

YMCA EAST SURREY

England & Wales · Charity number 1075028

Details

Other names REIGATE & REDHILL YMCA

Status Registered

Legal form Charitable company

Company number [03716594](#)

Registered 1999-04-09

Register [View on the Charity Commission register](#)

Contact

Address YMCA East Surrey
Princes Road
Redhill
RH1 6JJ

Phone 07764819182

Email admin@ymcaeast Surrey.org.uk

Website www.ymcaeast Surrey.org.uk

Activities

Objects: [1] TO UNITE THOSE WHO, REGARDING JESUS CHRIST AS THEIR GOD AND SAVIOUR ACCORDING TO THE HOLY SCRIPTURES, DESIRE TO BE HIS DISCIPLES IN THEIR FAITH AND IN THEIR LIFE, AND TO ASSOCIATE THEIR EFFORTS FOR THE EXTENSION OF HIS KINGDOM.[2] TO LEAD YOUNG PEOPLE TO THE LORD JESUS CHRIST AND TO FULLFILL OF LIFE IN HIM.[3] TO PROVIDE OR ASSIST IN THE PROVISION IN THE INTERESTS OF SOCIAL WELFARE OF FACILITIES FOR RECREATION AND OTHER LEISURE TIME OCCUPATION FOR MEN AND WOMEN WITH THE OBJECT OF IMPROVING THEIR CONDITIONS OF LIFE.[4] TO PROVIDE OR ASSIST IN THE PROVISION OF EDUCATION FOR PERSONS OF ALL AGES WITH THE OBJECT OF DEVELOPING THEIR PHYSICAL , MENTAL OR SPIRITUAL CAPACITIES.[5] TO RELIEVE OR ASSIST IN THE RELIEF OF PERSONS OF ALL AGES WHO ARE IN NEED , HARDSHIP OR DISTRESS BY REASON OF THEIR SOCIAL, PHYSICAL OR ECONOMIC CIRCUMSTANCES.[6] TO PROVIDE RESIDENTIAL ACCOMODATION FOR PERSONS OF ALL AGES WHO ARE IN NEED , HARDSHIP OR DISTRESS BY REASON OF THEIR SOCIAL , PHYSICAL OR ECONOMIC CIRCUMSTANCES.[7] TO PROVIDE SOCIAL HOUSING, HOUSES OR HOSTELS AND ANY ASSOCIATED AMENITIES INCLUDING A COUNSELLING SERVICE FOR PERSONS IN NECESSITOUS CIRCUMSTANCES UPON TERMS APPROPRIATE TO THEIR MEANS

Activities: YMCA East Surrey is a vibrant, local charity that has been responding to the needs of individuals and communities since 1871. We help people to believe in themselves, support them to achieve their goals and inspire them to be the best they can be. Services and activities include; supported housing, sports, health and well-being, childcare, youth work and youth counselling.

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** General Charitable Purposes, The Advancement Of Health Or Saving Of Lives, Disability, The Prevention Or Relief Of Poverty, Accommodation/housing, Amateur Sport, Economic/community Development/employment, Recreation
- **Who:** Children/young People, Elderly/old People, People With Disabilities, The General Public/mankind

Geography

- **Area of benefit:** SURREY
- Surrey

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£9,976,725	£8,384,459	£8,956,881	260
2024-03-31	£6,739,232	£6,407,041	£7,364,615	235
2023-03-31	£6,028,333	£5,647,319	£6,958,169	226
2022-03-31	£5,231,181	£4,819,888	£6,582,636	203
2021-03-31	£4,233,865	£3,818,821	£6,106,665	176

Trustees

Name	Role	Appointed
Chloe Schendel-Wilson		2022-11-01
Heather Anne Loxley		2018-10-16
Jane Pascoe		2024-09-25
John Andrew Guy		2021-11-02
Louise Elliott		2022-11-01
Michael Gent		2024-09-25
Omolola Odunsi		2022-11-01
Paul Christopher Byrne		2014-10-21
Ross Anderson		2022-11-01

YMCA EAST SURREY

England & Wales - Charity number 1075028

Accounts



YMCA EAST SURREY

Annual Report and Accounts

For the year ended 31 March 2025

www.ymcaeast Surrey.org.uk

Charity registration no: 1075028
 Company limited by guarantee number: 03716594
 Social Housing Provider registration no: 4854

YMCA

Here for young people
 Here for communities
 Here for you

1.0 Legal and administrative information

Directors and Trustees: Paul Byrne - Chairman
Ross Anderson
Christine Arnold (To 7 July 2025)
Louise Elliott
Mike Gent – Treasurer (From 25 September 2024)
John Guy
Heather Loxley
Lola Odunsi
Jane Pascoe (From 25 September 2024)
Chloe Schendel-Wilson
Ian Thomas – Treasurer (To 27 September 2024)
Jeff Travis (To 25 September 2025)

The above served as trustees during and, unless otherwise indicated, throughout the year ended 31 March 2025.

Chief Executive and
Company Secretary:

Ian Burks

Registered Office:

YMCA East Surrey
Princes Road
Redhill
Surrey
RH1 6JJ

Registered Charity Number: 1075028

Registered Company Number: 03716594 (England & Wales)

Social Housing Provider

Registration Number: 4854

Bankers:

Barclays Bank plc
Guildford, Gatwick & Woking Business Banking
90/92 High Street
Crawley
West Sussex RH10 1BP

Auditors:

Crowe UK LLP
55 Ludgate Hill
London
EC4M 7JW

Solicitors:

Moore Barlow
The Oriel
Sydenham Road
Guildford
Surrey

2.0 Chair's statement

YMCA East Surrey's mission is to assist and support children, young people, and indeed adults, to 'belong, contribute and thrive'. Our activities are incredibly varied, ranging from clubs for children with disabilities and additional needs to cycling up the Alps and raising money through our Challenge programme.

Recently, several of our trustees visited the YMCA Sovereign Centre in Reigate where we provide respite care for children with disabilities. The skill and devotion of our staff continues to inspire and is a shining example of how rewarding it is to help those in need in our community.

As always, to fulfil our mission, we constantly need three important resources - people, facilities and funds. We are extremely grateful to our funders and to those who donate often through participating in, or sponsoring, a challenge event. The financial support we receive is fundamental in helping us develop our mission.

Twelve years ago, YMCA East Surrey operated from three centres, all in Reigate and Redhill. Now we have fourteen locations spread across several boroughs. Our turnover continues to rise and we expect to reach ten million pounds per annum soon. I mention this, not through any vanity or false pride, but as an indication of the ever-growing need for our services.

