



Hostelling
Scotland

Annual Report and Financial Statements

2017-2018



hostellingscotland.org.uk

Governance and Strategic Aims

Principal Charitable Objective

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

Patron

HRH The Prince Philip, Duke of Edinburgh,
KG, KT, OM, GCVO, GBE, ONZ, QSO, AK, GCL, CC, CMM.

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:

David Calder	Chairman	(2015-18)	Appointed 20.06.15
Martin Ambrose	Vice Chair	(2015-18)	Appointed 20.06.15
Sally Mayer	Vice Chair	(2016-19)	Appointed 11.06.16
Michael Anderson		(2016-19)	Appointed 11.06.16
Duncan Craig		(2017-20)	Appointed 17.06.17
Claire McCorquodale		(2017-20)	Appointed 17.06.17
Paul Randall		(2016-19)	Appointed 11.06.16
Michael Spencer (1 year co-option)		(2016-17)	Retired 17.06.17
William Thomson		(2017-20)	Appointed 17.06.17
Michael West		(2015-18)	Appointed 20.06.15

Executive Management

Chief Executive & Company Secretary:

Margo S Paterson

Director of Operations & Deputy Chief Executive:

Sabine Mackenzie

Director of Finance & Resources:

David Powrie

Key Strategic Aims

The Trustees and Directors in November 2012 agreed the following 7 key strategic aims in their adopted 2013 – 2018 Sustainable Strategy:

1. **Network Sustainability** – economic, social and environmental
2. **Quality Experiences** – enhancement of guest facilities, comfort, access and customer services
3. **Property Management** – maintenance, capital investment, sales and acquisitions
4. **Youth Programmes** – Give Us a Break (GUAB) and Youth Activities Programmes
5. **Partnership Collaboration** – youth and education, charities and trusts, government and agencies, local communities and affiliates, commercial and corporate
6. **Support Resources** – employees and training, technology, sales, marketing and fundraising
7. **Governance Enhancement** – composition and succession, responsibilities and procedures.

To aid the achievement of these 7 strategic aims the Board of Trustees and Directors set annual objectives. Set out on the following page are the annual strategic objectives for 2017-18, the final year of the 2013-2018 strategy period, and the achievements against those objectives.

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Charity No.: SC013138
Company No.: SC310841

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Strategic Objectives

2017-2018 Strategic Objectives

Network Sustainability:

1. Fifth Year of Sustainable Development Strategy (2013-2018), working towards the generation of at least £1.5m operating surplus per annum for sustainable reinvestment in the youth hostel network. **Target exceeded with £1.8M operational surplus generated.**
2. Income growth of 3% in network occupancy created by increased room, catering through targeted add on sale promotions and yield management. **Target exceeded with operational income growth of 7%.**

Quality Experiences:

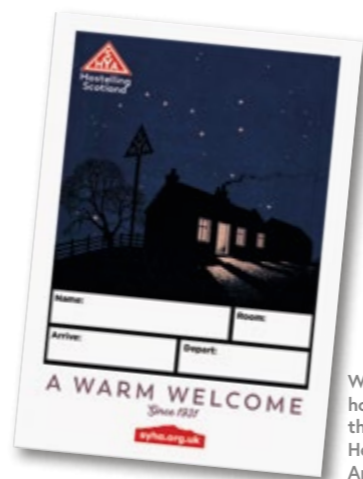
3. Enhancement of guest facilities, particularly comfort, access and privacy in at least 10 youth hostels. **Achieved. Replacement of beds and mattresses as part of rolling programme in Broadford, Cairngorm Lodge, Glen Affric, Glasgow, Portree. USB socket enhancement in Edinburgh, Portree, Ratagan, Gairloch and Glenbrittle. Outdoor furniture Ratagan and Loch Ossian. Curtains/Blinds: Glencoe, Cairngorm Lodge, Ratagan, Braemar, Aviemore. Edinburgh Central kitchen, servery and lighting.**

Property Management:

