

YMCA London City and North

(a company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Registered Charity No 1053864

Company No 3169665

Social Housing No H4099

Ofsted No 2598755/7

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WELCOME AND INTRODUCTION

Welcome from Mr Robert Thompson, Chairman

Thank you for taking the time to read and review YMCA London City and North's Report and Financial Statement for 2021-2022. Alongside the financial figures, we have included an overview of the key activities the organisation delivers together with a few case studies to provide an insight to impacts for homeless young people and community groups.

As Chairman, I have worked with my fellow Trustees in support of the organisation. As a group, we recognise the maintenance of good governance and we commenced a review for Trustee transition and Board development. I am extremely proud of the charity's achievements, which are a testament to its strength and resilience. Also, to the tremendous commitment and creativity of our people.

Introduction from Dr Gillian Bowen, Chief Executive Officer

Londoners have heart. And to be a young Londoner takes guts, perseverance, fortitude, resilience, compassion, ambition and a sense of humour. YMCA London City and North is in the heart of the largest and most diverse population in the country. We have continued to serve record numbers of young people and community groups, from a range of backgrounds.

We bring strength to neighbourhoods and critically important resources to homeless young people. We are so much more than a collection of buildings or programmes and our people (staff, volunteers) provide cause-driven leadership and engagement. They bring our organisation's mission to life every day and I am grateful for their contributions.

Over the past year, we continued to play an important role in London. Continuously evolving to meet the needs of homeless young people by providing accommodation and programmes that focus on youth development, access to wellbeing facilities and responses to social inequalities.

This annual report highlights the challenges and achievements of the past year. During that time, we continued to navigate the ongoing impacts of the coronavirus pandemic and sought to implement creative strategies to mitigate the negative effects.

We saw the conclusion of our First Tier Tribunal Tax Chamber Appeal (regarding VAT) – where the Judge found in our favour on both points. The Judge went into great detail to explain the tests and reasoning applicable to the case. This case has now brought clarity on this specific point across the land for many charities.

This Annual Account provides a snapshot of the financial health and overall direction of the Charity. Strategically, we maintain our stance as courageous sector leaders. The next stage of our evolution is guided by a revised strategic plan. We have consulted with stakeholders to harness our strengths, refine our values and bring synergy to our organisation network. This enables us to continue to unfold as an integral part of the social fabric of London life, with young people at the centre of our activities. –

OPERATIONAL & FINANCIAL REVIEW AND STRATEGIC REPORT

Introduction to YMCA London City and North

The report and financial accounts for the year ended 31 March 2022 sets out the activities and achievements of YMCA London City and North, the “Charity” for the year.

Our Vision: A world where young people are equipped to create a future of their own choosing.

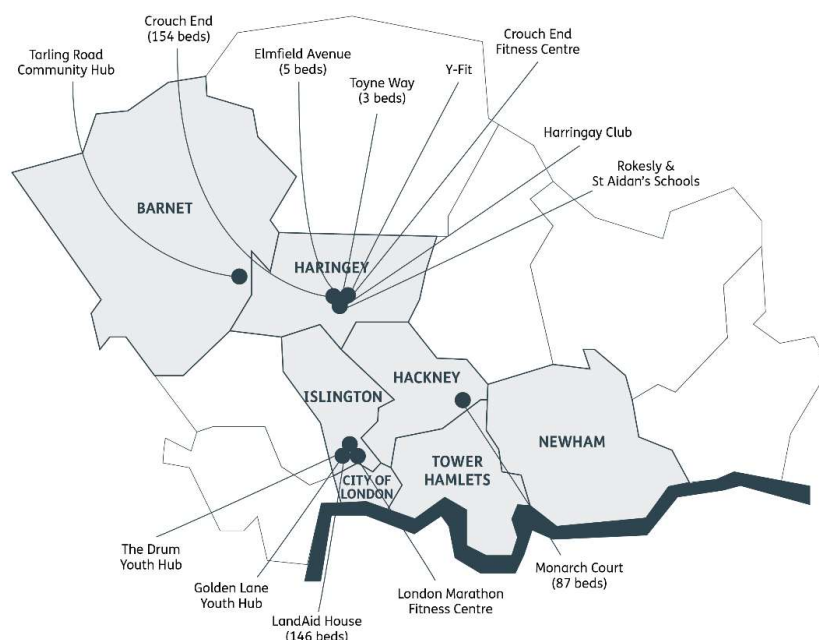
Our Mission: Providing a range of services – residential accommodation, centre-based and outreach youth work – that support young people to build a future in which they can make informed and supported choices.

Our Values: Respect for the individual and their cultural, spiritual and faith needs, compassion, choice, equality of opportunity and access, and dignity.

Our unique organisation provides platforms for young people to develop the skills essential for their success through:

- Accommodation
- Youth Hubs
- Community Outreach
- Childcare
- Fitness and wellbeing

Located in the communities we serve



The merger with YMCA North London in October 2020 has allowed us to provide more services and reach more young people than ever before.

Young people are at the centre of all that we do.

We seek to provide new opportunities for them to understand, to contribute, and to succeed in a rapidly changing society. We assist them to become constructively engaged with their local community.

We tell our story through the individuals and communities we serve.

Help to find employment

'My key worker has been great! She has helped with my English and helped me build my confidence, and now, I have job thanks to her support.'

SA is a young refugee from Sudan, who arrived in the UK with the hope of a better life. A place where he could be safe and educate himself, but also learn to be independent and better his life skills to integrate and give back to the community.

He was referred to YMCA London City and North through his advisor and never looked back. At YMCA London City and North his Key Worker supported him through every stage.

Although ambitious and smart, he struggled to find employment opportunities. He knew what he wanted but lacked the tools. Through keyworker sessions, it was established that he had the skills but lacked the needed command of English. A tailor-made programme was made for him to ensure goals could be met. He was supported to enrol in workshops and sessions such as the English as a Second Language (ESOL) taster session at LandAid House.

He realised just how much he enjoyed these sessions and was eager to go the extra mile. His Key Worker worked with him to polish his verbal skills. He slowly gained confidence and comfort in English conversation which he felt was one of his greatest barriers. With support from his Key Worker, he started looking for his dream job. He applied for a customer service role, which he successfully secured in June 2022, having received interview practice to give him confidence to shine in the interview. SA feels the support he got from YMCA London City and North allowed him to change his life. The Key Worker believed in him when many didn't and allowed him to realise his dream.

Help to find housing

TIA arrived at YMCA London City and North with a myriad of health issues. She had migraines that were so painful that she would pass out. Due to her health, she spent most of her time in bed and felt she needed someone to look after her. Having listened to her health concerns, her Key Worker organised a 3-way conference for TIA with the Community Health Advisor and the Local Authority housing representative. Following the discussion, it was agreed the best option for TIA was supported housing, ensuring she had the right care to manage her situation. TIA's health deteriorated, she was admitted to hospital, her Key Worker kept in touch and was ready to support her to find alternative accommodation.

TIA and her Key Worker worked through Housing Funding applications, to identify the location she wished to move to and properties that met her needs. Once a suitable home was found, TIA's Key Worker liaised with the SHP and UC to secure her deposit and removal costs.

TIA loves her new place. It caters to all her needs. YMCA London City and North is still in touch to help her find her feet. TIA believes that without the support YMCA London City and North provided she would still be at risk of homelessness.

Being part of the Community

RD has been part of the YMCA London City and North family in Crouch End for more than seven years. She started as a member of the community gym, gaining strength physically and mentally.

Through various discussions with the team at the Gym, RD realised her potential, and what she really wanted to do, was to become a personal trainer or work in a gym.

The Charity helped realise her potential and supported her in achieving her dream. She then went on to enrolling on a scholarship programme to be a level 2 gym instructor.

RD started personal training sessions six days a week, and teaching groups at the Crouch End hostel for free. RD felt this was a way she could give back to this community. RD was then given the opportunity to widen her knowledge as a coach. She learnt about the administrative and business side of the Gym to develop her ever growing skillset. She slowly started working in other areas including marketing to get a wider insight of the gym.

Supporting the Charity has given RD a sense of belonging. She feels the staff and volunteers, as well as the attendees are one big family.. She helps people connect with the veteran trainers of the gym to have an idea of the facilities and get a feel of the community that RD cherishes deeply. She hopes to learn even more through her journey with the Charity.

For the year to March 2022 we said that we would

Launch the new merged organisation

Task Completion: YMCA London City and North was formally renamed in May 2022. From the 1st July 2021 our name changed to YMCA London City and North and our new website was launched. The merger is concluded and we are now one organisation seeking to serve the communities in which we are located.