The biggest prime mover in driving our growth is, of course, 'people'. I would like to thank our three retiring trustees, Dr Christine Arnold, Ian Thomas and Jeff Travis. Their advice, knowledge, and contributions have been extremely valuable and it is hoped that they will be associated with YMCA East Surrey in the years to come. Jeff has given us twelve years of sterling service, latterly as chair of the Housing Advisory Group. Ian has completed nine years as Treasurer and continues to help with our cycling challenges. Christine served on the Children and Young People's Advisory Group. She also helped us focus on the importance of volunteers. We thank them all.

We also welcome two new Trustees, our Treasurer Mike Gent and Jane Pascoe who joins us from the Land and Cities Family Trust.

I am always struck by the attitude, approach, and contribution of our staff. As an example, many gym users tell me that the support and encouragement given by our people is unique. This attitude can be found throughout our centres and we sincerely thank our wonderful staff for their efforts.

We could not meet the ever-increasing demand for our services without the support of our staff, volunteers and local authorities. We thank you all.



A handwritten signature in black ink that reads "Paul C Byrne". The signature is written in a cursive, flowing style.

Paul Byrne
Chair
25 September 2025

3.0 Report of the Chief Executive

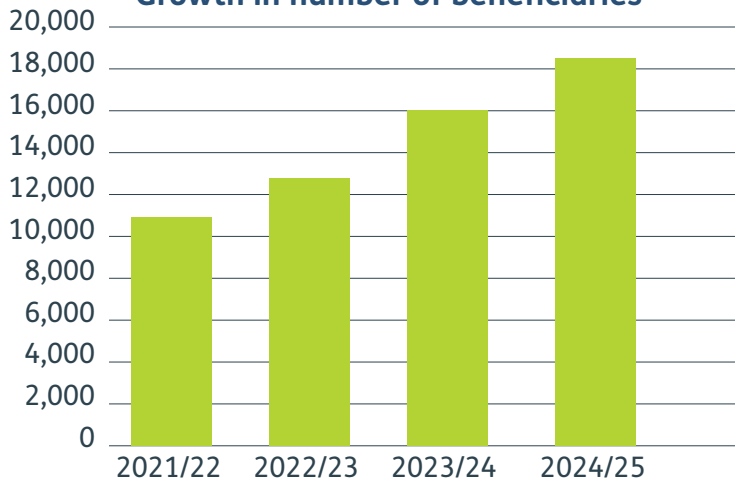


YMCA East Surrey is a local charity founded in Redhill in 1870 and affiliated to the global YMCA movement that helps people to improve their lives, realise their potential and become the best they can be.

We are here for everyone but our focus is on the young, the vulnerable and those facing disadvantage. Services are delivered from 14 sites owned or leased by us, plus numerous other outreach locations and venues in communities across East Surrey and West Sussex.

We believe all young people can succeed whatever their background and we encourage service users to build on their strengths to become healthy, happy and fulfilled members of our community. Our collective aim is to enable people to belong, contribute and thrive.

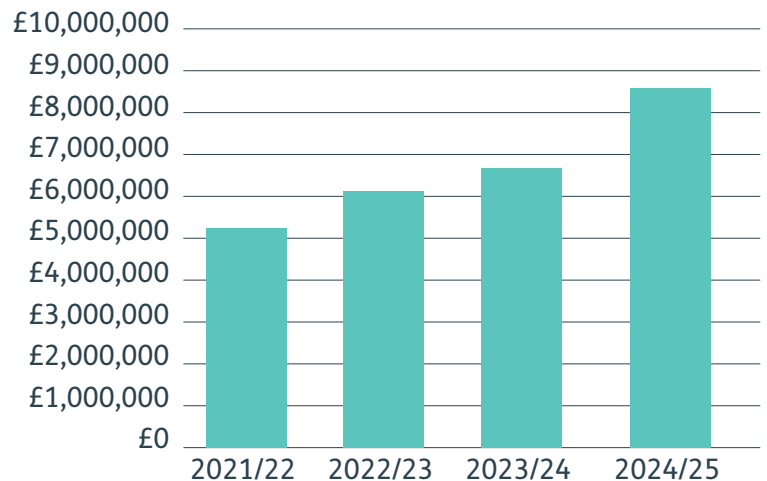
Growth in number of beneficiaries



One of the overriding priorities in our five-year strategic plan is to grow our charitable activity to meet the increasing need amongst our communities. I am pleased to report an increase of 13% in the numbers of people who have benefitted from YMCA activity over the past year (16,054 to 18,140). This expansion is also reflected in our turnover which has increased by 30% from £6.7m in 2023/24 to £8.7m in 2024/25.

YMCA East Surrey divides its work into three main directorates which are Children and Young People, Housing, and Health and Wellbeing. These last twelve months have seen many exciting developments and achievements in each of these areas which have enabled us to extend our positive impact on communities across East Surrey and beyond.

Growth in turnover



CHILDREN & YOUNG PEOPLE

The pressures on children, young people and families have risen over the years, especially given the challenges presented by Covid, the cost-of-living crisis and difficulties of growing up in the digital age. Higher incidence and acuity of need along with more complexity of cases are reported by many in the charitable sector. Most have the resilience to cope, but others are struggling. This is where the YMCA comes in, helping families navigate their way through their children's transition from childhood into adulthood.

Youth Work and Family Services

Last year saw the successful roll out of our new partnership with Surrey County Council (SCC) to deliver family support across Reigate and Banstead and Mole Valley. 897 families have so far benefitted from this service which has been delivered by 23 Family Support practitioners working from five Family Centres, three of which are on school sites leased to the YMCA from SCC.

The Family Centre programme complements existing YMCA services, especially our youth work programme which has been boosted by vital grants from both the Million Hours Fund and the National Lottery. Last year youth workers engaged positively with 492 young people and also delivered 560 hours of residential provision.



Much of this provision was in YMCA Youth Centres but the YMCA Youth Bus (funded by Safer Streets and funds raised by our own Challenge Fundraisers) also played a significant

role by enabling detached youth workers to reach out to those under the radar in more deprived estates, who often have no positive role models and are less able to access mainstream provision.

A new Safer Streets project offered in partnership with the Home Office and Reigate and Banstead Borough Council had a further 954 attendances from young people and was also recognised by the Reigate MP, Rebecca Paul in her House of Commons statement as an example of good practice in cross-sector working.

Helping young people find their voice is a key part of our provision and youth workers facilitated two trips to the Houses of Parliament and one young YMCA member gave a presentation to a committee of MPs on the importance of youth services.

We also held a listening event with MP Rebecca Paul where ten youth club participants were able to talk candidly about the problems they face and what they would like to see in the Government's proposed youth strategy.