4. Construction of a new Glen Nevis Youth Hostel and Aberdeen part refurbishment in 2017. **Achieved. Internal works completed at Aberdeen Youth Hostel. Glen Nevis Youth Hostel refurbishment commenced 31st October 2017.**
5. Investigate the opportunities of enhancing at least 2 Heritage Youth Hostels with funds from the newly created Heritage Youth Hostels Fund formerly known as the Small Hostels Fund. **Achieved. Enhancements for Gairloch Sands, Achmelvich Beach, Durness and Glenbrittle included electrical upgrade works, conversion to electric cookers, replacement of double glazing units, car park improvements and external building repairs.**
6. Feasibility options for the future capital development for at least five separate key sites. **Achieved. Initial feasibility reports have been prepared for Aviemore, Glencoe, Rowardennan and Cairngorm Lodge.**



2017 saw enhancements to our Durness YH



Welcome card holders supporting the year of History, Heritage and Archaeology

Youth and Volunteer Development:

7. Increase SYHA Youth Programmes to above 315 participants per annum, particularly in the National Parks, funded by SYHA and other Trusts and Corporate funders. **Achieved with 405 participants in the year, funded by: Provident Financial, The Gannochy Trust and SYHA Youth Active Grants.**
8. Induct new Youth and Volunteer Engagement Manager into the organisation to further develop Youth and Volunteer Programmes Strategy including new funding sources. **Achieved. Manager recruited in March 2017.**
9. Develop programme of events for Year of Young People 2018. **Achieved. Includes: Doors Open Day, Youth Hostel takeover, provision of trips for families with Scotspirit and young carers with Respite and participation in the re-opening of Glen Nevis Youth Hostel.**
10. Continue with student design and engagement projects with Scottish Colleges and Universities 2016-2018. **Achieved - Lochranza design project (originally started in 2016/17) completed in the year along with mural in Inverness completed by neighbouring high school pupils.**
11. Further develop SYHA Youth and Adult Volunteer Programmes from 181 in 2016 to 200 participants in 2017 in partnership with other not for profit charitable organisations. **Achieved - 203 volunteers in the year including Duke of Edinburgh Gold Award volunteers, Glasgow University engineering students and Millburn High School along with individual and corporate volunteers.**

Partnership Collaboration:

12. Continue to establish partnerships with Quality Affiliates particularly in the North East and Southern Scotland. **One new affiliate joined from Newtonmore - Craighower Lodge. No interest received or found in Southern Scotland during the year.**
13. Participation in HI Connect employee exchange programme. **Achieved. Hosted a Hostel Assistant from Iceland in March at Glasgow Youth Hostel.**

14. Host the European Regional Conference of Youth Hostel Associations 22nd - 24th February 2018 in Edinburgh. **Date changed to 2-4 March 2018. Due to adverse weather, the conference was rescheduled to Brussels on 13-14 May 2018, with SYHA as host.**
15. Intensify collaboration with major Youth, Outdoor Pursuit and Learning organisations including key Tourism Destination Management and Environmental partners. **Achieved - collaboration in the year with: Duke of Edinburgh, TCV, Young Scot, Youthlink, John Muir Trust, In Your Element, Beyond Adventure, Loch Morlich Watersports, Learning Away, Council for Learning Outside the classroom, National Network for outdoor learning, Education Scotland. In France, La Rochelle University, University de Pau, Lycee Jean Moulin and JTM Jeunes a Travers le Monde (volunteer coordinating organisation). In Sweden, Hudiksvall County. In Luxembourg, Hennialux haute ecole de Namur. In Germany, VAP, IJGD, SRD (German volunteer coordinating organisations).**
16. Sustainable Food Sourcing throughout Hostelling Network. **Achieved - sustainable food sourcing in place dependent on price and availability of product.**

Supporting Resources:

17. Marketing to promote SYHA facilities, services and its membership through VisitScotland themed Years for History, Heritage and Archaeology (YHHA) in 2017 and Year of Young People in 2018 and the UNWTO 2017 Year of Sustainable Tourism and Development. **Achieved. Supported through Social Media as this provides us with the most up to date shares and access to wider audience i.e. Throwback Thursday. Some print material has been produced as a result of the year of History, Heritage such as the welcome key cards.**
18. Conduct a feasibility study of commercial Reservation Management Systems to meet the future needs of SYHA for the next 2 decades, to possibly replace the current bespoke SYHA Central Reservations System. **In progress and will not be concluded until 2019 at the earliest.**