Welcome young people into LandAid House

Task Completion: In May 2021 the doors of our £23m, purpose-built development, LandAid House, opened to residents. During the year 167 young people have benefited from finding a safe space to live and build for their future. Like many new buildings we are working through a list of snagging items with the main contractor but these are not impacting on the quality of living environment our young people experience.

Commence options appraisal for Crouch End site

Task Completion: We aim to make an investment of £30 million to redevelop our Crouch End Site. That investment will turn around the lives of 7,000 of London's most vulnerable young people over the next 25 years. We have approached investors to secure seed funding to commence an options appraisal for the site.

Develop a Strategic Plan for YMCA London City and North

Task Completion: As we start a new chapter we have come together at all levels of the organisation to consider what we wish to achieve for young people in the communities where we work. Our new Strategic Plan was approved by the Board in March 2022 and will direct our activities from 1 April 2022.

Recruit into the Trustee Board to deliver on our strategy

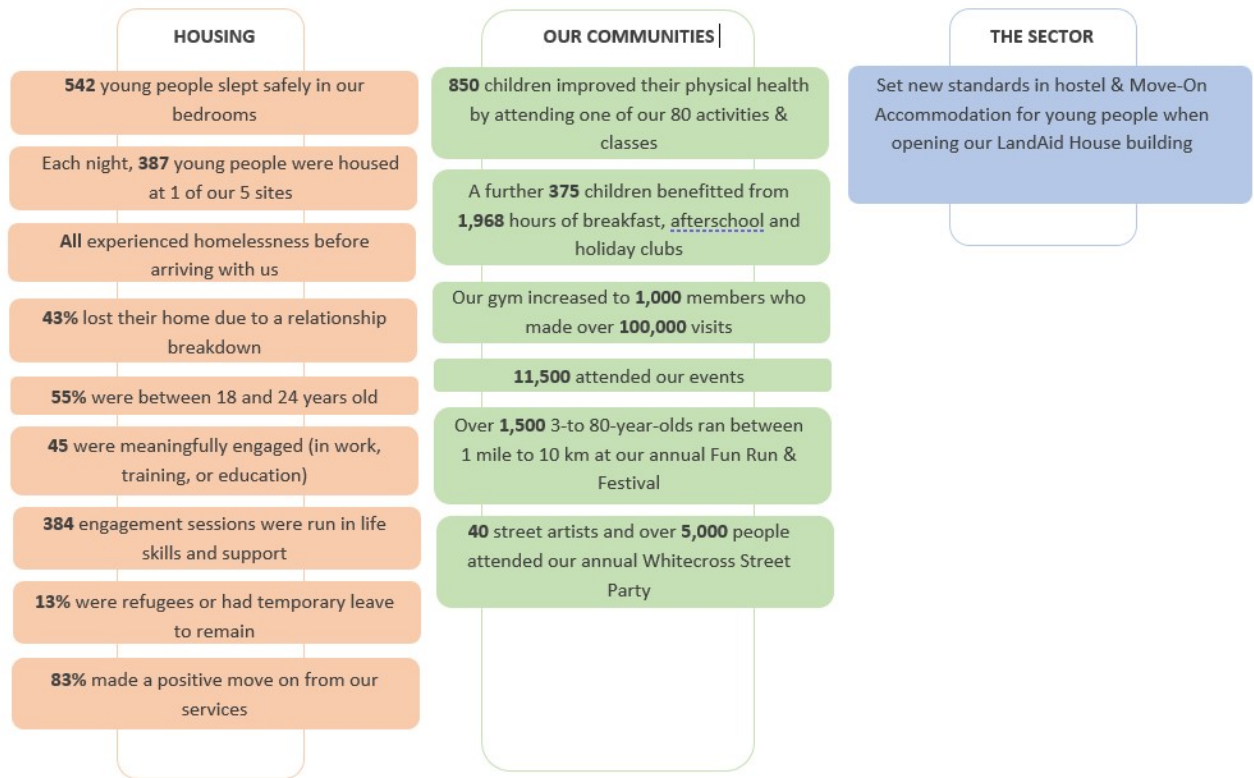
Task Completion: We undertook a skills and governance audit to understand the depth of skills within our Board. This will assist in crafting profiles when recruiting new trustees with a focus on equality, diversity and inclusion.

Business and Financial Review

Value for Money

We demonstrate value by the changes we support young people to make in their own lives and in creating their futures.

In the last year we have:



The Charity has reviewed its metrics in accordance with the Value for Money Code of Practice. The core housing information is set out in the following table.

Metric	Definition	2022	2021
Business Health			
Operating Margin – Social Housing	Operating surplus or (deficit) from social housing lettings/turnover from social housing lettings	(0.1%)	(21.59%)
Operating margin – overall	Operating surplus of deficit overall/turnover overall	(1.8%)	17.4%
EBITDA MRI interest cover	Earnings before interest, tax, depreciation, amortisation, major repairs included interest cover %	50.7%	231%
Development			
New supply as % of current units		1.0%	77.8%

Gearing	Short term loans + long term loans – cash and cash equivalents + finance lease obligations / Tangible fixed assets: Housing properties at cost (current period)	31.6%	24.8%
Outcomes			
Reinvestment %	Development of new properties (housing) + newly built properties acquired + work to existing housing properties+ capitalised interest on housing properties + schemes completed / Tangible fixed assets housing at cost	0%	18.8%
Effective Asset Management			
Return on Capital Employed (ROCE)	Operating surplus or (deficit) overall / total assets less current liabilities	(0.7%)	3.34%
Cost per unit			
Headline social housing cost per unit		£12,836	£8,202*

*Adjusting for LandAid House units which came online in March 2022 social housing cost per unit £12,879.

The Charity has experienced a period of significant strategic change. In the year ended March 2021 the organisation acquired 162 new units through the merger in October 2020, 142 new units were bought into use as part of the build of LandAid House in March 2021 with a further 4 units brought into use in April 2021. These business priorities have seen the organisation significantly increase its supply of housing units.

The Charity has delivered these priorities during a period when the Covid-19 pandemic had disrupted service delivery, and leading to an increased cost base. Further information on our trading performance is included within the financial review on page 10.

We benchmark our performance against other registered providers in the sector. The Regulator of Social Housing Published the Global Accounts for Registered Providers in February 2022. This report covers the 2020/21 financial year. For purposes of comparison we benchmarked against a subset of Supported Housing Providers defined as those with at least **30%** supported housing stock. In 2021 this subset of providers reported a cost per unit of £9,680. The Charity has **100%** supported housing stock which results in a higher than average level of management support for our beneficiaries. So to provide a meaningful comparator we have excluded support costs and the cost per unit is then £8,504, which aligns well with our peers.

Volunteers

The Covid Pandemic continued to have a notable impact on our ability to work with volunteers across the year. Nevertheless, volunteers continue to make a valuable contribution to our work. 150 individuals supported the delivery of our activities. Their time and commitment allowed us to put on the Crouch End Fun Run and Whitecross Street Party, support residents in gaining new skills and experiences, provided pro-bono legal advice and raised vital funds. Over the coming year we will continue to look at ways to retain current volunteers and attract new volunteers.

Partners and Funders

Our sincere thanks go to all of our partners and funders that have made the development of LandAid House possible and facilitated our ongoing work in providing accommodation to homeless young people and supporting those young people who are most at risk.

Our appreciation goes to:

- Allied Irish Bank
- Argus Media
- Bags of Taste
- Cheapside Business Alliance
- Child Poverty Action Group
- Chiara- Yoga
- Church Army
- City Bridge Trust
- City of London Corporation
- Co-op Crouch End
- Daaro Youth
- Dunns Bakery
- Fat Macy's
- Finding Rhythms
- Free2Learn
- Friends and Supporters
- Fun Run Participants
- Getir
- Greig Trust
- Cripplegate Foundation
- Groundwork London
- Hamptons
- Hornsey Food Bank
- Hornsey Parish Church
- John Lewis Partnership (Victoria Office)
- Joining Communities Together
- Julia & Hans Rousing Trust
- Kickstart
- LandAid Charitable Trust
- London Borough of Barnet
- London Borough of Hackney
- London Borough of Haringey
- London Borough of Islington
- London Community Response Fund
- LMP education
- LLV church
- Marigold Heath Foods
- Marks and Spencer's Crouch End
- Middle Lane Methodist Church
- Mind in Haringey
- Mousetrap
- Pivot
- Sainsburys
- Sidley LLP
- Sport England
- This is growth
- Travers Smith LLP
- UK Government Department for Work & Pensions
- YMCA England & Wales
- VIY Project
- WCGL Groundwork
- Yes Outdoors

Housing delivery partners:

- Accumulate
- All people all places
- Baobab Survivors
- Beam
- Broxbourne Council
- Catch 22
- C4WS Homeless project
- Change Please
- Hackney Migrant Centre
- Hackney leaving care team
- Hackney Winter Night Shelter
- Haringey pathways team
- Haringey youth provisions
- Homes for Haringey
- Renaisi
- Riverside
- Shelter
- Single homeless projects

Financial Review

During the year the Charity reported a deficit of £308,691 (2021: surplus £915,336). The results for the year include a full year's trading of the combined merged activities (2021: 6 months post merger activity) and, the opening of LandAid House in May 2021. This is the second year when trading has been affected by the Covid-19 Pandemic.