YMCA Youth workers engaged with 492 young people and delivered 560 hours of residential provision



Emotional Wellbeing and Mental Health

Over the last four years the YMCA has been working with other charities and statutory partners to help deliver the Mindworks service for under 18's. Last year 2,163 young people benefitted from 15,649 hours of emotional wellbeing and mental health support, either in the community or in schools, from the YMCA's team of counsellors, wellbeing practitioners and youth workers.

This service enables young people to build resilience and deal with issues as they emerge, before they become serious enough to have damaging and enduring effects on schooling, social skills and overall mental health.

2,163 young people benefitted from 15,649 hours of emotional wellbeing and mental health support



From young people:

“ I have felt very much supported and listened to throughout my 8 sessions of counselling. It has helped me become stronger with certain areas in regard to my mental health. ”

Feedback from parents included:

“ Sessions with x have been a safe space for my daughter, a person who could listen and give practical help/tools for her to use in order to help her with her extreme anxiety. The mornings are much easier now and our daughter is happier than she was before. ”

Childcare and Children's Activities

The YMCA prides itself on being able to offer something for everyone regardless of background or need and our childcare and recreational programmes are universal in nature which ensures that we have an inclusive and integrated mix of children that prevents any stigma.

YMCA Preschools offer the best possible start in life and settings at the Sovereign and the Merstham Hub both exceeded expectations in terms of numbers of children attending. This was particularly pleasing at Merstham where numbers of families accessing the service in the initial years had been low enough to prompt questions over the viability of the service.



Merstham is officially the most deprived ward in Surrey and this can often mean a low take up from families, even though they are eligible for free childcare. Our excellent managers have earned the trust of their respective communities. This has

been reflected in the performance over the last year where both settings have been close to full occupancy.

Both preschools have been recognised for supporting cohorts with between 20% - 50% children with Special Educational Needs and Disabilities.

Last year saw the development of our Y-Kids Thrive service within out of school childcare which was nominated as a YMCA Youth Matters Project Finalist due to its innovative approach that focuses on the needs of looked-after children.

To ensure we reach the families most in need, we provided 1,404 days of activities for families in receipt of free school meals. This included positive activity and hot lunches to each child and young person. This was supported by Holiday and Food Funding (HAF) from Active Surrey and our own bursary scheme.

Competitive sport helps personal development by building self-esteem, confidence and teamwork, and last year we expanded our offer to include more provision for girls' football alongside the thriving YMCA gymnastics programme delivered in partnership with East Surrey Acrobatics. 38 girls are now regular participants amongst our three football teams that played 69 fixtures through the last season.



We provided **1,404** days of **activities** for families in receipt of free school meals



Disability Services

Short breaks provide essential time away from caring for parents and siblings but also offer exciting opportunities for young people with additional needs and disabilities to gain skills, make friends and move towards more independence.

Last year, 298 families benefitted from these services and 247 families accessed our Face-to-Face project which provides befriending and peer support from parents for families facing similar challenges. The team were also able to offer residential breaks at outdoor centres for 17 young people.



We provided **28,353** hours of **short breaks** disability clubs



HOUSING

NextStep, founded by the YMCA over 25 years ago, is an excellent example of partnership work with Reigate and Banstead Borough Council, providing vital support for families at risk of homelessness.

In FY24/25, 115 households secured housing with the help of the scheme, many others had their risk of homelessness prevented and over 400 more received housing advice specific to their needs. 87 landlords benefitted from the service which sources suitable tenants, sets up and manages tenancies and provides tenant and landlord support, free of charge.

At a time when housing is at a severe shortage, rents are at their highest and more families than ever are struggling with the cost of living, we are extremely proud to have helped a record number of households secure sustainable accommodation through the private rented sector. This has prevented these families from having potentially lengthy stays in emergency accommodation, allowing employment to continue uninterrupted and children to remain at their local schools. This service is not without its challenges as the gap between Local Housing Allowance (the maximum rent paid through benefits) and market rents is at an all-time high and many landlords are selling up in light of what they see as more onerous regulations coming in through the Renters Rights Act.

On 1 October 2024, YMCA East Surrey successfully achieved registration under Ofsted to house and support young people under 18 at Hillbrook House in Redhill. A number of new policies have been implemented to ensure that the YMCA meets the various Ofsted standards governing leadership and management, protection, support, and accommodation.

In 2024, 119,000 young people across the UK between 18 and 24 presented to local authorities as homeless and many more were sofa surfing, sleeping rough or living in unsuitable accommodation. A high proportion of those we accommodate come from traumatic backgrounds where they may not have benefited from positive adult role models. Providing safe, secure and affordable accommodation, along with 24-hour individual support can fundamentally change the lives of these individuals and offer the greatest opportunity for positive change.

The need to do more is recognised in our five-year strategy where one of our main priorities is to expand our housing provision to reach 100 units by the end of 2027. In July 2024, we moved closer to this goal by completing the refurbishment and remodelling of a new 6 bed Housing Scheme in Shrewsbury Rd, Redhill.



We were delighted to be able to offer this exciting new project to help young people aged 18 and above to take the next step towards self-reliance. This is our fourth project offering step down semi-independent living, following previous housing projects in Horley, Merstham and Redhill.

Help with capital funding came from Homes England, Land Aid, Garfield Weston Foundation, and Beatrice Laing Trust, among others. The CP Charitable Trust supported the refurbishment of the kitchen, and Fine and Country Foundation gave a grant towards the furniture.

Six residents benefit from a wide range of support offered by the housing team including help to get into training or employment, free health and fitness activity at the YMCA gym and access to YMCA emotional wellbeing services. We are determined to give more young people the opportunity to build independence and succeed in life.



Overall, during FY24/25 we provided 25,349 nights of accommodation and young people received 17,318 hours of support as recorded by our housing team. 97% of our residents achieved a positive move on compared to 83% for the previous year. 96.6% of residents were active in employment, training, volunteering, or our confidence-building Y-Focus programme, compared to 94.5 % the previous year.

In March 2025, we carried out a 'Tenant Satisfaction Measures' survey which showed that 82.8% of our residents were satisfied with the service they received. This was higher than the national average of 71.3%.

Housing staff supported residents on three successful challenge events including SleepEasy to aid their journey towards independence by developing life skills and raising funds for the YMCA.

We provided

25,349 nights of

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people received

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HEALTH & WELLBEING

Health and Wellbeing amounts to 10% of our charitable activity. It is an important area of YMCA work that helps prevent physical and mental ill health, building support for the YMCA amongst the community and bringing in a healthy level of fee income to aid financial sustainability.

The department offers a large universal fitness programme alongside several specialised projects to support those with specific health needs or who are facing health inequalities.

Last year our fitness membership continued to perform well, despite the disruption of some major building improvements at our Princes Rd site, funded through a Community Infrastructure Levy (CIL) grant from Reigate and Banstead Borough Council.