Governance Enhancement:

19. Produce new draft Sustainable Strategy Objectives to be achieved between 2018 to 2023 for consideration and adoption by the Board by November 2017. **Achieved. Strategy period is for 2018 to 2020.**
20. Recruitment and induction of a new Chief Executive Officer into the organisation by June 2017. **Achieved. Margo Paterson recruited in July 2017.**
21. Continue to refine and review Governance structure and Board election processes, including expanding the election publicity to increase voting participation of Members. **Achieved with new approach on direct mailing to members along with expansion of social media marketing.**



Upgrades to our Glenbrittle YH

Review of 2013-2018 Sustainable Strategy
With the generation of healthy operational surpluses in recent years as a result of currency exchange advantages and a lift in the quality of our provision collectively increasing our volume of business, the strategic approach has achieved financial sustainability providing the organisation a strong position to move forward.

The 5 year period has seen a dramatic increase in competition and there is further work to be done in bringing each property to a position of secure infrastructure followed with enhancements to meet guest expectations. £7.3M has been invested in the network during the strategy period, this being funded by healthy surpluses and funds from the sale of properties, the priority now being to further strengthen the network by creating the right standard of product and service to attract new guests.

In conclusion, the overall vision and direction of the strategy has been achieved with 91% of the network now self-sustaining. Robust governance has also played a significant part in the success of the strategy providing consistent direction to the CEO and operational team. The Board of Trustees are satisfied that our charitable objects and activities have been fulfilled and indeed strengthened by the creation of a youth and volunteer focus and by providing a sustainable footing from which to move forward, ensuring that we continue to provide low cost accommodation for all.

New CEO Margo Paterson, appointed 2017



2018-2020 Growth Strategy

The Trustees and Directors agreed the following 7 key strategic aims in their adoption of the 2018–2020 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.

2018-19 Strategic Objectives

Strategic Aim 1: Delivering Excellence

1. To be the first choice for hostelling by raising guest service delivery standards.
2. Development of catering provision to include accreditation from VisitScotland Taste our Best Scheme.
3. Participation as key centres for the IKnow initiative by becoming a VisitScotland Information Partner (VIP).
4. Development of Edinburgh and Glasgow reception areas and shared guest space.
5. Hosting of European Regional Conference in Edinburgh.

Strategic Aim 2: Developing our People

6. Become an employer of choice through the review and development of recruitment approach.
7. Promote recruitment opportunities for young people.
8. Amalgamate auto-enrolment and defined contribution pension schemes.

Strategic Aim 3: Enhancing our Properties

9. Refurbishment and re-opening of Glen Nevis Youth Hostel.
10. Commission a property condition survey for all properties to establish future investment requirements.
11. Identify and develop a refurbishment project in the Cairngorms National Park with a view to commencing works in autumn 2019.

Strategic Aim 4: Innovating new Systems

12. Development and launch of a website reflective of the new brand identity to improve traffic and direct bookings.
13. Conclude feasibility study of a property management system for implementation in 2019.

Strategic Aim 5: Working with Young People

14. Develop innovative partnerships with organisations that share our values to increase the impact and outreach of Hostelling Scotland youth/community programmes.
15. Promote youth involvement in the Governance of Hostelling Scotland.
16. Launch of Hostelling Scotland Explorer Fund to enable more young people to have meaningful and relevant residential experiences, offering disadvantaged young people from youth groups and schools the opportunity to explore and experience Scotland and experience the benefits of a residential stay in a Youth Hostel.
17. Actively participate in the Year of Young People (YOYP) 2018.

Strategic Aim 6: Engaging Membership

18. Implement regular and direct communications with members.
19. Initiate feedback from members to enhance future membership services.

Strategic Aim 7: Securing the Future

20. Raise the profile of Hostelling Scotland through rebranding.
21. Strengthen market positioning through PR activities to communicate the brand refresh and modernisation of Hostelling Scotland.
22. Restructure of sales function to increase focus on yield management in particular group sales.
23. Increase hostel income by 4% through yield management and new sales initiatives.
24. Generate £1.65M surplus for re-investment into the network.