Housing activities generated a £2,323 loss in the year (2021: £569,503), this was significantly below anticipated budget. The main reason for the suboptimal income was underlying housing occupancy. Voids in the period at 41% were significantly higher than in the prior year (3%) as the Charity continues to experience the effects of the Covid-19 pandemic. Challenges:-

- LandAid opened in May 2021, to take in homeless young people, however this was impacted by the Government's homelessness strategy during the pandemic.
- The Government adopted a strong 'Everyone In' policy to homelessness during the pandemic, providing a line of funding to local councils and a clear mandate to get homeless people off the streets and into temporary accommodation from March 2020. £700 million has been spent by the government including £200 million in May 2021.
- Hotels, Hostels and B&B accommodation were retained to provide a source of new accommodation for those who were homeless. This removed the traditional occupancy routes for all hostel sector charities. This resulted in very slow occupancy increase at our new site and occupancy challenges across all sites.

To reduce the low occupancy numbers, we adopted a number of strategies which included:-

- Approaching the local Councillors to engage in targeted discussions with the Homeless Unit at Islington Council as the Council was slow in taking back responsibility to house the homeless young people of the Borough, and instead were pushing it to central government.
- Approaching networks to raise awareness of referral pathways including new referral sources.
- Approaching sources who made booking enquiries: GLA regarding next steps from the 'Everyone In' rough sleeper strategy; Local Authorities regarding Homeless Unit, unaccompanied minors and leaving care teams.

In December 2021, the First Tier Tribunal ruled on the VAT treatment for hostel accommodation supplied by YMCA London City and North found in the Charities favour. The tribunal found that there is a license to occupy and that the accommodation is a similar establishment to a hotel. On 28 February 2022 HMRC advised they would not appeal the Tribunal decision. In responding to this ruling, the Charity has recalculated the VAT that has been charged on our accommodation portfolio between March 2019 and March 2022. Housing Income includes £156,000 repayable from HMRC in connection with the ruling.

Income from fundraised activities reduced during the year in line with expectation as grants awarded to support activities impacted by the pandemic came to an end. Our results show a corresponding increase in Community Activity, those services most impacted by the pandemic.

Community Activities which include our gym, leisure facilities and childcare, saw hesitancy by certain user groups to return to pre-pandemic activities, this has been most noticeable in our childcare activities. Trading performance for the year was set with an element of caution, all services outperformed budgets. The Crouch End Fitness Centre and Hornsey Harringay Club continued to benefit from £151,000 of Local Authority Covid related support.

Our Youth Projects operated in line with expectation. New grant funding allowed us to extend our provision of one to one support.

£500,000 of investments were sold during the year to support cash flow following the LandAid House development. The investment balance as of 31 March 2022 of £534,846 includes unrealised gains on investment of £56,092.

The Charity holds loans of £8.4m. As at the 31 March, 2022 the Charity had not met its covenant ratios on debt and interest cover (reasons as explained above) in connection with the £8.2m loan from AIB. AIB has agreed not to exercise its right to repayment under the default provisions of the loan.

Reserves Policy

Reserves that are unrestricted funds held by the Charity should be sufficient to meet all payment obligations and to contribute to the Charity fulfilling its aims and purposes. The reserves as at 31 March 2022 were £6.4m (2021: £6.7m). The target level of free reserves is determined annually, by the Trustees upon recommendation from the Audit Committee and must reflect the overall objectives of the Charity's Financial Strategy and other plans.

The Trustees consider that the unrestricted funds should be classified into two categories:

- Reserves to meet the defined benefit pension obligations, and;
- Free reserves held to cover working balances and payment obligations.

In determining the level of unrestricted funds held as free reserves to cover working balances and payment obligations, the Trustees have considered the following matters:

- Six months of unrestricted expenditure, and
- Business interruption insurance cover is in place with a two-year indemnity period.

Accordingly, the Trustees consider it prudent to retain working balances of £3.2 million in cash and/or readily realisable unit trust investments that are not designated or earmarked in order to meet unforeseen risks or obligations. At 31 March 2022 the Charity held £0.6m in readily realisable unit trusts. During the period following the major redevelopment of LandAid House this buffer has not been practical. We are working towards rebuilding reserves by April 2026.

Going Concern

In light of the demands based on the Charity to meet financial commitments and deliver activities the Trustees reviewed the charity's financial position and financial forecasts for the next three years against a number of scenarios including realistic and severe scenarios, modelling income and expenditure as well as cashflows. As a result of this review, the Trustees believe that the Charity is well placed to manage external, operational risks successfully.

In the accounting policies note of the financial statements, the Trustees report the charities need to refinance the £8.2m development loan from AIB secured against LandAid House by November 2023. As reported the charity has taken appropriate steps to identify and start discussions with new lenders with the intention of having new financing in place by January 2023.

The trustees have concluded that there is a reasonable expectation that the charitable group has adequate resources to continue in operational existence for the foreseeable future, a minimum of which is a period of twelve months. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

Risks and uncertainties

The Audit Committee has delegated authority from the Trustee Board to ensure that an active risk management process is in place and forms part of the ongoing organisational activity. LandAid House came into use in May at which time the remaining risks associated with this significant construction project were amalgamated into the strategic risk register.

The Charity now has one risk register which captures the types of risks the Charity faces and prioritises them in terms of potential impact and likelihood of occurrence. The strategic risk register is a standing item at each Audit Committee and Trustee Board meeting, allowing risks to be reviewed on a regular basis.

The Trustees are satisfied that the Group's internal financial controls comply in all material respects with the guidelines issued by the Charity Commission and the Regulator of Social Housing. The principal risk affecting the Charity are:

- **Housing Occupancy:** The Covid-19 Pandemic and Government actions changed the landscape of Social Housing for our clients. We emerged into a setting that had been slow to address the needs of our client group. This has had a significant Impact on referral pathways through which 100% of our tenants are referred. Voids for the year were significantly higher than anticipated. Our Housing team have worked in active partnership with referral agencies to strengthen the pathway and secure potential tenants access to accommodation they need. This remains a priority going into the new financial year.
- **Financial liquidity:** The higher than anticipated voids, experienced across all sites during the year, combined with the start of loan financing repayments has had a significant Impact on the charity's cash reserves and caused the charity to be in breach of its interest and debt covenants at year end. Monthly cash forecasting over a two-year period is in place to anticipate and manage future cash demands. The Breach has been reported, the Bank has agreed not to exercise its right to repayment under the default provisions of the loan. Trustees believe sufficient financing is in place to manage the Charity's cash demands.
- **Unplanned staff absence:** Covid-19 stretched our staff resources. The competitive market that has followed has challenged retention and recruitment, especially in our housing activities. In June 2022 we have concluded a review of employee Terms and Conditions and a pay benchmarking exercise which we believe will reposition us in the market as an attractive employer.

The Trustees confirm that they have identified and understand the risks to which the Charity is subject and that they are being actively managed.

Looking to the future

Our 3 year strategy, 'Vibrant Futures', was launched in April 2022. Following a structured development and process model, six corporate strategic priorities have been set. From these, a strategic evaluation model was applied to identify viable strategic options which facilitated objective setting as follows:

1. To constructively influence the future of London's services, facilities and resources that will improve the lives of young people.
2. To effectively meet the social needs of young people; by offering a safe, accessible space for them to succeed.
3. To make a positive impact on the lives of young people experiencing homelessness: by providing them a safe and creative place to engage and move on.
4. To provide an enriched experience for all children: for them to develop and flourish.
5. To promote and implement successful comprehensive wellness programmes and amenities for communities in a safe, supportive, and interactive environment
6. To be efficient and effective in the management of YLCAN and sustainably use our resources.

The major implication of this corporate strategy for the Charity is the necessity to establish clear and consistent procedures for the operational delivery of the strategy. This is a major feature and will require steady managerial capacity, particularly in relation to the skills and competencies required to develop and manage the key strategic priorities. By working within a strategic planning framework, the Charity will ensure that the strategy is regularly reviewed and revised as necessary.