Average fitness membership during FY24/25 was 1,698 which was 6% higher than the previous year figure of 1,608.

Equally pleasing was our success with our targeted work where, with support from Surrey Heartlands we have collaborated with GLL and Freedom Leisure to offer a more standardised and joined up offer of exercise referral across 'East Surrey Place' for those experiencing long-term health conditions. 363 people with health conditions referred by GPs or the Social Prescription Service were supported on their journey towards better health by qualified YMCA professionals.

YMCA Wellbeing Walks across East Surrey saw an impressive 4,367 attendances, with 450 unique walkers taking part. "The wellbeing walks have changed my life," says one participant, "I've become a passionate walker since joining, have developed lots of friendships and the health benefits are enormous".

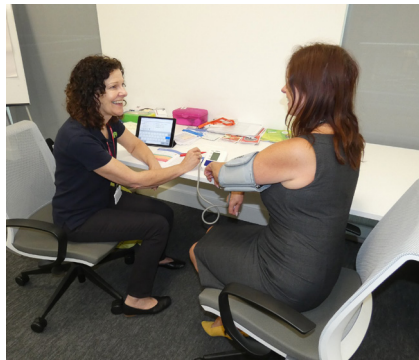
Promoting inclusion is a feature of all YMCA services and last year there were 4,601 visits to our disability sports sessions, improving accessibility and ensuring everyone can reap the rewards of active living.

Early intervention and prevention is a strong theme within the YMCA and last year our health promotions team delivered 638 free NHS health checks, for adults between 40 and 70 years of age, helping identify risk factors and providing encouragement to take up an active lifestyle.

This number should increase in FY25/26, thanks to an innovative partnership with local Primary Care Networks enhancing outreach to patients in GP practices.

Weight management is also important and the YMCA 'Healthy Measures' programme welcomed 106 unique participants, promoting healthier lifestyles. Mrs. C said, "Without the regular meetings and team chats, I wouldn't have been so successful. The encouragement and welcome make you feel we are all in this together".

Funding all these vital targeted wellbeing services is a challenge as staff to client ratios are higher and services are kept free or at an affordable level to maximise accessibility. We do however have some welcome support from Surrey Heartlands and our charitable funders, including the Bryan and June Amos Trust (who have funded new accessible gym equipment and other improvements). Because of this we are optimistic that we can help more people in the future to benefit from the increased vitality, efficacy and good health that physical activity can bring.



We received **4,601** visits to our disability sports sessions



GENERAL

Safeguarding

Keeping children and adults safe and protected from harm is paramount and over the last few years we have made several key improvements in practice. One of these was the introduction of the 'My Concern' safeguarding incident database, which records and helps us manage our safeguarding concerns. In addition, 238 staff members from across all services underwent in-house mandatory safeguarding training delivered by Judith Brooks (Head of Children and Young People and Deputy CEO). All safeguarding concerns, incidents or accidents were recorded by staff and volunteers on My Concern and followed up where necessary by YMCA designated Safeguarding Leads.

Environmental Impact

Reducing our carbon footprint is a strong theme within our strategic plan and during FY24/25 with help from Cllr Catherine Baart we were able to secure £50k of capital funding from Surrey County Council 'Your Fund' to install solar panels at the Sovereign Centre. The CIL-funded improvements at Princes Rd also included provision for two electric vehicle chargers and installation of LED lighting throughout the centre.

Partnership

Achieving positive impact for the local community is more effective with a collaborative approach and as ever the YMCA has worked productively with some excellent statutory partners including Surrey County Council, West Sussex County Council, Surrey Heartlands and local Boroughs and Districts across East Surrey, especially Reigate and Banstead. Going forward, we will be working closely with colleagues from local authorities as the new Unitaries evolve within Surrey to ensure that we collaborate effectively to best meet the needs of residents in the east of the county.

We have been fortunate to have had the support of charitable funders who have enabled us to reach out to the most marginalised in our communities. I would like to recognise the contribution of all these partners who are listed in full within the YMCA annual Impact Report FY24/25.

One particularly good example of partnership working was our collaboration with the Land and City Families Trust (LCFT) to secure the future of the Old Pheasantry Outdoor Residential Centre on Colley Hill in Reigate. The property, built in 1912 and set in 5 acres of countryside adjoining the North Downs Way, houses a small special needs school as well as overnight accommodation for groups of up to 26 children and young people.

The YMCA and the LCFT have aligned charitable aims and on 28 June 2024 following a due diligence exercise, the LCFT transferred its assets and liabilities to YMCA East Surrey and de registered as a charity.

Since then, the centre has provided low-cost residential for over 349 young people from groups such as the scouts and guides, Mencap, the local Twinning Association and other charitable youth organisations. Several YMCA groups, including both preschools, Y Kids, Step Forward and Yippee have benefitted from outdoor activities at the Old Pheasantry and the centre hosted the successful Sleep Easy fundraising event and staff awaydays.

This exciting piece of collaborative work has preserved a valued facility and enabled greater numbers of children and young people to benefit from residential experiences and learn about the great outdoors.



The economic climate for charities has been more challenging over the last few years but, despite this, YMCA East Surrey has performed well financially. Turnover has increased by 30% and we have ended the year with a healthy operating surplus of £379,914.

One key factor influencing this positive outcome is our fundraising and development performance. Last year thanks to our excellent fundraising and development team we were successful with many commissioned bids and charitable applications, such as our bid to the National Lottery where we secured a new five-year grant to support youth work.

To supplement this, we have a strong community and challenge fundraising programme, largely led by volunteers, which not only generated £154k towards our Life Change Fund, but also lifted the profile of the YMCA and encouraged 2,525 local people to transform their own lives by completing physical challenges ranging from the annual Fun Run to a 500km cycle ride to Amsterdam.

Our main asset, as ever, is our people and despite increasing challenges around recruitment and retention we have an excellent team of committed and skilled staff who do an amazing job transforming the lives of individuals and bringing hope to communities. Last year staff numbers were boosted by the growth in our activities and I would like to put on record my appreciation for everyone in the YMCA team for their excellent contribution to our success.

Once again, we are indebted to our trustees who have provided a healthy mix of scrutiny and support for the executive team. I would particularly like to thank our Chair Paul Byrne, along with the Chairs of Sub Committees and Advisory Groups, for their wise counsel and ongoing support.



A handwritten signature in black ink, appearing to read 'Ian Burks'.