377,682

Overnight Guests

2017: 363,674

75,748

Room Sales

2017: 64,836

Helping you discover the real Scotland



Our year in pictures

Youth Engagement



Our new Haddington Place summer YH welcomed guests to the capital



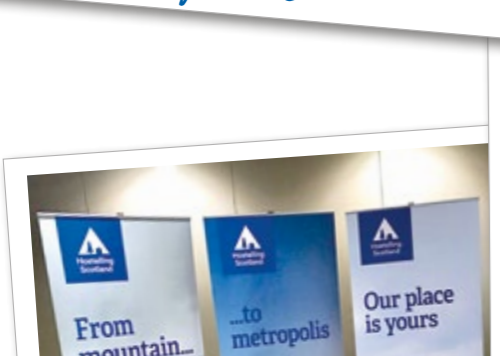
Volunteers get into the spirit of murals at Inverness YH



Our stand at the Skills Scotland Event, Glasgow SEC



Sleep For Peace in partnership with Hostelling International.



Alex Staniforth on his travels at Stirling YH



Blogger and photographer Dan Bell's leap of faith at Achmelvich Beach YH



Our brand new look, approved in 2017 for implementation across 2018



Celebrating our rich heritage in support of the year of History, Heritage and Archaeology



Supporting the #No Wrong Path social media campaign, sharing work life stories with young people



Scottish Power graduate volunteers at Rowardennan Lodge YH



German volunteers getting in the spirit at Aberdeen YH



Toni Wilson, Royston Youth group being interviewed on BBC Radio Scotland

335 young people participated in our Youth Programmes over the year (2017: 274). Our Give Us a Break programme hosted 10 youth and school groups from across Scotland to participate in a 2 night break enabling them to explore Scotland, develop new skills and challenge themselves through outdoor activities. This was possible through external support funding received from Provident Financial Good Neighbour Project. Support from the Gannochy Trust enabled us to host 20 young people on a 2 night break in Pitlochry with outdoor activities and we supported 10 groups and schools with a Youth Active Grant. The funding supported the groups with the cost of accommodation and catering for their trip.

SYHA was invited to be a Scottish representative on the Learning Away Consortium in 2017/18 and supported setting up a Scottish Working Group. The UK wide Consortium campaigns for more and higher quality residential experiences for young people and shares key research around residential learning.



Getting ready to celebrate the Year of Young People 2018

335

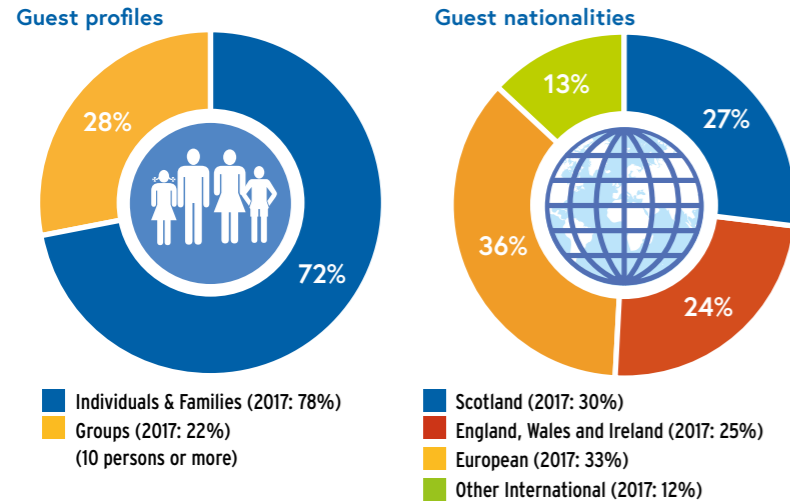
Young People on Give Us A Break 2017: 274

Review of Annual Activities

Hostelling Guests

SYHA Youth Hostels welcomed 377,682 overnight guests (2017: 363,674) during the year, an increase of 4% on the previous year.

