		
- Property management fees	135,565	132,455
- Other income	12,027	11,848
- Catering sales	22,452	10,463
	<u>170,044</u>	<u>154,766</u>
<b>Group &amp; Charity</b>		
Membership income received directly by SYHA	278,055	79,343
	<u>278,055</u>	<u>79,343</u>

**Notes to the financial statements** *(continued)*  
*for the year ended 31 January 2022*

**4 Income from other trading activities**

Membership categories and prices are:

	<b>2022</b>	2021
	£	£
Life	<b>150</b>	90
Individual (Adult) – 1 year	<b>15</b>	15
Group (10 or more members) – 1 year	<b>30</b>	30
Young person (25 years and under)	<b>6</b>	6
Temporary membership	<b>3</b>	3

**5 Total resources expended**

	<b>Direct staff costs</b>	<b>Other direct costs</b>	<b>Support costs</b>	<b>Total 2022</b>	Total 2021
	£	£	£	£	£
Costs of operating Youth Hostels	<b>1,791,035</b>	<b>2,017,584</b>	<b>815,720</b>	<b>4,624,339</b>	4,271,863
Membership costs	<b>39,155</b>	-	-	<b>39,155</b>	38,988
<b>Total charity</b>	<b>1,830,190</b>	<b>2,017,584</b>	<b>815,720</b>	<b>4,663,494</b>	4,310,851
SYHA (Trading) Limited	101,423	39,434	-	140,857	128,026
<b>Total group</b>	1,931,613	2,057,018	815,720	4,804,351	4,438,877
<b>Total group 2021</b>	<u>2,234,901</u>	<u>1,398,437</u>	<u>805,539</u>	<u>4,438,877</u>	

	<b>2022</b>	2021
	£	£
<b>Other direct costs</b>		
Repairs and maintenance of buildings and equipment	<b>344,031</b>	236,028
Fuel, telephone, cleaning and laundry	<b>710,972</b>	476,168
Catering and store purchases	<b>152,875</b>	67,274
Interest payable on bank loans	<b>61,860</b>	62,403
Marketing and publications and social inclusion costs	<b>75,408</b>	71,681
Rent, rates and insurance	<b>210,719</b>	203,917
Operating lease rentals		
Land and buildings	<b>3,303</b>	10,215
Fixtures, fittings and equipment	<b>18,513</b>	18,530
Commissions payable	<b>221,525</b>	-
Other direct costs	<b>257,812</b>	252,221
	<b>2,057,018</b>	1,398,437
<b>Support costs</b>		
Depreciation	<b>674,236</b>	684,219
Governance costs	<b>35,324</b>	38,959
Auditors' remuneration		
Audit fees	<b>19,950</b>	19,000
Non audit fees	<b>790</b>	965
Administration	<b>85,420</b>	62,396
	<b>815,720</b>	805,539

**Notes to the financial statements** *(continued)*  
 for the year ended 31 January 2022

**6 Staff numbers and costs**

	<b>Group 2022 £</b>	Group 2021 £	<b>Charity 2022 £</b>	Charity 2021 £
Wages and salaries	<b>1,766,236</b>	1,883,613	<b>1,766,236</b>	1,883,613
Social security costs	<b>140,206</b>	147,524	<b>140,206</b>	147,524
Pension contributions – Defined contribution	<b>48,053</b>	60,743	<b>48,053</b>	60,743
Other pension costs	<b>9,137</b>	12,170	<b>9,137</b>	12,170
Redundancy payments	-	159,129	-	159,129
	<b>1,963,632</b>	2,263,179	<b>1,963,632</b>	2,263,179

At the year end £11,245 (2021; £6,964) of pension contributions were due to the defined contribution pension scheme.

The pay of key management in the year totalled £154,857 (2021; £151,719). One employee earned remuneration excluding pension contributions which exceeded £60,000 which fell in the band between £80,000 and £90,000 (2021: one employee had remuneration between £80,000 and £90,000).

The average number of employees of the group during the year was 92 this was split 111 high season and 73 low season (2021: average number of employees was 115 split 129 high season; 105 low season). The average number of charity employees was 86 (2021; 109).