Ian Burks
Chief Executive
25 September 2025



4.0 Report of the Trustees

(incorporating the strategic report)

The Trustees present their report and the financial statements for the YMCA East Surrey for the year ended 31 March 2025.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, the Statement of Recommended Practice for registered social housing providers, 2018 update, the Accounting Direction for Private Registered Providers of Social Housing (issued by the Regulator of Social Housing in 2022), the Housing Regeneration Act 2008, the Statement of Recommended Practice “Accounting and Reporting by Charities” published in 2019 and are in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Objectives and activities

YMCA East Surrey is a Charitable Company – a company limited by guarantee and a registered charity governed by its Articles of Association.

YMCA East Surrey’s **mission** is to help vulnerable children, young people and adults to belong, contribute and thrive. Our wide range of projects and activities aim to help create happy, healthy and connected communities.

Our activities are underpinned by our charitable **objectives** which aim to support people of all ages who are suffering social, physical or economic hardship, through the provision of recreational leisure, educational and support facilities and activities, including Social Housing.

Our work is for the **public benefit**: we help people to believe in themselves, support them to achieve their goals and inspire them to be the best they can be by providing services that focus on those who are vulnerable, have a disability or face disadvantage.

As can be seen in the Report of the Chief Executive, our objectives are at the heart of all of the services and activities we provide.

The Charitable Company is divided into three distinct service areas, designed and organised in order to meet these objectives: Children and Young People, Housing, and Health and Wellbeing. These are all supported by Central Services. In implementing the objectives through the activities of these service areas the Trustees continue to have due regard to the guidance on “public benefit” of the Charity Commission.

Children and Young People

We believe in children and young people and seek to offer inclusive services and activities that support them to make the best start in life.

Our services – Childcare and Children’s Activities, Youth Work and Family Services, Disability Services and Emotional Wellbeing and Mental Health, are aimed at helping children and young people increase their confidence and self-esteem and lead fuller and more satisfying lives.

Activities include counselling, youth groups, mentoring, pre-school clubs, holiday clubs, after school clubs, short breaks and recreational activities, together with activities designed to support parents and carers. Where charges apply, we offer free or reduced places to families who need additional support.

Housing

Supporting those facing challenges in their lives with safe, secure and affordable housing – helping them to overcome barriers and achieve independent living

YMCA Hillbrook House provides safe, affordable accommodation with 24 hour support for young people aged between 16-30 years who are at risk of homelessness. Each resident receives advice, support and access to a range of services.

We also have “Move On” houses in Horley, Merstham and Redhill which provide semi-independent living for those who are moving toward independence and need a less intensive housing support option.

NextStep is a service delivered with support from Reigate and Banstead Borough Council that helps individuals and families facing homelessness to access private sector accommodation.

Health and Wellbeing

Helping people of all ages and abilities to embrace active living and lead healthier more fulfilled lives.

Health and Wellbeing comprises a range of activities including gym facilities, classes, weight management and exercise referrals for local people of all ages and abilities. Health and Wellbeing also provides sports facilities for community activities and disability sports.

Central Services

Providing leadership and services in support of the activities undertaken by YMCA East Surrey.

Central Services includes the Finance, IT, HR and Facilities functions as well as Fundraising support and Marketing.

It also includes responsibility for the delivery of activities and services at The Old Pheasantry.

The activities of YMCA East Surrey are delivered through a mix of full-time and part-time staff working alongside a cadre of dedicated volunteers.

Achievements and Performance

In the Report of the Chief Executive, we set out the main achievements during the year; the Charitable Company continues to make a great difference to the lives of the people it helps and the reach of the Charitable Company's work is continuing to expand.

The Charitable Company's 2022-7 strategy was developed following discussions and consultations with users, volunteers, staff and Trustees. It builds on the strengths of our teams and the success of the services that we deliver and focuses on the needs of the communities that we support, whilst recognising the need to maintain financial viability if we are to continue to achieve our charitable objectives and at the same time looking to address external factors impacting the environment in which we operate.

The Trustees undertook a review of the strategy in the first half of 2024 and concluded that the overall strategy remained fit for purpose. The future growth priority is in Housing (in line with the original strategy) and a focus on a commensurate investment in the recruitment and retention of high quality staff - both centrally and in service areas - to ensure we maintain capacity and quality.

Progress in 2024/25 against the seven strategic priorities for delivery by 2027 has been:

- ▶ **Expanding our geographical reach** – we have continued to expand the geographic reach of our services, particularly in Children and Young People, both across Surrey and beyond.
- ▶ **Growing our service offerings with a target reach of impacting more than 20,000 people annually** – we have met our strategic growth targets in all three service areas and are on track to meet the 20,000 impact target.
- ▶ **Prioritising the housing needs of young people** – we completed the development of a further 6 social housing units during the year taking the total to 75 against a target of 100 and are actively pursuing other development opportunities.
- ▶ **Accessing a balanced blend of income sources** – we continue to grow the range of funding and income sources and monitor our exposure to any one funding partner.
- ▶ **Championing inclusivity in all that we do** – we continue to make progress in extending the reach of our services across all three divisions investing in facilities that attract and support the most vulnerable.
- ▶ **Building on our culture of voluntary action** – our Challenge programme continues to thrive and harness voluntary support.

- ▶ **Putting systems in place to measure our impact on the environment** – whilst we have made good progress with actions to improve our overall carbon footprint – we still need to do more to improve our overall understanding and measurement of this important strategic priority.

Financial review

Income and Funding

The Charitable Company's funding is a blend of income from contracts for commissioned services, grants, rents and fees, with a small but important proportion being derived from donations and fundraising ("challenge") events. In 2024/25 this was augmented by the transfer of £1.2m of charitable assets from the Land and City Families Trust - most notably The Old Pheasantry, a residential centre on Colley Hill in Reigate.

In 2024/25, total income (excluding the transfer of charitable assets noted above) was £8.7m, an increase of almost £2m, or 30%, on the previous year. There was income growth across all of our services, but most notably in Children and Young People, with overall growth of £1.5m (40%) reflecting the full year impact of delivering the Families First contracts across Reigate, Banstead and Mole Valley, together with an expansion of services within Short Breaks and Emotional Wellbeing and Mental Health. The growth in Social Housing income of £0.3m (22%) in part captures the growth in housing units (9%) with the opening of Shrewsbury Road, but is also attributable to charitable grants received, mainly enabling the completion and fitting out of Shrewsbury Road. The 6% growth in Health and Wellbeing reflects the full year impact of the return to pre-Covid gym membership levels, partly offset by a reduction in grant funding for disability sports.

The Trustees gratefully acknowledge the support of all our donors and funders. More than half of the Charity's income is in the form of contracts and grants from the NHS, local authorities and other bodies. Such funding enables the Charitable Company to carry on the work in all our lines of service, in turn supporting the objectives of the Charitable Company.

The Trustees regularly monitor key performance indicators by service area, including income against budget, success in securing grants and measures of underlying activity levels such as rental voids, counselling interventions delivered and attendance levels.