Profiles



Social Tourism: We supported 15 disadvantaged families across Scotland to have a two night break through Scot Spirit, a Social Tourism programme run by VisitScotland in partnership with The Family Holiday Association. The programme supports disadvantaged families who would otherwise be unable to take a holiday.

We enabled two unpaid carers and their companions from Angus Carers Centre to have an overnight break at Aberdeen Youth Hostel. Run by Shared Care Scotland, Respatiality supports partnerships between the Hospitality sector and local Carers Centres to enable unpaid carers to have a break.

Membership in total dropped to 13,834 (2017: 14,599). Life Membership increased by 2% to 7,969 (2017: 7,820) on the previous year. Temporary membership increased by 8% to 152,837 (2017: 141,003). Engaging Membership is a key focus of the 2018-20 Growth Strategy.

Ensuring our guests have the best possible experience

	17/18	16/17
Overall	89%	90%
Cleanliness	91%	90%
Value	91%	90%
Facilities	86%	86%
Service	93%	92%
Location	95%	94%

Hostelling People

Volunteer Programmes: Involved 203 volunteers over the year, an increase of 12% on previous year (2017: 181). We welcomed a wide range of volunteers in many different hostels throughout the network; these included 106 volunteer hostel assistants and a range of other volunteers. 13 young people from Germany began a year-long volunteer placement as Volunteer Hostel Assistants, and 2 young people from Holland completed a 20 week placement for their Travel and Tourism studies. We were supported by 5 young people completing their Gold Duke of Edinburgh Award in Stirling Youth Hostel who gave the TV lounge a makeover, and 34 corporate volunteers from Scottish Power who helped to spruce up the outside areas of 3 different hostels. We partnered with Millburn Academy, to design a new mural at Inverness Youth Hostel, and a number of pupils helped to paint this. In the summer a number of volunteers from the UK and throughout Europe supported the hostels through 4 week placements as volunteer hostel assistants.

Employees: 164 employees participated in 18 personal development training events during the year. Particular focus was on customer service training through continued roll out of our own Customer Service & Employee Promise sessions, and 'Service that sell' specific training for the Reservations team along with supervisory training for newly promoted managers and duty managers. Fire Safety and Evacuation e-learning refresher training was rolled out to managers and the General Data Protection Regulations (GDPR) project team attended an overview of GDPR seminar. In addition and although not part of the statistics, induction training for all new starts is routinely delivered across the network.



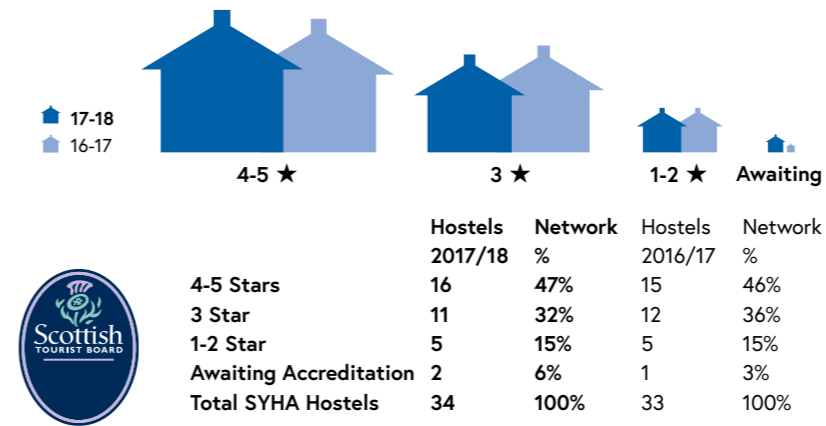
Swedish seasonal volunteers at Edinburgh Central YH

Hostelling Operations

Network: Consisted of 60 Hostels (2017: 61), of which 34 SYHA youth hostels (2017: 33) and 26 SYHA Affiliated hostels (2017: 28) were operational during the year.