Members of the Board receive no salary or other benefits. Out of pocket expenses totalling £nil (2021; £nil) which were reimbursed to none (2021; none) Trustees.

**Notes to the financial statements** (continued)  
for the year ended 31 January 2022

**7 Tangible fixed assets**

Group and charity	Freehold properties £	Long leasehold property £	Short leasehold property £	Assets under construction £	Hostel and office equipment £	Transport £	Total £
<b>Cost</b>							
At 1 February 2021	27,149,474	589,639	123,599	13,838	2,792,290	45,306	30,714,146
Additions	118,147	-	-	-	104,195	-	222,342
Transfers	13,838	-	-	(13,838)	-	-	-
Reallocation to Current Assets	(889,417)	-	-	-	59,664	-	(949,081)
At 31 January 2022	26,392,042	589,639	123,599	-	2,836,821	45,306	29,987,407
<b>Depreciation</b>							
At 1 February 2021	11,756,424	397,154	123,599	-	2,143,288	38,419	14,458,884
Provided in the year	471,440	20,607	-	-	179,606	2,583	674,236
Reallocation to Current Assets	(257,911)	-	-	-	(40,996)	-	(298,907)
At 31 January 2022	11,969,953	417,761	123,599	-	2,281,898	41,002	14,834,213
<b>Net book amount</b>							
At 31 January 2022	14,422,089	171,878	-	-	554,923	4,304	15,153,194
At 31 January 2021	15,393,050	192,485	-	13,838	649,002	6,887	16,255,262

All tangible fixed assets were used for charitable purposes.

**Notes to the financial statements** *(continued)*  
*for the year ended 31 January 2022*

**8 Investments**

The investment held by the charity is 100 shares in SYHA (Trading) Limited.

A summary of the results of the trading activities of the subsidiary is set out below:

	2022 £	2022 £	2021 £	2021 £
Turnover		<b>170,044</b>		154,766
Cost of sales	<b>(12,038)</b>		(4,612)	
Administrative expenses	<b>(128,819)</b>		(123,414)	
		<b>(140,857)</b>		(128,026)
Profit for the period		<b>29,187</b>		26,740
Distribution to parent company under gift aid		<b>(29,187)</b>		(26,740)
Net assets carried forward		-		-

SYHA (Trading) Ltd is a company registered in Scotland (No. SC330788) and a wholly owned subsidiary of Scottish Youth Hostels Association (SYHA). The trustees of SYHA have the authority to appoint the board of directors of SYHA (Trading) Ltd.

The principal activities of SYHA (Trading) Ltd in the year were: the provision of coffee shops, conferencing facilities and student residence management.

SYHA (Trading) Ltd pays any surplus taxable profits to the parent company by gift aid. The surplus taxable profits this period are £29,187 (2021: £26,740), which will be paid to the parent company within 9 months of the year end.

**9 Stocks**

<b>Group and charity</b>	<b>2022 £</b>	<b>2021 £</b>
Consumable stores	<b>7,207</b>	4,724
Goods for resale	<b>12,901</b>	11,184
	<b>20,108</b>	15,908

**Notes to the financial statements** *(continued)*  
*for the year ended 31 January 2022*

**10 Debtors**

	<b>Group 2022 £</b>	Group 2021 £	<b>Charity 2022 £</b>	Charity 2021 £
Trade debtors	<b>35,961</b>	20,452	<b>1,618</b>	20,452
Prepayments and accrued income	<b>666,151</b>	1,905,878	<b>666,151</b>	1,905,878
Amounts owed by group company	-	-	<b>71,215</b>	33,804
	<b>702,112</b>	1,926,330	<b>738,984</b>	1,960,134