When looking ahead, the Trustees are acutely aware of the cost-of-living pressures on our service users, the increasing competition for grants and the many demands on Government and Local Authority funding. Whilst we continue to be successful in securing new sources of multi-year funding we have to keep pricing at a viable level to ensure longevity and a sustainable future for the Charitable Company. The annual budgeting process is rigorous and seeks to ensure that underlying income drivers are realistic and attainable.

Expenditure

Operating expenditure for the 2024/25 financial year was £8.2m, an increase of 31% or £1.9m on the previous year and aligned with the growth in income.

Staff costs at £5.2m (2024: £4.2m) remain our main area of expenditure, accounting for 64% of total expenditure (2024: 67%) with an increase of 28% in FTE headcount from 109 to 140.

The increase in Employers' National Insurance and changes to the Minimum Wage thresholds will not impact until 2025/26 but will be a challenge for the Charitable Company to absorb. Nonetheless, Trustees remain cognisant of the need to preserve the competitive positioning of our staff reward and to avoid excessive attrition.

The Trustees regularly monitor key performance indicators for expenditure by service area including costs against budget, headcount and payroll run rates, as well as large or unusual non-staff costs.

Overall results for the financial year

The Charitable Company's activities produced a total surplus of £1,592,266 for the 2024/25 financial year, which included the transfer of £1,212,352 of charitable assets from the Land and City Families Trust. Excluding this "one-off" item, the overall surplus was £379,914 (2024: £406,446).

There was a surplus on unrestricted funds of £266,897 (2024: £428,529) and a surplus on restricted funds of £1,325,369, again reflecting the charitable asset transfer. Without this transfer, the surplus on restricted funds was £113,017 (2024: deficit £22,083). The surplus on restricted funds, excluding the asset transfer, is largely a consequence of charitable grants received in the year, mainly in housing.

The reduced surplus in unrestricted funds primarily reflects the loss in the fair value of investments of £26,318 compared to a £74,255 gain in 2024 and a more financially challenging year for Children and Young People. The Trustees are grateful for the hard work and support of colleagues and volunteers who have helped to boost our unrestricted funds through the continuing contribution from "challenge" events throughout the year.

The Charitable Company achieved an operating surplus of £369,539 (2024: £233,880) in social housing; £59,699 (2024: £41,187) in non-social housing and a surplus of £9,032 (2024: £130,947) in non-housing. The increase in the operating surplus in social housing reflects the impact of charitable grants received during the year of £171,095 for "move-on" properties (2024: nil). The operating surplus for social housing in both years does not include the interest expense incurred on the loans taken out to finance these properties of £109,902 (2024: £110,911) which is reported outside of the operating surplus. The reduction in the operating surplus for non-housing is largely attributable to Children and Young People which has incurred start-up costs under new contracts, tighter margins and a revenue impact with the transition in the service offering in Disability Services.

The overall operating surplus of £438,270 (2024: £406,014) covered finance costs of £109,902 (2024: £110,911) and enabled a contribution to reserves in line with our reserves policy that will allow for funding for future expansion in our charitable activities.

The Charitable Company had total reserves of £8,956,881 at 31 March 2025 (2024: £7,364,615) as set out in the Statement of Financial Position. The majority of the restricted funds of £5,564,688 (2024: £4,239,319) is attributable to the net book value of the freehold premises in Princes Road, including the Inclusive Sports Facility (ISF), Lynwood Road, London Road, Shrewsbury Road and Massetts Road "Move On" properties, The Old Pheasantry and the leasehold of the Sovereign Centre, to the extent they were funded by non-government grants or gifts. There are also designated funds totalling £572,312 (2024: £867,212), largely attributable to monies raised by the Life Change Fund, through "challenge" events and donations, and funds set aside by the Trustees for improvements to the Princes Road facility.

Reserves policy

The Board approved Reserves Policy requires the Charitable Company to hold sufficient unrestricted free reserves to ensure, as far as possible, the continuation of the Charitable Company's activities in the event of significant fluctuations or shortfalls in anticipated income, or to cover increased operational costs in response to an emergency. The Reserves Policy allows for a combination of a risk-based calculation of reserve requirements (based on principal risks and other scenarios) and the need to hold as a minimum, cover for up to two months' expenditure. Adopting this policy, the Finance and Resources Committee recommended to the Board, and the Board approved, that the target level of unrestricted free reserves should be increased by £0.1m to £1.6m (which exceeds the minimum two months' expenditure cover).

The Charitable Company had unrestricted reserves of £3,392,193 as at 31 March 2025 (2024: £3,125,296). A proportion of the unrestricted reserves comprise fixed assets (net of long-term bank loans and capital grants) totalling £1,110,535 (2024: £982,186) which are not readily available. Excluding these fixed assets and adding back long-term pension deficit contributions of £19,594 (2024: £37,110), unrestricted free reserves totalled £2,301,252 at 31 March (2024: £2,180,220). This exceeds the Board's target of £1.6m (noted above) and accordingly the balance is available to the Board to further support our charitable work.

The Reserves Policy is continuously monitored and reviewed by the Finance and Resources Committee which makes recommendations to the Board if and when action is needed to maintain the policy or consideration needs to be given to its modification.

Investment policy

Aside from retaining a prudent amount in reserves each year most of the Charitable Company's funds are to be spent in the short term so there are few funds held for longer term investment. The Board has delegated

responsibility to the Finance and Resources Committee for overseeing investment decisions and the management of investments, in line with the requirements of the Board approved Investment Policy. The objective of the Charitable Company in holding investments is to offset the risk associated with inflation, which might, in the long term, erode the level of unrestricted free reserves held, and to the extent possible enable some growth in those reserves to match the growth in the charity's underlying activities. Investments are managed by CCLA Investment Management Limited on behalf of the Charitable Company and are invested in the COIF Charities Investment Fund, which has a risk profile compatible with the objectives of the Charitable Company.

Treasury management

The Charitable Company has significant cash and cash equivalents balances totalling £2,942,483 (2024; £3,198,568). The majority of these balances relate to income for services received in advance and capital grants received but not yet expended. The Trustees are acutely aware of their responsibilities for the safeguarding of these assets and receive monthly cash flow forecasts to monitor the expected flows of funds. There is also a cash management policy designed to ensure that cash balances are appropriately invested with the minimum of risk.

Value for money

YMCA East Surrey is committed to achieving Value for Money (VFM) across all aspects of the Charitable Company's business. The aim is to generate surpluses in our service provision, to maintain a viable business and to fund future capital investment, whilst at the same time ensuring we deliver high levels of service user satisfaction - in line with our charitable objectives. VFM is led by the Board and overseen by the Finance and Resources Committee.