DIRECTORS' AND TRUSTEES' REPORT

CORPORATE INFORMATION

TRUSTEE BOARD AND BOARD OFFICERS

Chairman	Robert Thompson
Vice Chairman	Mark Poulding-Wright
Treasurer	Mark Henshaw
Trustees	Michael Baker
	Daniel Gerring
	Philip Graham
	Patsy Mills
	Paul Singh (Appointed 11 August 2022)
	Mark Thompson (retired 8 December 2021)
	Paul Tredwell
	Marek Wiluszynski
Company Secretary	Michael Burris (resigned 20 August 2021)
	Jonathan Faulkner (appointed 20 August 2021 resigned 13 May 2022)
	Julia Rank (appointed 13 May 2022)

EXECUTIVE MANAGEMENT TEAM

Chief Executive	Gillian Bowen
Director of Community and Enterprise	Chris East
Director of Estates and Major Projects	Jonathan Faulkner
Director of Corporate Services	Emir Feisal
Director of Housing and Youth	Leighanne Grant

PATRONS AND VICE-PRESIDENTS

Patrons	Lord Mayor of the City of London
	The Rt Revs & Rt Hon Dame Sarah Mullay, Bishop of London
	The Revd Rose Hudson-Wilkin, Bishop of Dover
Vice Presidents	Colonel Brian Key OBE DL
	Mr Peter Ellis

CORPORATE INFORMATION

Registered company	03169665
Registered charity	1053864
Registered housing provider	H4099
Registered office	LandAid House, 10 Erroll Street, London, England, EC1Y 8SE

AUDITORS, BANKERS AND SOLICITORS

Auditor	Haysmacintyre LLP, 10 Queen Street Place, London, EC4R 1AG
Banker	Allied Irish Bank (GB), West London Business Centre, Ealing Cross, Uxbridge Road, London W5 5TH
Solicitor	Travers Smith, 10 Snow Hill, London, EC1A 2AL
	Simmons & Simmons, 1 Ropemaker Street, London, EC2Y 9SS
	Stone King LLP, Boundary House, 91 Charterhouse Street, London, EC1M 6HR

Corporate governance information

Constitution of the charity

YMCA London City and North (formerly London City YMCA), is governed by its Articles of Association and was incorporated on 8 March 1996 and commenced trading on 1 October 1996. The charity has been formed through the merger of a number of YMCAs, including Barbican YMCA on the 1 December 2005 and YMCA North London on 9 October 2020. The company is limited by guarantee and does not have a share capital.

Network and other relationships

YMCA London City and North is an independent member of the YMCA movement in England and Wales.

Trustee Board

The Trustee Board is responsible for the overall governance of the charity. Those who have served during the year are set out on page 15. They hold a dual role of being Trustees of a registered charity as well as being directors for the purposes of the Companies Act.

On accordance with the Articles of Association, Trustees serve for a three-year term. At every Annual General Meeting, the longest serving one third of the Members of the Board retire and may offer themselves for re-election for a further three years. A Trustee requires at least two nominations to be elected, or re-elected. Trustees serve for a maximum of nine years. All Trustees are subject to Disclosure and Barring Service vetting, in recognition of the fact that the charity works with vulnerable groups. New Trustees receive a formal induction to acquaint themselves with the charity, its policies and practices, aims, activities, management and governance.

No Trustees retired during the year, four Trustees with more than nine years' service were asked to remain in office for a period of 12 months from the AGM to allow a continuation of governance in the period post-merger and to allow a skills audit to be completed ahead of the next AGM.

The Group's insurance policies indemnify the Trustee Board and Officers against liability when acting for the Charity providing their actions are not reckless or fraudulent.

Strategic management

The Board of Trustees is the central decision-making body of the Charity. The Board is responsible for setting an appropriate strategy for the Charity. It also ensures that relevant performance measures are in place. The Board meets at least quarterly. There are three sub-committees of the Board: The Audit Committee, Remuneration Committee and Property and Development Committee. These committees have defined Terms of reference, and report to the Board at each meeting.

During the year, the Trustee Board:

- Held a special meeting to lead and guide setting a new strategy for the Charity

- Convened a special item at the 8 December 2021 AGM to commence addressing long-serving Trustees of 9 years or more.
- Considered options for financing partners for the Charity
- Oversaw the restructuring of Corporate Services in March and September 2021; planned for the Housing restructure

Executive Management Team

The Board delegates the day-to-day responsibilities of managing the activities of the Charity to a staff team. The Executive Management Team are the senior staff that manage the Charity's operations and comprise the Chief Executive who is supported by the Director of Community and Enterprise, the Director of Estates and Major Projects, the Director of Corporate Services and the Director of Housing and Youth. They act with authority delegated by the Trustee Board.

Employees

The Charity recognises the strength of its employees who are committed to the objectives that serve the best interests of its residents and service users. The Charity shares information on its objectives, progress and activities through regular management and staff department meetings.

The Charity is committed to equal opportunities in recruitment, retention and throughout the employee lifecycle.

Statements on internal controls and Trustees' responsibilities regarding regulatory and statutory obligations

Charity Commission

YMCA London City and North meets the requirements set out by the Charity Governance Code. The Trustees regularly undertake an evaluation of the Board and its performance. At the time of this report the Charity complies with all necessary regulations and reporting requirements.

Public Benefit statement

The Trustees have referred to the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning future activities. The trustees consider that our activities are a true reflection of our aims and objectives, and that they are designed to provide accessible services and activities that benefit the public in accordance with our charitable objectives.

We demonstrate the public benefit of our work on pages 4 to 10 of the strategic report.

Regulator of Social Housing

The Trustees have conducted a self-assessment this year against the Governance and Financial Viability Standard and can confirm that we comply with the standards set by the Regulator of Social Housing.

National Housing Federation Code of Governance

As a Registered Provider the organisation have adopted the NHF Code of Governance 2020. The Board are satisfied that it complies with the spirit of the code and the principles set out in it. The exception is that during the year ended 31 March 2022, four Trustees had served for terms of more than 9 years. Trustee succession planning is being managed to ensure we retain the skills appropriate to activities and risks the organisation faces. We also review this item in recognition of and compliance with the organisations Memorandum and Articles of Association.

Fundraising Statement

The aim of our fundraising approach is to support the generation of unrestricted funding to complement our contract and commercial income streams. It must be noted that some income may also be generated to support new strategically important projects or services.

YMCA London City and North voluntarily signed up to the Fundraising Regulator in 2018 and all fundraising activities continue to be carried out under the Fundraising Code. We continue to adhere to the GDPR regulations in our ongoing communications about our work. We have received no complaints about our fundraising activities or about our use of personal data during the year.

All our fundraising work has been carried out by our Trustees or staff. Our Director of Community and Enterprise is a member of the Institute of Fundraising. Fundraising activities are regularly reviewed by the Board in line with our reporting procedures. We partner with a very small number of donors and never ask an individual for a donation more than twice a year.

Statement on Investment Powers

The Trustee Board may exercise the power to delegate to any person, company or other organisation any of the Charity's powers of investment, administration or management of all or any part of the money and investments of the Group. Accordingly, the funds held as investments by the Charity were managed on behalf of the Trustees by CCLA Investment Management Ltd and Rathbones Investment Management. YMCA London City and North has continued to adopt a conservative investment policy that seeks to balance capital preservation and achieving an appropriate return.

Statement on internal financial controls and trustees' responsibilities

As Trustees for YMCA London City and North we acknowledge our ultimate responsibility for ensuring that the charity has in place a system of controls that is appropriate to the various business environments in which it operates. These controls are designed to give reasonable assurance with respect to:

- the reliability of financial information used within the charity or for publication
- the maintenance of proper accounting records
- the safeguarding of assets against unauthorised use or disposition

Controls and procedures in place include the following:

- formal policies and procedures including the documentation of the key systems and rules relating to delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the charity's assets
- experienced and suitably qualified staff take responsibility for important business functions with annual appraisal procedures in place to maintain standards of performance
- forecasts and budgets are prepared which allow the trustees and management to monitor the business risks and financial objectives, and progress towards financial plans set for the year and the medium term
- regular management accounts are prepared promptly, providing relevant, reliable and up to date financial and other information and significant variances from budgets are investigated as appropriate
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through relevant sub-committees comprising trustees and others
- the Audit Committee reviews reports from management and from the external auditors to provide reasonable assurance that the control procedures are in place and are being followed
- a general review of the major risks facing the charity is done by the Audit Committee which makes regular reports to the trustees

Our approach to risk management is set out in the risk and uncertainties section of the Trustees' Report. Risk management is overseen by the Audit Committee and approved by the Board. The Audit Committee considers reports on risk at each of its meetings and these are reported at each Board meeting together with a formal report on risk management annually to the Board.