**11 Creditors: Amounts falling due within one year**

	<b>Group 2022 £</b>	Group 2021 £	<b>Charity 2022 £</b>	Charity 2021 £
Bank loans	<b>485,880</b>	272,012	<b>485,880</b>	272,012
Trade creditors	<b>193,873</b>	91,900	<b>193,873</b>	91,900
Social security and other loans	<b>119,928</b>	73,548	<b>119,928</b>	73,548
Other creditors	<b>2,735</b>	2,920	<b>2,735</b>	2,920
Accruals	<b>187,003</b>	143,562	<b>187,003</b>	143,562
Defined benefit pension scheme debt	<b>180,000</b>	180,000	<b>180,000</b>	180,000
Deferred income (note 12)	<b>1,546,569</b>	1,000,609	<b>1,546,569</b>	1,000,609
	<b>2,715,988</b>	1,764,551	<b>2,715,988</b>	1,764,551

**12 Deferred income**

Deferred income in the current year relating to advanced bookings for hostel stays is as follows:

<b>Group and charity</b>	<b>2022 £</b>
Balance at 1 February 2021	<b>1,000,609</b>
Amounts released	<b>(1,000,609)</b>
Amounts deferred in the year	<b>1,546,569</b>
Balance as at 31 January 2022	<b>1,546,569</b>

**13 Creditors: Amounts falling due after more than one year**

<b>Group and charity</b>	<b>2022 £</b>	2021 £
Bank loans	<b>4,169,167</b>	4,659,831
Defined benefit pension scheme loan	<b>720,000</b>	900,000
	<b>4,889,167</b>	5,559,831

**Notes to the financial statements** *(continued)*  
**for the year ended 31 January 2022**

**14 Bank loans**

Bank loans are repayable in instalments as follows:

	<b>Group 2022</b>	Group 2021	<b>Charity 2022</b>	Charity 2021
	£	£	£	£
Within one year	<b>485,880</b>	272,012	<b>485,880</b>	272,012
After one year and within two years	<b>492,541</b>	479,370	<b>492,541</b>	479,370
After two years and within five years	<b>1,452,494</b>	1,477,778	<b>1,452,494</b>	1,477,778
After five years	<b>2,224,132</b>	2,702,683	<b>2,224,132</b>	2,702,683
	-----	-----	-----	-----
Total borrowings	<b>4,655,047</b>	4,931,843	<b>4,655,047</b>	4,931,843
Cash at bank and in hand	<b>(3,736,805)</b>	(1,931,798)	<b>(3,699,833)</b>	(1,897,895)
	-----	-----	-----	-----
Net funds	<b>918,242</b>	3,000,045	<b>955,214</b>	3,033,948
	=====	=====	=====	=====

The bank loan of £3,721,713 is secured by a fixed charge over Edinburgh Central Youth Hostel and Glasgow Youth Hostel, and a bond and floating charge over all assets. The combined market value of Edinburgh Central Youth Hostel and Glasgow Youth Hostel is £11,000,000. Repayment of the loan is due by 2034. Repayment of the CBILS loan is due by 2026.

**15 Defined benefit pension scheme loan**

In the year ended 31 January 2016 the association agreed to withdraw from the Scottish Voluntary Sector Pension Scheme and to pay its share of the crystallised scheme deficit of £2,160,000 equally over 12 years.

<b>Group and charity</b>	<b>2022</b>	2021
	£	£
Within one year	<b>180,000</b>	180,000
After one year and within two years	<b>180,000</b>	180,000
After two years and within five years	<b>540,000</b>	540,000
After five years	-	180,000
	-----	-----
Total debt	<b>900,000</b>	1,080,000
	=====	=====

**Notes to the financial statements** *(continued)*  
*for the year ended 31 January 2022*

**16 Funds analysis**

<b>Group</b>	<b>Funds at 1 February 2021 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Funds at 31 January 2022 £</b>
<i>Restricted</i>				
Social Inclusion	46,389	4,462	(18,221)	<b>32,630</b>
Small Hostels Fund	54,867	400	-	<b>55,267</b>
Property Legacy	800,000	116,855	-	<b>916,855</b>
Visit Scotland Funding	-	68,000	(19,028)	<b>48,972</b>
	<hr/>	<hr/>	<hr/>	<hr/>
	901,256	189,717	(37,249)	<b>1,053,724</b>
<i>Unrestricted</i>	11,903,660	4,466,956	(4,767,102)	<b>11,603,514</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total funds</b>	<b>12,804,916</b>	<b>4,656,673</b>	<b>(4,804,351)</b>	<b>12,657,238</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