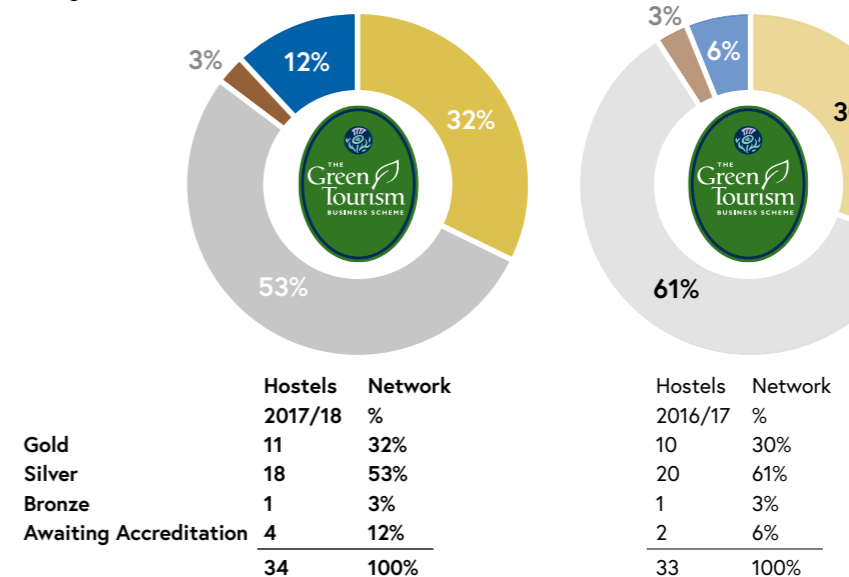
Rooms sales in SYHA youth hostels increased by 17% to 75,748 (2017: 64,836). 72% of all bookings in the year (2017: 74%) were generated through Reservations, at the hostels and on our website, with 28% (2017: 26%) being generated through third party booking engines.

VisitScotland Quality Assurance (QA): Youth hostel awards during the period were:



Hostelling International Quality (HI-Q): 11 SYHA youth hostels hold HI-Q accreditation for successfully passing the international hostel management programme. As a consequence the HI-Q hostel management systems have now been adopted and implemented in all SYHA youth hostels.

Green Business Tourism Scheme: SYHA continues to take steps to increase energy efficiency, reduce its carbon footprint through hostel refurbishment and promote such sustainable projects, not only for their own value but also to assist in the non-formal education of our members and guests.



Hostelling Property

In line with the Sustainable Strategy objectives, £2,101,710 was re-invested into the network during the year of which £609,331 was expended on routine youth hostel maintenance and equipment and costs relating to statutory compliance and health and safety. £1,492,379 was expended on capital, comprising: £1,338,359 on property with major works at Aberdeen and Glen Nevis Youth Hostels, along with window upgrades and shower replacements. £108,144 was spent on customer facing enhancements in a variety of projects across the network, with the remaining £45,876 spent on upgrading SYHA's information technology infrastructure and system enhancements.

Hostelling International

Since its formation in 1931 SYHA has 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 SYHA members access to over 4,000 youth hostels worldwide.

We meet with British and Irish Youth Hostelling Associations and other European national associations annually to discuss matters of mutual benefit and cooperation. Meetings were held in Edinburgh and Antwerp during 2017-18 to which the Chairman and CEO attended.

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

Annual Activities Summary



German and Dutch volunteers at Stirling YH

In the final year of the 5 year Sustainable Strategy (2013-2018), operational surplus increased substantially by 21% on previous year. Commitment to guest service, investment in properties and a focused marketing drive along with favourable exchange rates all contributed towards achieving a surplus of £1.8m before depreciation.

Major investments in the year included Aberdeen Youth Hostel, with a £500K development of the property which saw a re-vamp of the public spaces and introduction of ensuite rooms. Shower and washroom upgrades across the network amounted to £104K along with upgrade of power supplies of £27K in Achmelvich Beach, Durness and Gairloch Sands Youth Hostels. The Glen Nevis refurbishment project commenced in November 2017 and will be completed by early summer 2018.