Trustees' responsibilities

Company law requires the directors to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the surplus or deficit of the Charity for that period. In preparing those financial statements the directors are required to:

- Select suitable accounting policies and apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements
- Prepare financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006 and legislation relating to Registered Providers of Social Housing. They are also responsible for safeguarding of assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the directors has confirmed that so far as they are aware, there is no relevant audit information of which the company's external auditors are unaware, and that they

have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to each that the company's independent auditors are aware of that information.

Auditors

A resolution to reappoint the auditors, Haysmacintyre LLP will be proposed at the forthcoming annual general meeting.

This report, including the Trustees' Report and Strategic Report, was approved by the Trustees on 14th September 2022, and was signed for and on behalf of the Board by:



Mr Robert Thompson, Chairman



Mr Mark Henshaw, Treasurer

Independent auditor's report to the members of YMCA London City and North (formerly City YMCA London)

Opinion

We have audited the financial statements of YMCA London City and North (formerly City YMCA London) for the year-ended 31 March 2022 which comprise the statement of financial activities, the balance sheets, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing from January 2019; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for 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 charity 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.

Emphasis of Matter – Loan refinancing

We draw attention to the accounting policies notes of the financial statements which refers to the need for the charity to refinance existing arrangements at the end of their term in November 2023 and the trustees' steps to secure new financing arrangements within the next twelve months. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

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 the audit:

- the information given in the Directors' Report (contained within the Trustees' Annual Report) prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report (contained within the Trustees' Report) has 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 Report of the Board, the operating and financial review or the strategic report.

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

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

Responsibilities of trustees for the financial statements

As explained more fully in the Statement of Responsibilities of the Trustee Board set out on pages 18 and 19, 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material

misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the regulation of registered charities and registered providers of social housing, and Health and Safety regulation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011 and the Housing and Regeneration Act 2008, and we considered other factors such as tax compliance.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to areas of estimation uncertainty and manual accounting journals. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing a sample of manual journals; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

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



Richard Weaver (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditor
Date: 27 September 2022

10 Queen Street Place
London EC4R 1AG

YMCA LONDON CITY AND NORTH
Consolidated statement of Comprehensive Income (incorporating a Statement of Changes in Reserves) for the year ended 31 March 2022

		2022			2021
Income from:		Unrestricted	Restricted	Total Funds	Total Funds
Social Housing Activities	Note		£	£	£
Income from Social Housing	2	5,068,033	-	5,068,033	2,637,477
Non Social Housing Activities					
Donations- fundraising activities		158,775	276,749	435,524	973,948
Donations - Drum building		-	30,000	30,000	30,000
Donations - legal fees		-	88,057	88,057	155,857
Youth Projects income		-	106,365	106,365	78,243
Community Activities Income		774,765	91,676	866,441	142,802
Liquidated Damages Construction Income		-	-	-	747,450
		933,540	592,847	1,526,387	2,128,300
Total income		6,001,573	592,847	6,594,420	4,765,777
Expenditure on:					
Fundraising		228,292	126,903	355,195	68,520
Costs of raising funds		228,292	126,903	355,195	68,520
Expenditure on Social Housing	2	5,070,356	-	5,070,356	3,206,980
Youth Projects		-	157,297	157,297	113,721
Community Activities		948,665	91,406	1,040,071	393,812
Legal Fees pro bono		-	88,057	88,057	155,857
Expenditure on charitable activities		6,019,021	336,760	6,355,781	3,870,370
Total expenditure		6,247,313	463,663	6,710,976	3,938,890
SUB TOTAL					
Operating (deficit)/surplus		(245,740)	129,184	(116,556)	826,887
Interest receivable and investment income	4	17,840	-	17,840	15,428
Interest payable and similar charges	5	(266,067)	-	(266,067)	-
Movement in fair value financial instruments	11	56,092	-	56,092	73,021
(Deficit)/surplus for the financial year	6	(437,875)	129,184	(308,691)	915,336
Transfers between funds	17	129,184	(129,184)	-	-
Gift at fair value	24	-	-	-	2,415,303
Reconciliation of funds:					
Net movement in funds		(308,691)	-	(308,691)	3,330,639
Total funds brought forward		6,685,804	-	6,685,804	3,355,165
Total funds carried forward		6,377,113	-	6,377,113	6,685,804

The Statement of Financial Activities includes all gains and losses recognised in the year. The notes on pages 26-39 form part of the financial statements.

**YMCA LONDON CITY AND NORTH
BALANCE SHEET
AS AT 31 MARCH 2022**

Company No. 03169665

		2022	2021
FIXED ASSETS	note	£	£
Fixed Assets			
Social Housing Properties	9	24,700,332	25,276,476
Non Social Housing Properties	9	18,750	25,000
Intangible Assets	10	20,244	5,189
Other Tangible Assets	10	387,156	242,142
Investments	11	534,846	970,516
TOTAL FIXED ASSETS		25,661,328	26,519,323
CURRENT ASSETS			
Stock		9,930	1,737
Debtors	12	798,564	238,212
Short Term Deposits		17,832	10,414
Cash at bank and in hand		42,292	1,286,333
		868,618	1,536,696
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	13	(2,797,581)	(3,369,308)
NET CURRENT LIABILITIES		(1,928,963)	(1,832,612)
TOTAL ASSETS LESS CURRENT LIABILITIES		23,732,365	24,686,711
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	14	(16,784,110)	(17,344,231)
PROVISIONS FOR LIABILITIES			
Defined benefit pension scheme liability	17	(571,142)	(656,676)
TOTAL NET ASSETS		6,377,113	6,685,804
FUNDS:	14		
UNRESTRICTED			
Designated Fixed Asset Funds		7,033,789	7,416,942
Pension reserve	18	(656,676)	(731,138)
		6,377,113	6,685,804
TOTAL FUNDS		6,377,113	6,685,804

The notes on pages 26-39 form part of the financial statements. The financial statements were approved and authorised for issue by the Board on 14th September 2022 and signed on its behalf by:

R.J. Thompson

Robert Thompson, Chairman

M. Henshaw

Mark Henshaw, Treasurer

**YMCA LONDON CITY AND NORTH
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022**

	2022		2021
	£		£
Cash flows from operating activities			
Net cash used by operating activities (note A)	(1,257,162)		3,317,043
Cash flows from investing activities			
Purchase of tangible fixed assets	(268,802)		(3,689,442)
GLA grant received	-		2,190,000
Sale of investments	500,000		-
Capital Interest	-		(260,595)
Long Term Loan	-		50,000
Gift at Fair Value	-		(1,232,606)
Purchase of Investment	(8,238)		(3,242)
Investment income received	17,840		15,428
(Decrease)/increase in Defined Benefit Pension Scheme	(74,462)		93,107
	<u>166,338</u>		<u>(2,837,350)</u>
Cash flow from financing activities			
Long Term Loan (repayment)/drawn	(145,799)		-
Change in cash and cash equivalents in the year	(1,236,623)		479,693
Cash and cash equivalents at the start of the year	1,296,747		817,054
Cash and cash equivalents at the end of the year (note B)	<u>60,124</u>		<u>1,296,747</u>
Note A: reconciliation of net income/(expenditure) to net cash used by operating activities			
Net income/(expenditure) for the year	(308,691)		3,330,639
Adjustments for:			
Depreciation	673,533		173,992
Carry amount of fixed asset disposals	17,595		-
Amortisation of GLA grant	(173,760)		(86,160)
Movement in Investment	(56,092)		(73,021)
Investment income	(17,840)		(15,428)
(Increase)/decrease in Stock	(8,193)		2,133
(Increase)/decrease in debtors	(560,352)		231,145
(Decrease)/increase in creditors	(823,362)		88,589
(Decrease)/increase in Liquidated Creditors	-		(334,846)
Damage	<u>-</u>		<u>(334,846)</u>
Net provided by operating activities	<u>(1,257,162)</u>		<u>3,317,043</u>
Note B: analysis of cash and cash equivalents			
Short term deposits	17,832		10,414
Cash at bank and in hand	42,292		1,286,333
	<u>60,124</u>		<u>1,296,747</u>
Note: analysis of movement in net debt			
	At the start of the year	Cash-flows	At the end of the year
Cash	1,286,333	(1,244,041)	42,292
Cash equivalents	10,414	7,418	17,832
Transfer from Merger			
Sub-total	<u>1,296,747</u>	<u>(1,236,623)</u>	<u>60,124</u>
Loans falling due within one year	(387,639)	(240,563)	(628,202)
Loans falling due after one year	(8,154,871)	386,361	(7,768,510)
Total	<u>(7,245,763)</u>	<u>(1,090,825)</u>	<u>(8,336,588)</u>

The notes on pages 26-39 form part of the financial statements.