<b>Charity</b>	<b>Funds at 1 February 2021 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Funds at 31 January 2022 £</b>
<i>Restricted</i>				
Social Inclusion	46,389	4,462	(18,221)	<b>32,630</b>
Small Hostels Fund	54,867	400	-	<b>55,267</b>
Property Legacy	800,000	116,855	-	<b>916,855</b>
Visit Scotland Funding	-	68,000	(19,028)	<b>48,972</b>
	<hr/>	<hr/>	<hr/>	<hr/>
	901,256	189,717	(37,249)	<b>1,053,724</b>
<i>Unrestricted</i>	11,903,660	4,326,099	(4,626,245)	<b>11,603,514</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total funds</b>	<b>12,804,916</b>	<b>4,515,816</b>	<b>(4,663,494)</b>	<b>12,657,238</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

<b>Group</b>	<b>Funds at 1 February 2020 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Funds at 31 January 2021 £</b>
<i>Restricted</i>				
Social Inclusion	47,732	2,299	(3,642)	<b>46,389</b>
Small Hostels Fund	187,562	-	(132,695)	<b>54,867</b>
Property Legacy	-	800,000	-	<b>800,000</b>
	<hr/>	<hr/>	<hr/>	<hr/>
	235,294	802,299	(136,337)	<b>901,256</b>
<i>Unrestricted</i>	13,350,022	2,856,178	(4,302,540)	<b>11,903,660</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total funds</b>	<b>13,585,316</b>	<b>3,658,477</b>	<b>(4,438,877)</b>	<b>12,804,916</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>



**Notes to the financial statements** *(continued)*  
*for the year ended 31 January 2022*

**16 Funds analysis (continued)**

Charity	Funds at 1 February 2020 £	Income £	Expenditure £	Funds at 31 January 2021 £
<i>Restricted</i>				
Social Inclusion	47,732	2,299	(3,642)	<b>46,389</b>
Small Hostels Fund	187,562		(132,695)	<b>54,867</b>
Property Legacy	-	800,000	-	<b>800,000</b>
	235,294	802,299	(136,337)	<b>901,256</b>
<i>Unrestricted</i>	13,350,022	2,728,152	(4,174,514)	<b>11,903,660</b>
Total funds	13,585,316	3,530,451	(4,310,851)	<b>12,804,916</b>

**Social Inclusion**

SYHA raised funds for Youth Programmes through online and collection tin donations. During 2021-2022, 12 groups were granted funding with the funds remaining at 31 January 2022 to be used throughout 2022 and 2023.

**Small Hostels Fund**

The small hostels fund value is to be used for improvements to the smaller hostels in the network

**Legacy**

The property legacy was received for the construction, or part or whole reconstruction, of one new or existing hostel in a mountainous region of Scotland primarily for the use of walkers.

**Visit Scotland Funding**

We received grants from 2 Visit Scotland funds:

1. Sector & Destination Operational & Market Readiness Fund – awarded £50,000 to assist with website improvements including booking and membership systems.
2. Destination and Sector Marketing Fund – awarded £18,000 to promote our dog friendly Youth Hostels and the concept of “Woofhostelling”.