2017-18 saw the creation of a new post of Youth and Volunteer Engagement Manager and as a result of this much progress has been made in the year in building collaborative partnerships with Youth, Outdoor Pursuit and Learning organisations. We are proud to be working with social tourism organisations such as Respitality and the Family Holiday Association in providing much needed breaks to carers and young families who would not otherwise be able to experience Scotland and youth

The new mural at Edinburgh Central YH creates a fun focal point for guests



hostelling. In addition, 405 young people from school and youth groups benefitted from our youth programmes, supported by funding from Provident Financial, The Gannochy Trust and our own SYHA Youth Active Grants.

This was also a period of change for the organisation's senior management. Keith Legge, CEO for 14 years retired at the end of June 2017. The Board of Trustees is extremely grateful to Keith for his achievements and dedication to SYHA during his tenure. Margo Paterson was appointed CEO in July 2017, having been employed by SYHA for 16 years in a number of roles, most recently as Deputy CEO.

Healthy surpluses generated during the strategy period 2013-18, coupled with proceeds from sales of properties have provided a strong foundation to re-invest in key priorities and secure our future. We are operating in a time of economic uncertainty, when choice is greater than ever before and where hotel chains are opening hostels because they know the commercial opportunities within the hostelling sector. Guest expectations continue to rise in terms of quality of guest service, facilities and value for money. In order to ensure hostelling is attractive for all, we have to further evolve through continued investment to modernise our infrastructure and amenities and ensure as a trusted organisation that we are recognised as the modern face of Scottish Hostelling.

Looking forward, 2018-19 is the start of a new 3 year strategy period during which there will be a focus on delivering excellence, developing our people, enhancing our properties, innovating new systems, working with young people, engaging membership and securing our future.

We launched a branding refresh in early March 2018 which will roll out throughout the year and include a new website from June 2018. Year of Young People events will take place throughout 2018 and we look forward to welcoming guests in early summer to a new hostelling experience at Glen Nevis Youth Hostel.

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

The financial results, investment in properties and drive to deliver quality service to guests, along with our commitment to social tourism and youth programmes collectively enable SYHA to continue to achieve its charitable objectives. In our 87th year, the Board of Trustees and Directors remain committed to reinvesting surpluses back into the Youth Hostelling network to ensure that we provide modern facilities and experiences. Since 1931 it has been our mission to make more of Scotland more accessible to more people than anyone else and this remains core to everything we do.



We have lift off on our latest refurbishment project - Glen Nevis YH
Artists Impression



Cyclist Markus Stitz designed the West Island Trail bikepacking trip linking our Oban, Lochranza, Port Charlotte and Tobermory YH's



Duke of Edinburgh Gold residential at Stirling YH



The refurbishment of Aberdeen YH has created a comfortable and contemporary environment for guests to the city



Group Statement of Financial Activities

(incorporating the Group Income and expenditure account) For the year ended 31 January 2018

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

We have examined the summarised financial statements of Scottish Youth Hostels Association for the year ended 31 January 2018 comprising the summarised statement of financial activities and the summarised balance sheet which are derived from the audited financial statements of Scottish Youth Hostels Association for the year ended 31 January 2018. The financial statements dated 27 April 2018 included an unmodified audit opinion.

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

Respective responsibilities of the Board of Management and auditor

The Board of Management is responsible for preparing the summarised report and financial statements in accordance with section 435 of the Companies Act 2006.

Our responsibility is to express an opinion on the summarised financial statements based on our procedures, which were conducted with regard to Bulletin 2008/3 which was issued by the Auditing Practices Board.

Opinion

In our opinion the summarised financial statements are consistent in all material respects with the full annual financial statements and the Report of the Board of Management of Scottish Youth Hostels Association for the year ended 31 January 2018.

Grant Thornton UK LLP,
Statutory Auditor, Chartered Accountants
Edinburgh,
United Kingdom

	Total 2018 £	Total 2017 £
Income		
Donations and legacies	184,117	45,818
Income from charitable activities:		
Income from operating Youth Hostels	8,048,987	7,482,908
Grants Receivable	–	38,000
Income from other trading activities:		
Commercial Income from SYHA (Trading) Ltd	250,929	257,782
Membership subscriptions and related income	466,757	433,039
Investment income	19,731	27,778
Other income:		
Net gain on disposal of tangible fixed assets	–	735,142
Total Income	8,970,521	9,020,467
Expenditure		
Costs of raising funds:		
Costs of operating SYHA (Trading) Ltd	211,812	225,472
Membership costs	36,598	35,773
Expenditure on charitable activities:		
Costs of operating Youth Hostels	7,338,214	7,467,203
Governance costs	43,629	58,221
Total Expenditure	7,630,253	7,786,669
Net income and net movement in funds for the year	1,340,268	1,233,798
Reconciliation of funds		
Total funds brought forward	10,902,278	9,668,480
Total funds carried forward	12,242,546	10,902,278