YMCA LONDON CITY AND NORTH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. PRINCIPAL ACCOUNTING POLICIES

YMCA London City and North is charitable company limited by guarantee (under number 03169665). It is registered as a provider of social housing with the Housing Regulator, HCA (number H40499), and as a charity with the Charity Commission in England and Wales (number 1053864). It is a Public Benefit Entity. A summary of the principal accounting policies, which are appropriate to the entity status set out above, follows:

a. **Basis of Accounting** – The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Housing SORP 2018 (Statement of Recommended Practice for registered social housing providers), the requirements of the Housing and Regeneration Act 2008 and the Companies Act 2006, and the Accounting Direction for Private Registered Providers of Social Housing 2019. In addition, the Trustees have had regard to Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (updated 2019) - (Charities SORP (FRS 102)), where it does not conflict with the Housing SORP.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). Investment assets are restated at fair value at each balance sheet date. All financial instruments are considered to be basic financial instruments.

In the opinion of the Trustees, in applying the accounting policies adopted, no judgements were required, other than the determination of the appropriateness of the going concern basis as outlined below, that have a significant effect on the amounts recognised in the financial statements, nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

The accounts are prepared in £'s and rounded to the nearest pound.

b. **Going Concern** - FRS102 requires the trustees to adopt a going concern basis in preparing the financial statements unless they intend to liquidate the charitable company or have no realistic alternative to do so. Trustees have reviewed the charity's financial position and financial forecasts for the next three years against a number of scenarios including realistic and severe scenarios, modelling income and expenditure as well as cashflows. As a result of this review the Trustees believe the Charity is well placed to manage external, operational risk successfully.

The Charity holds £8.2m of debt with AIB, this debt financed the redevelopment of LandAid House. At 31 March 2022 the Charity was in Breach of its interest and debt cover covenants on the loan. The charity has met all interest and loan repayments. After the year end the lender agreed not to exercise its right to repayment under the default provisions of the loan agreement. In order for the accounts to show a true and fair view the loans are disclosed as if the breach had not occurred.

From the point of inception the Trustees have been aware of the need to refinance this loan by November 2023. To this end Trustees have taken appropriate steps to identify suitable partners for a new facility. Conversations have progressed with the incumbent and potential lenders, including the sharing of trading results and forecasts. Trustees are seeking to place new financing by January 2023.

At the date of signing the financial statements the charity does not have a new financing agreement in place. Trustees are comfortable that adequate steps are being taken to secure appropriate financing before the current loan expires and that this does not constitute a material uncertainty that would cast significant doubt on the charity's ability to continue as a going concern.

The Trustee Board has a reasonable expectation that the Charity has adequate resources to continue in operational existence for a period of at least twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt a going concern basis in the financial statements.

YMCA LONDON CITY AND NORTH
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

c. Income – All income is included on a receivable basis. Rent is recorded net of VAT in line with occupancy, donations and grants are recognised when the criteria for entitlement and probability have been met and income due can be estimated with reasonable accuracy, membership and course fees are recognised as courses are delivered.

Capital Grants for housing properties – are accounted for under the accruals models as set in the Housing SORP, being initially accounted for as a creditor and then amortised over the expected life of the related asset. The amortised amount for the year is shown as part of housing income (see note 2).

d. Fixed Assets and Depreciation –

Tangible fixed assets, except housing properties, are stated at cost less accumulated depreciation.

Depreciation on non housing assets is charged on a straight line basis over the expected useful economic life of each asset at the following annual rate:

Equipment including IT equipment, fixtures and fittings – 20% per annum

e. Property

Property assets are stated at cost less depreciation

In compliance with the component accounting requirements of the Housing SORP, those components of each asset with materially different useful economic lives have been separately identified and depreciated over the following useful economic lives:

Freehold Social Housing Properties

	Supported Housing (%)	Useful Economic Life (years)
Building		
Main Fabric	42%	100
Sub Fabric	33%	100
Roof structures and Coverings	5%	70
Windows and external doors	2%	30
Gas boilers/fires	3%	15
Kitchen	4%	20
Bathroom/WCs	3%	30
Mechanical systems (heating, ventilation, plumbing)	6%	30
Electrics	2%	40
Total	100%	

No depreciation is provided on freehold land.

Freehold Non Housing Properties

Building Improvements	2%
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Leasehold Social Housing Properties

Existing structure, roof & windows	16 Years
Bathrooms	8 Years
Leasehold improvements	Up to the expected lease break-point

YMCA LONDON CITY AND NORTH
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

1. PRINCIPAL ACCOUNTING POLICIES (continued)

f. **Social Housing Grants** – Social Housing Grants (SHG) are initially accounted for as a liability on the balance sheet and amortised to income over a period related to the life of the assets funded.

g. **Investment** – Investments are included in the Balance Sheet at fair value. Gains or losses on the investment portfolio are accounted for under the Statement of Financial Activity (SOFA)

h. **Expenditure** – Expenditure is recognised on an accruals basis.

i. **Charitable Activities** include both direct and support cost.

j. **Funds** – Any restricted or designated funds held by YMCA London City and North at the year end are separately shown as such in the primary financial statements.

i. Unrestricted funds are available for use at the discretion of the Board in furtherance of the general objectives of YMCA London City and North. The Trustees have separately designated those funds which are tied up in the fixed assets of the charitable company or intending for to be applied to fixed assets in the immediate future.

ii. Restricted funds are funds where the donor has imposed restrictions as to future use.

k. **YMCA Pension Plan** –YMCA London City and North participated in a multi-employer defined benefit pension plan for employees of YMCAs in England, Scotland and Wales, The scheme was closed to new members and accruals on 30 April 2007. It is not possible for YMCA London City and North to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

As described in note 18 YMCA London City and North has a contractual obligation to make pension deficit payments of £101,488 pa over the period to April 2029 (2021: £91,278 pa), accordingly this is shown as a discounted liability in these accounts. In addition, YMCA London City and North is required to contribute £22,686 pa (2021: £21,602 pa) to the operating expenses of the Pension Plan and these costs are charged to the Statement of Comprehensive Income as made.

Employees joining after 30 April 2007 are eligible to join a defined contribution scheme. YMCA London City and North's contributions to this scheme are accounted for as the expenditure falls due and there is no further liability to the scheme.

l. **Operating Lease Rentals** – Operating lease rentals are charged to the income and expenditure account as incurred.

m. **Donations of gifts, services and facilities** – YMCA London City and North recognises donated professional services and donated facilities as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably.
In accordance with the charities SORP (FRS 102), volunteer time is not recognised.

YMCA LONDON CITY AND NORTH
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

2. INCOME AND EXPENDITURE FROM HOUSING

	2022	2021
	£	£
Income from social housing		
Rent receivable	1,728,117	885,204
Service charges receivable	3,100,030	1,660,633
Government grant amortisation	173,760	86,160
Other social housing activities	66,126	5,480
Net income from social housing activities	5,068,033	2,637,477
Expenditure on social housing		
Management and services	3,672,900	2,737,154
Routine maintenance	331,784	171,896
Planned maintenance	71,871	27,196
Bad debts	48,571	(170,209)
Lease Costs	308,658	304,788
Depreciation on housing property	636,572	136,155
Total expenditures on housing activities	5,070,356	3,206,980
Operating deficit on housing activities	(2,323)	(569,503)
<i>Void Loss: (being rental income lost as a result of property not being let)</i>	<i>1,978,648</i>	<i>79,668</i>

3. ACCOMODATION IN MANAGEMENT

	2022	2021
	Units	Units
Supported Housing	387	241
General Needs	8	8
Number of units in management at the end of the year	395	249

YMCA LONDON CITY AND NORTH
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	2022	2021
	£	£
Investment	16,623	8,095
Bank interest	1,217	7,333
	17,840	15,428

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2022	2021
	£	£
Loans	266,067	-
Defined benefit pension charge	16,817	24,280
	282,884	24,280

6. NET INCOME / (EXPENDITURE)

	2022	2021
	£	£
This is stated after charging:		
Auditors' remuneration (excluding VAT)	20,000	25,000
Depreciation	673,533	173,992
Operating lease charges – plant and equipment	49,906	21,386

7. TAXATION

YMCA London City and North is a registered charity and a Housing Association registered with the Housing Regulator and is, therefore, exempt from liability to taxation on its income and capital gains from charitable activities, provided income is applied for its charitable purposes.