The Charitable Company seeks to optimise by VFM by:

- ▶ Undertaking a rigorous annual budgeting exercise culminating in a Board approved budget, with regular monitoring of variances to budget and reporting through to the Board during the year.
- ▶ The application of a fit for purpose procurement policy together with regular monitoring of staff remuneration and turnover levels.
- ▶ Monthly monitoring of non-financial metrics that enable the impact and reach of our services to be measured and reported alongside other critical key performance indicators. Examples include occupancy levels in Housing, delivery against targets for contracted services in Children and Young People and attendance levels at classes in Health and Wellbeing.
- ▶ The use of Advisory Groups which enable service recipients, funders and other interested parties to consider and challenge overall outcomes and help shape future delivery.

Alongside compliance with the 2018 Value for Money Standard and associated Code of Practice, as a

non-profit private registered provider of social housing, the Charitable Company is expected to report on certain value for money metrics to enable effective comparison across the sector. The metrics are included below:

- ▶ **Metric 1 – Reinvestment %:** This metric looks at the investment in properties (existing stock as well as new supply) as a percentage of the value of total properties held. The investment in properties was 3.9% (2024: 21.8%) reflecting the completion of the investment in a new Move On property at Shrewsbury Road – the majority of the investment had been in the prior year.
- ▶ **Metric 2a – New supply delivered 8.0% (2024: 0%):** This metric sets out the number of new social housing units that have been acquired or developed in the year as a proportion of total social housing units owned at period end. The Shrewsbury Road development was completed in June 2024 and increased our housing stock from 69 to 75 units.
- ▶ **Metric 2b – New supply delivered 0% (2024: 0%):** This metric sets out the number of new non-social housing units that have been acquired or developed in the year as a proportion of total social housing units and non-social housing units owned at period end.
- ▶ **Metric 3 – Gearing %:** This metric looks at housing property assets and the degree of dependence on debt finance. The ratio is a negative -28.4% (2024: -33.0%) as at the balance sheet date, the Charitable Company's cash and cash equivalents continued to be greater than debt finance.
- ▶ **Metric 4 – Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included (EBITDA MRI) Interest Cover %:** The EBITDA MRI interest cover measure is a key indicator for liquidity and investment capacity. It seeks to measure the level of surplus that a registered provider generates compared to interest payable; the measure avoids any distortions stemming from the depreciation charge. The ratio is 692% (2024: 570%) which again demonstrates the Charitable Company's low reliance on external finance.
- ▶ **Metric 5 – Headline social housing cost per unit:** The unit cost metric assesses the headline social housing cost per unit as defined by the regulator. The cost per unit is £13,918 (2024: £13,558). The per unit cost level of expenditure is reflective of the small size of our properties relative to other providers.
- ▶ **Metric 6 – Operating margin %:** The Operating Margin demonstrates the profitability of operating assets before exceptional expenses are taken into account. The operating margin (social housing lettings only) was 19.2% (2024: 14.8%) and the operating margin (overall) was 5.0% (2024: 6.1%). The difference between the two measures reflects the varied services provided by the Charitable Company achieving different margins. The social housing operating margin is distorted by charitable grants received in 2024/25 of £171,095 (2024: nil) and does not reflect the Charitable

Company's interest expense, which is wholly attributable to social housing properties, and totalled £109,902 (2024: £110,911). Adjusting for the impact of these the operating margin (social housing lettings) for 2024/5 would be 5.0% (2024: 7.8%).

- ▶ Metric 7 – Return on capital employed (ROCE) %: This metric compares the operating surplus to total assets less current liabilities and is a common measure in the commercial sector to assess the efficient investment of capital resources. The ratio is 3.4% (2024: 3.5%).

Structure, governance and management

Legal status

YMCA East Surrey is an incorporated Association and is affiliated to the National Council of YMCAs in England (charity number 212810).

YMCA East Surrey is a company limited by guarantee, incorporated on 19 February 1999 and registered as a charity on 9 April 1999. The company and charity registration numbers are shown on page 1. The governing documents are the Memorandum and Articles of Association. On 21 October 2014, the Charitable Company changed its name from Reigate and Redhill YMCA to YMCA East Surrey to better reflect its expanding services across the local area. On 1 August 2017, the Charitable Company became a non-profit private registered provider of social housing (registered provider).

Trustees, as corporate members, guarantee to contribute an amount not exceeding £1 to the assets of the Charitable Company in the event of winding up.

Code of governance

The Board is committed to delivering best practice in all aspects of governance and the Trustees have adopted the Charity Governance Code for Larger Charities. The Governance and Risk Committee is monitoring a small number of actions where current governance falls short of the code requirements.

Annual review of governance and financial viability standard

The Finance and Resources Committee undertakes an annual assessment of compliance with the standard and considers the Charitable Company to be compliant with the provisions of the standard.

Organisation

The Trustees are directors for the purpose of company law as well as trustees for the purpose of charity law. They are responsible for the governance of the Charitable Company and delegate the day-to-day management to the Chief Executive and his management team. The Board of Trustees meets on a quarterly basis, or more often if required.

The Board delegates authority to two principal Board Committees, the Finance and Resources Committee and the Governance and Risk Committee. The Chairs of these committees report to the Board quarterly.

The Finance and Resources Committee meets six times a year and provides oversight of management, financial and performance reporting, financial control and the audit process, human resources and remuneration, IT and infrastructure, facilities and the YMCA East Surrey estate, treasury matters and reserves management. It also monitors progress with the Strategy and considers strategic initiatives.

The Governance and Risk Committee meets quarterly. It provides oversight of governance, risk management, incident reporting and management, compliance and environmental matters.

There are also Advisory Groups for each of Children and Young People, Housing and Health and Wellbeing established to enable the Charitable Company to understand the changing needs of our communities and to compare or benchmark our performance with other similar organisations. The Advisory Groups are chaired by a Trustee (who reports back to the Board quarterly) and have a membership made up of trustees, management and external parties.

Appointment, induction and training of Trustees

Trustees are appointed at the AGM to serve a period of three years. One third of the Trustees retire each year by rotation and are eligible for re-appointment at each AGM. If it is agreed that a Trustee will serve for more than nine years, then it is subject to a particularly rigorous review and takes into account the need for progressive refreshing of the Board, and their re-appointment is explained in that year's Report of the Trustees. The Board of Trustees has power to co-opt additional members and fill casual vacancies. It is the aim of the Board of Trustees to attract new Trustees with suitable skills who themselves may be drawn from the various user groups. The aim is to have well-balanced and appropriately qualified Trustees.