Balance Sheet

As at 31 January 2018

	Group 2018 £	Group 2017 £
Fixed assets		
Tangible assets	13,988,394	12,995,852
Investments	–	–
	13,988,394	12,995,852
Current assets		
Stocks	30,355	35,936
Debtors	105,644	126,131
Cash at bank and in hand	6,858,296	6,477,842
	6,994,295	6,639,909
Creditors: amounts falling due within one year	(3,033,844)	(2,586,467)
Net current assets	3,960,452	4,053,442
Total assets less current liabilities	17,948,845	17,049,294
Creditors: amounts falling due after more than one year	(5,706,299)	(6,147,016)
Net assets	12,242,546	10,902,278
Funds		
Restricted Funds	129,065	691,743
Unrestricted general funds	12,113,481	10,210,535
Total charity funds	12,242,546	10,902,278

The financial statements were approved by the Board of Trustees on 27 April 2018 and signed on their behalf by:

David Calder Director
Martin Ambrose Director

Note to the Summarised Financial Statements

The summarised financial statements are taken from the audited financial statements of Scottish Youth Hostels Association for the year ended 31 January 2018. The auditor's opinion on those financial statements was unqualified.

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

Hostelling Finance

Total operational income was £8,970,521 (2017: £8,285,325) an 8% increase of £685,196 on prior year (2017: £275,154 increase). As no properties were sold during the year no other income was derived from gain on sale of assets (2017: £735,142). Total resources expended was £7,630,253 (2017: £7,786,669), a 2% decrease of £156,416 (2017: £175,979 decrease). The resulting surplus of income over expenditure was £1,340,268 in the year after all costs including depreciation (2017: £1,233,798).

Based on operational income, average income per overnight was £23.75, a 4% increase on the previous year (2017: £22.78). Average expenditure per overnight was £18.88 (before depreciation), which was an increase of 1.6% on the previous year (2017: £18.59). As a result, the average operational trading surplus per overnight was £4.87, a 16% increase on the previous year (2017: £4.19).

SYHA (Trading) Ltd, a wholly owned subsidiary trading company generated in its eighth year of trading incoming resources of £250,929 (2017: £257,782), with resources expended of £211,812 (2017: £225,472) providing a net profit of £39,117 (2017: £32,310), a sum which has been gifted to the parent company.

SYHA gratefully received general donations and legacies of £169,111 (2017: £17,987) along with restricted donations and legacies totalling £15,006 (2017: £27,831). No grant funding was received in the year (2017: £38,000).

The following investments were made from these restricted funds in the year;

Glen Nevis:	£522,529 was utilised against the refurbishment costs of Glen Nevis Youth Hostel
Social Inclusion:	£32,212 (2017: £43,711) was expended on social inclusion youth programmes
Small Hostels Project:	£2,813 (2017: £22,324) on furniture for Loch Ossian, Glen Affric and Achmelvich Beach
Environmental improvement, maintenance and upgrading of more rural and rustic hostels:	£20,130 was expended on a power supply upgrade to Achmelvich Beach

After making all due enquiry, the Trustees confirm their expectation that SYHA has adequate resources to continue to operate as a charity for the foreseeable future. Therefore, in preparing the accounts, the Trustees continue to adopt the going concern basis. SYHA reports a net surplus in funds for the year ended 31 January 2018 of £1,340,268 (2017: £1,233,798) after providing for all charges, including depreciation. The resulting balance of funds as at 31 January 2018 is £12,242,546 (2017: £10,902,278). It is the intention of the Trustees that this sum be carried forward to be utilised by SYHA to further its charitable objectives.



Our place is yours

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