YMCA LONDON CITY AND NORTH
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

8. TRUSTEES AND EMPLOYEE INFORMATION

Trustee information

Trustees who for purposes of the companies Act, are directors. Received no remuneration during the year (2021 - £nil). Trustees are covered by Trustee Indemnity Insurance, but it is not possible to identify the cost separately. There were no related party transactions.

The aggregate emoluments of the key management personnel reflects amount paid to the executive and Associates Directors (inclusive of national insurance plus pension amounted to £454,850- 6 FTE (2021: £441,928 - 7 FTE).

The remuneration of the Chief Executive comprised salary of £93,734 , NI of £11,671 and pension contributions of £7,811. (2021 £95,527, £11,971 and £7,642 respectively).

The Chief Executive is an ordinary member of the current stakeholder pension scheme with no special terms or rights to enhanced benefits.

	2022	2021
	£	£
Employee cost for the year		
Salaries and wages	2,573,833	1,744,689
Social security costs	219,305	146,602
Defined benefit scheme costs (see note 18)	38,327	187,182
Defined contribution costs	73,029	61,969
	2,904,494	2,140,442
less Staff costs capitalised	-	(96,413)
	2,904,494	2,044,029

FTE number of staff receiving remuneration, excluding pension in excess of £60k

	2022	2021
£60,000 -£69,999	2	2
£70,000 - £79,999	2	-
£80,000 - £89,999	1	-
£90,000 -99,999	-	1
£100,000 -109,999	1	-

The number of persons (including directors) employed by the Association during the year was 119 (2021:99 staff) and the average of full time equivalent staff (including temporary and part time staff was as follows:

	2022	2021
Management	3	3
Housing and support	65	71
Youth projects	21	21
Capital Fund Raiser	3	4
	92	99

YMCA LONDON CITY AND NORTH
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

9. FIXED ASSETS – FREEHOLD PROPERTIES & LEASEHOLD IMPROVEMENTS

	Beginning of year	Additions	Disposals	March 2022	March 2021
	£	£	£	£	£
Social Housing					
Freehold					
Cost	24,356,486	-	(17,595)	24,338,891	24,356,486
Depreciation	(40,198)	(430,032)	-	(470,230)	(40,198)
Net book amount	24,316,288	(430,032)	(17,595)	23,868,661	24,316,288
Short leasehold					
Cost	1,758,507	-	-	1,758,507	1,758,507
Depreciation	(798,319)	(128,517)	-	(926,836)	(798,319)
Net book amount	960,188	(128,517)	-	831,671	960,188
Total net book amount	25,276,476	(558,549)	(17,595)	24,700,332	25,276,476
Non social housing					
Short leasehold					
Cost	198,652	-	-	198,652	198,652
Depreciation	(173,652)	(6,250)	-	(179,902)	(173,652)
Net book amount	25,000	(6,250)	-	18,750	25,000

At each reporting date an assessment must be made of whether any indicators of impairment exist. No impairment indicators have been identified for the year ended 31 March 2022 (2021: none). Additions during the year include capitalised administration costs of £nil (2021: £96,413)

YMCA LONDON CITY AND NORTH
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

10. OTHER FIXED ASSETS

	Beginning of year	Additions	Disposals	March 2022	March 2021
	£	£	£	£	£
Tangible Assets					
Computer equipment					
Cost	105,538	27,088	-	132,626	105,538
Depreciation	(20,586)	(22,722)	-	(43,308)	(20,586)
Net book amount	84,952	4,366	-	89,318	84,952
Gym Equipment					
Cost	3,634	5,794	-	9,428	3,634
Depreciation	(3,634)	(219)	-	(3,853)	(3,634)
Net book amount	-	5,575	-	5,575	-
Motor Vehicles					
Cost	65,258	-	-	65,258	65,258
Depreciation	(65,258)	-	-	(65,258)	(65,258)
Net book amount	-	-	-	-	-
Office Equipment					
Cost	8,389	-	-	8,389	8,389
Depreciation	(8,389)	-	-	(8,389)	(8,389)
Net book amount	-	-	-	-	-
Furniture and fittings					
Cost	311,533	219,101	-	530,634	311,533
Depreciation	(154,343)	(84,028)	-	(238,371)	(154,343)
Net book amount	157,190	135,073	-	292,263	157,190
Total net book amount	242,142	145,014	-	387,156	242,142
Intangible Assets					
Cost	17,220	16,819	-	34,039	17,220
Amortisation	(12,031)	(1,764)	-	(13,795)	(12,031)
Net book amount	5,189.00	15,055	-	20,244	5,189.00

11. INVESTMENTS

	31 March 2022	31 March 2021
	£	£
COIF Charities Investment Fund & Rathbones		
Historical Cost	453,119	685,080
Market Value		
Beginning of the year	970,516	124,849
Transfer From North London YMCA	-	387,334
Transfer From Hornsey YMCA	-	382,070
Additions	8,238	3,242
Disposals	(500,000)	-
Unrealised gain on investment	56,092	73,021
End of the year	534,846	970,516

In addition to the above investment the Charity held shares in a wholly owned dormant subsidiary, which are carried at £nil.

YMCA LONDON CITY AND NORTH
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

12. DEBTORS

	2022	2021
	£	£
Amounts falling due within one year:		
Rent and services receivable	433,068	196,911
Less provision for doubtful debts	(4,670)	(65,466)
Other taxes and social security	209,034	20,870
Other debtors and prepayments	161,132	85,897
	<u>798,564</u>	<u>238,212</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Creditors due within one year:		
Rent and services received in advance	807,380	-
Trade creditors	214,933	266,369
Other taxes and social security	56,052	52,658
Other creditors and accruals	831,720	2,414,420
GLA Social Housing Grant (Note 15)	173,760	173,760
Pension Liabilities (Note 18)	85,534	74,462
Loan (Note 16)	628,202	387,639
	<u>2,797,581</u>	<u>3,369,308</u>

A loan facility is in place with AIB(GB) Ltd for £8,435,000 secured on all property or undertakings of YMCA London City and North, at 31 March 2021 this had been fully drawn down. This loan is repayable in instalments from practical completion to November 2023. Interest is payable on the loan at base rate +3%.

YMCA London City and North has an unsecured loan from City Bridge Trust at a rate of 2.5% pa. £1.6m was repaid in March 2021 with the balance to be repaid in December 2022

YMCA London City and North drew a bounced back loan from the Co-operative bank £50,000 in November 2020. The loan is repayable over five years, we received a 12 month repayment holiday to November 2021. The interest for the first year of the loan was paid by the Government via a Business Interruption payment

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022	2021
	£	£
Creditors due over one year:		
Loan (Note 16)	7,768,510	8,154,871
GLA Social Housing Grant (Note 15)	9,015,600	9,189,360
	<u>16,784,110</u>	<u>17,344,231</u>

YMCA LONDON CITY AND NORTH
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

15. GLA SOCIAL HOUSING GRANT

	2022	2021
	£	£
At 1 April 2021	9,363,120	7,259,280
Grant Received in the year	-	2,190,000
Released to income in the year (note 2)	(173,760)	(86,160)
At 31 March 2022	9,189,360	9,363,120

	2022	2021
	£	£
Amount to be released within one year	173,760	173,760
Amounts to be released in more than one year	9,015,600	9,189,360
	9,189,360	9,363,120

The GLA housing grants disclosed on the balance sheet relate to;

- an original grant of £1,120,129 received in 2015 of which £603,169 has been amortised to date. This relates to the Monarch Court hostel.
- an original grant of £8,760,000 received in 2016 for the rebuild of Errol Street Hostel, now named the LandAid House redevelopment, of which £87,600 has been amortised to date.

Previously £2,889,792 was received related to the Errol Street Hostel this is not included in the Balance Sheet as the property was revalued at 1 April 2014.

These amounts are potentially repayable if the sites ceased to be used for the provision of social housing. No such change is currently envisaged.