**Notes to the financial statements** *(continued)*  
*for the year ended 31 January 2022*

**17 Analysis of net assets between funds**

	Unrestricted funds £	Restricted funds £	Total 2022 £
<b>Group</b>			
Tangible fixed assets	15,153,194	-	15,153,194
Current assets	4,055,475	1,053,724	5,109,199
Current liabilities	(2,715,988)	-	(2,715,988)
Long term liabilities	(4,889,167)	-	(4,889,167)
	<u>11,603,514</u>	<u>1,053,724</u>	<u>12,657,238</u>
<b>Charity</b>			
Tangible fixed assets	15,153,194	-	15,153,194
Investments	100	-	100
Current assets	4,055,375	1,053,724	5,109,099
Current liabilities	(2,715,988)	-	(2,715,988)
Long term liabilities	(4,889,167)	-	(4,889,167)
	<u>11,603,514</u>	<u>1,053,724</u>	<u>12,657,238</u>
	Unrestricted funds £	Restricted funds £	Total 2021 £
<b>Group</b>			
Tangible fixed assets	16,255,262	-	16,255,262
Current assets	2,972,780	901,256	3,874,036
Current liabilities	(1,764,551)	-	(1,764,551)
Long term liabilities	(5,559,831)	-	(5,559,831)
	<u>11,903,660</u>	<u>901,256</u>	<u>12,804,916</u>
<b>Charity</b>			
Tangible fixed assets	16,255,262	-	16,255,262
Investments	100	-	100
Current assets	2,972,680	901,256	3,873,936
Current liabilities	(1,764,551)	-	(1,764,551)
Long term liabilities	(5,559,831)	-	(5,559,831)
	<u>11,903,660</u>	<u>901,256</u>	<u>12,804,916</u>

**Notes to the financial statements** *(continued)*  
*for the year ended 31 January 2022*

**18 Reconciliation of changes in resources to net cash inflow from operating activities**

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Deficit of income over expenditure	<b>(147,678)</b>	(780,400)	<b>(147,678)</b>	(780,400)
Depreciation	<b>674,236</b>	684,219	<b>674,236</b>	684,219
Interest and similar income	<b>(300)</b>	(9,158)	<b>(300)</b>	(9,158)
Interest payable	<b>61,860</b>	62,403	<b>61,860</b>	62,403
Loss on sale of assets	-	1,544	-	1,544
Decrease/(increase) in stock	<b>(4,200)</b>	16,876	<b>(4,200)</b>	16,876
Decrease/(increase) in debtors	<b>1,224,218</b>	(1,627,025)	<b>1,221,150</b>	(1,624,478)
(Decrease)/ increase in creditors	<b>737,569</b>	(1,531,311)	<b>737,569</b>	(1,531,311)
	<hr/>	<hr/>	<hr/>	<hr/>
Net cash inflow from operating activities	<b>2,545,705</b>	(3,182,852)	<b>2,542,637</b>	(3,180,305)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**19 Analysis of changes in net debt**

	As at 1 February 2021 £	Group Cashflows £	As at 31 January 2022 £	As at 1 February 2021 £	Charity Cashflows	As at 31 January 2022
Cash	1,931,798	<b>1,805,007</b>	<b>3,736,805</b>	1,897,894	<b>1,801,939</b>	<b>3,699,833</b>
Loans	(4,931,843)	<b>276,796</b>	<b>(4,655,047)</b>	(4,931,843)	<b>276,796</b>	<b>(4,655,047)</b>
Pension scheme debt	(1,080,000)	<b>180,000</b>	<b>(900,000)</b>	(1,080,000)	<b>180,000</b>	<b>(900,000)</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	(4,080,045)	<b>2,261,803</b>	<b>(1,818,242)</b>	(4,113,949)	<b>2,258,735</b>	<b>(1,855,214)</b>
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**Notes to the financial statements** *(continued)*  
 for the year ended 31 January 2022

**20 Leasing commitments**

The future minimum operating lease payments are as follows:

	<b>2022</b>	2021
<b>Group and charity</b>	<b>£</b>	<b>£</b>
Within one year	<b>28,284</b>	28,678
Between one and two years	<b>27,495</b>	28,678
Between two and five years	<b>43,605</b>	60,885
Five years and over	<b>653,760</b>	663,975
	<hr/> <b>753,144</b>	<hr/> 782,216
	<hr/> <hr/>	<hr/> <hr/>

**21 Capital commitments**

	<b>2022</b>	2021
<b>Group and charity</b>	<b>£</b>	<b>£</b>
Capital expenditure authorised and contracted for	<b>134,555</b>	-
	<hr/> <b>134,555</b>	<hr/> -
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**22 Related party transactions**

There were no transactions with Trustees other than those disclosed in note 5. There were no material transactions with related parties.

As SYHA (Trading) Ltd is a wholly-owned subsidiary of SYHA, trading profits of SYHA (Trading) Ltd of £29,187 (2021: £26,740 were gift aided to Scottish Youth Hostel Association) in the year.