16. LOAN ANALYSIS

	2022	2021
	£	£
Borrowings		
Due within one year		
Bank Loans		
AIB Loans	468,612	234,306
City Bridge Loans	150,000	150,000
Co-operative Bank Loans	9,590	3,333
	628,202	387,639
Due after more than one year		
Bank Loans		
AIB Loans	7,732,083	8,200,694
AIB Deposit Account	-	(92,490)
Co-operative Bank Loans	36,427	46,667
	7,768,510	8,154,871

YMCA London City and North has deposited funds in a loan interest account with AIB(GB)Ltd to be used for loan repayments, at 31 March 2021 the balance in the account was £nil (2021: £92,490)

The net amount of £7,732,082 at 31 March 2022 is shown on the Balance Sheet (2021: £ 8,108,204)

YMCA LONDON CITY AND NORTH
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

17. TOTAL FUNDS

	Start of year 01-Apr-21 £	Income £	Expenditure £	Gift at fair value £	Transfer between Fund £	Investment gains £	End of year 31-Mar-22 £
Unrestricted Funds							
Designated Fixed Asset Funds							
Pension Fund	7,418,615 (731,138)	6,019,413 -	(6,513,380) -	- -	54,722 74,462	56,092 -	7,035,462 (656,676)
Total Unrestricted Funds	6,687,477	6,019,413	(6,513,380)	-	129,184	56,092	6,378,786
Restricted Funds							
Grant & Donation	-	276,749	(126,903)	-	(149,846)	-	-
Youth Projects	-	106,365	(127,297)	-	20,932	-	-
Community Activities	-	91,676	(91,406)	-	(270)	-	-
Donations Drum Building	-	30,000	(30,000)	-	-	-	-
Donation Legal Fees	-	88,057	(88,057)	-	-	-	-
Total restricted Funds	-	592,847	(463,663)	-	(129,184)	-	-
Total funds	6,687,477	6,612,260	(6,977,043)	-	-	56,092	6,378,786

TOTAL FUNDS COMPARATIVE FOR 2021

	Start of year 01-Apr-20 £	Income £	Expenditure £	Gift at fair value £	Transfer between Fund £	Investment gains £	End of year 31-Mar-21 £
Unrestricted Funds							
Designated Fixed Asset Funds							
Pension Fund	3,710,872 (355,707)	3,783,582 -	(3,466,843) -	2,415,303 -	902,680 (375,431)	73,021 -	7,418,615 (731,138)
Total Unrestricted Funds	3,355,165	3,783,582	(3,466,843)	2,415,303	527,249	73,021	6,687,477
Restricted Funds							
Grant & Donation	-	202,469	(202,469)	-	-	-	-
Donation Errol Street	-	539,699	-	-	539,699	-	-
Youth Projects	-	69,598	(82,048)	-	(12,450)	-	-
Donations Drum Building	-	30,000	(30,000)	-	-	-	-
Donation Legal Fees	-	155,857	(155,857)	-	-	-	-
Total restricted Funds	-	997,623	(470,374)	-	(527,249)	-	-
Total funds	3,355,165	4,781,205	(3,937,217)	2,415,303	-	73,021	6,687,477

YMCA LONDON CITY AND NORTH
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

18. PENSION COMMITMENT

YMCA London City and North participated in a contributory pension plan providing defined benefits based on final pensionable pay for employees of YMCAs in England, Scotland and Wales. The assets of the YMCA Pension Plan are held separately from those of YMCA London City and North and at the year end these were invested in the Mercer Dynamic De-risking Solution, 63% matching portfolio and 37% in the growth portfolio and Schrer (property units only).

The most recent completed three year valuation was as at 1 May 2020. The assumptions used which have the most significant effect on the results of the valuation are those relating to the assumed rates of return on assets held before and after retirement of 2.59% and 1.09% respectively, the increase in pensions in payment of 2.99% (for RPI capped at 5% p.a.), and the average life expectancy from normal retirement age (of 65) for a current male pensioner of 22.0 years, female 24.4 years, and 23.7 years for a male pensioner, female 26.1 years, retiring in 20 years' time. The result of the valuation showed that the actuarial value of the assets was £146.1m, which represented 79% of the benefits that had accrued to members.

The Pension Plan was closed to new members and future service accrual with effect from 30 April 2007. With the removal of the salary linkage for benefits all employed deferred members became deferred members as from 1 May 2011.

The valuation prepared as at 1 May 2020 showed that the YMCA Pension Plan had a deficit of £39 million. YMCA London City and North has been advised that it will need to make monthly contributions of £8,457 from 1 May 2022. This amount is based on the current actuarial assumptions (as outlined above) and may vary in the future as a result of actual performance of the Pension Plan. Agreed future deficit contributions have been discounted using a rate of 3% (2021: 3%). The current recovery period is 7 years commencing 1st May 2022.

	Within one year £	Repayable			After more than one year £	TOTAL 2022 £	TOTAL 2021 £
		One to two years £	Two to five years £	After five years £			
As at 31 March 2022	85,534	90,520	196,828	283,794	571,142	656,676	
As at 31 March 2021	74,462	78,913	265,323	312,440	656,676		731,138

In addition, YMCA London City and North may have over time liabilities in the event of the non-payment by other participating YMCAs of their share of the YMCA Pension Plan's deficit. It is not possible currently to quantify the potential amount that YMCA London City and North may be called upon to pay in the future.

	2022
Provision at the start of the period	731,138
Deficit Contribution paid	(91,278)
Unwinding of discount factor (interest expense)	16,816
Provision at the end of the period	<u>656,676</u>

19. OPERATING LEASE COMMITMENTS

As at 31 March 2022 YMCA London City and North had commitments under non-cancellable operating leases as details below

	Other March 2022	Other March 2021
Falling Due:		
Within one Year	70,957	50,164
Within two to five years	124,577	22,553
	<u>195,534</u>	<u>72,717</u>

YMCA LONDON CITY AND NORTH
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

20. CAPITAL COMMITMENTS

At the balance sheet date YMCA London City and North had contractual commitments for future capital expenditure of £nil (2021: £232,243).

21. CONTINGENT LIABILITIES

YMCA London City and North has no Contingent liabilities ot report.

22. POST BALANCE SHEET EVENTS

The Charity holds loans of £8.2m of debt with AIB (GB) Ltd. As at the 31 March, 2022 the Charity had not met its covenant ratios on debt and interest cover on the loan. On the 9th September 2022 AIB confirmed they would not exercise their right to repayment under the default provision of the loan. In order for the accounts to show a true and fair view the loans are disclosed as if the breach had not taken place.

23. RELATED PARTIES

During the year 31 March 2022 there were no related party transactions

24. GIFT AT FAIR VALUE

The following Assets & Liabilities were transferred to YMCA London City and North by Hornsey YMCA & Hornsey (North London) YMCA Housing Society limited on 9 October 2020

	Hornsey YMCA	Hornsey (North London) YMCA Housing Society limited	Total
Freehold Housing Properties	-	867,237	867,237
Other Fixed Assets	20,394	63,432	83,826
Investments	382,070	387,334	769,404
Stock	-	3,870	3,870
Debtors	50,123	321,312	371,435
Cash at Bank and in Hand	72,328	1,110,369	1,182,697
Creditors Falling due within one Year	(301,239)	(279,603)	(580,842)
Provision for Liabilities	(282,324)	-	(282,324)
Total Gift at Fair Value	(58,648)	2,473,951	2,415,303

YMCA LONDON CITY AND NORTH
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

21 STATEMENT OF FINANCIAL ACTIVITIES 2021 SHOWING SPLIT BETWEEN FUNDS

Income from:		Unrestricted	Restricted	Total Funds
Social Housing Activities	Note		£	£
Income from Social Housing	2	2,637,477	-	2,637,477
Non Social Housing Activities				
Donations- fundraising activities		231,780	742,168	973,948
Donations - Drum building		-	30,000	30,000
Donations - legal fees		-	155,857	155,857
Youth Projects income		-	78,243	78,243
Community Activities Income		142,802	-	142,802
Liquidated Damages Construction Income		747,450.00	-	747,450
		1,122,032	1,006,268	2,128,300
Total income		3,759,509	1,006,268	4,765,777
EXPENDITURE ON:				
Fundraising		68,520	-	68,520
Costs of raising funds		68,520	-	68,520
Expenditure on Social Housing	2	3,004,511	202,469	3,206,980
Youth Projects		-	113,721	113,721
Community Activities		337,057	-	337,057
Tarling Road		56,755.00	-	56,755
Legal Fees pro bono		-	155,857	155,857
Expenditure on charitable activities		3,398,323	472,047	3,870,370
Total expenditure		3,466,843	472,047	3,938,890
SUB TOTAL				
Operating (deficit)/surplus		292,666	534,221	826,887
Interest receivable and investment income	4	15,428	-	15,428
Interest payable and similar charges	5	-	-	-
Movement in fair value financial instruments	11	73,021	-	73,021
(Deficit)/surplus for the financial year	6	381,115	534,221	915,336
Transfers between funds	17	534,221	(534,221)	-
Gift at fair value	21	2,415,303	-	2,415,303
Reconciliation of funds:				
Net movement in funds		3,330,639	-	3,330,639
Total funds brought forward		3,355,165	-	3,355,165
Total funds carried forward		6,685,804	-	6,685,804

YMCA LONDON
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