All Trustees undertake inductions and ongoing training to ensure that they quickly become effective and are aware of developments in corporate and charity governance. Every new Trustee is issued with a copy of a comprehensive Trustees' Handbook (including a Trustee Training Guide) together with key documents including the Charitable Company's Memorandum and Articles and the latest audited Financial Statements. They are also offered induction opportunities with staff and other Trustees and are briefed about the various services provided by YMCA East Surrey.

There is an annual Away Day where the Trustees and the Senior Management Team meet to discuss the future direction of the Charitable Company and to deliver any necessary training and updates. Periodically, the Trustees are given the opportunity to receive first-hand experience of the Charitable Company's activities at a series of "Discovery Visits".

Pay policy for senior staff

Key personnel in charge of directing and controlling, running and operating the Charity are deemed to be the Board of Trustees and the Senior Management Team. The Senior Management Team comprises the Chief Executive,

the Deputy Chief Executive and Head of Children and Young People, the Head of Housing, the Head of Finance and the Head of Central Services.

The pay of the Senior Management Team is reviewed annually and salary increases will be recommended by the Chief Executive and approved by the Finance and Resources Committee. Pay for the Chief Executive is also set annually by the Remuneration Committee.

The Trustees give their time and expertise freely and receive no reimbursement for expenses.

Details of related party transactions are set out in Note 19.

Risk management

The Charitable Company maintains a comprehensive risk management framework to ensure the effective management of all risk types that could affect the charity's ability to achieve its objectives. A formal risk register is maintained by the Senior Management Team to record and assess identified risks in accordance with the Charitable Company's Risk Policy, including an assessment of mitigating policies and procedures. The Trustees regularly review the principal risks and uncertainties that the Charitable Company faces and the overall effectiveness of the risk management framework.

This review has identified the following key risks which are consistent with those previously reported. Any movements in the measurement of these risks are highlighted below:

- ▶ **Accidental death or life-changing accident.** The Charitable Company has in place risk assessments and health & safety measures along with stringent safeguarding policies to reduce this risk. Regular training is provided on policies and procedures – which are robustly enforced. The Charitable Company reviews accident and incident reports regularly to amend measures as necessary.
- ▶ **Abduction, loss or abuse of a child or vulnerable adult.** The Charitable Company has robust safeguarding policies, procedures, regulatory checks and training in place to mitigate this risk. A reporting and incident management system ensures the effective management of incidents and informs the development of mitigating procedures and focused training.
- ▶ **A sudden significant funding reduction.** The Trustees consider this risk to have increased in recent months with the uncertainty surrounding changes in the devolvement of local government and the impact on commissioning services. The Charitable Company continues to work closely with local authorities, NHS Trusts and other commissioning bodies to ensure that service delivery is aligned to both current and future requirements and to enable sensible planning for changes in those requirements. We also actively seek new sources of funding in order to dilute this risk.
- ▶ **Failure to attract and retain appropriately skilled resources.** The charity sector is seeing significant competition for resources both from within the

sector and externally. The Board and Senior Management Team continuously consider what additional steps can be taken to attract and retain resources – cognisant of the cost but conscious of the detrimental impact of unfilled vacancies and raised staff turnover.

- ▶ **Inflationary pressures.** Whilst this risk may be dissipating, the Board continues to be focused on monitoring inflationary pressures – particularly those flowing from recent changes in Employers' National Insurance and the Minimum Wage. To the extent possible the Senior Management Team takes steps to limit the impact of increases to the overall cost base and manages the impact on longer term contracts where income might not grow in line with underlying service delivery costs.
- ▶ **Cyber-attack.** Cybercrime is a significant and evolving threat to the charity sector. The Charitable Company outsources its IT function and adopts cloud-based technologies to help mitigate this risk. Prevention is still critical with an ongoing focus on training and awareness and getting the basics right. The charity has also achieved Cyber Essentials accreditation.
- ▶ **Balancing growth in services with matching infrastructure and support.** The Charitable Company has seen some considerable growth in services in recent years and whilst this is in line with the Strategic Plan there is potential to put a strain on underlying systems and resources. The Board and the Senior Management Team are cognisant of this and have put in place additional steps to monitor this and augment processes and people where required.

Fundraising

The Charitable Company raises funds in a number of ways:

- ▶ Applying for grant funding
- ▶ Challenge events
- ▶ Corporate and individual donations
- ▶ Provision of paid services

The Charitable Company does not use any commercial participators/professional fundraisers and all monitoring of fundraising is carried out internally. Whilst the Charitable Company has currently not signed up to any recognised fundraising standards, it has a full and detailed Fundraising Policy. This policy helps to ensure that the Charitable Company is protecting the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate and it specifically references:

- ▶ Personal information provided to the Charitable Company is kept confidential and will not be sold, rented, or given to anyone without consent
- ▶ No cold calling or door to door solicitation of the public is allowed

The Charitable Company is currently making plans to ensure that its policies and procedures are aligned to the requirements of the new Code of Fundraising Practice.

Plans for the future

The immediate priorities for the Charitable Company are to continue with initiatives aligned to the strategic priorities for 2027. These include:

Providing more housing for young people - prioritising further housing development in support of our strategic aim to deliver 100+ housing units by 2027.

Completion of the improvements to our Princes Road site with funding from the Community Infrastructure Levy, enabling us to deliver more services, particularly in support of inclusive sport and to help improve our environmental footprint.

Embedding and building on our Family Centre and Family Resilience services for Reigate and Banstead and Mole Valley and expanding the geographic reach of our Short Breaks offering.

Optimising the potential of "The Old Pheasantry" in Reigate both as a site for special needs education and as a residential centre for children and young people.

Initiatives focused on improving our environmental impact, leveraging the tremendous value that our volunteers bring and enhancing our approach to inclusivity.

Trustees' responsibilities for the Report and Financial Statements

The Trustees (who are also directors of YMCA East Surrey for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law and registered social housing legislation requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charitable Company and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Company for that period.

In preparing these financial statements, the Trustees are required to:

- ▶ Select suitable accounting policies and then apply them consistently
- ▶ Observe the methods and principles in the Housing Statement of Recommended Practice 2018 (SORP)
- ▶ 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; and
- ▶ Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006, The Housing Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

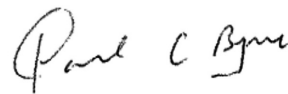
In so far as the Trustees are aware:

- ▶ There is no relevant audit information of which the Charitable Company's auditor is unaware and
- ▶ The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to reappoint Crowe UK LLP as auditor will be put to the members at the Annual General Meeting.

By order of the Board on



Paul Byrne

Chair

25 September 2025

5.0 Independent Auditor's Report to the Members of YMCA East Surrey

Opinion

We have audited the financial statements of YMCA East Surrey (the charitable company) for the year ended 31 March 2025 which comprise the Statement of comprehensive income, the Statement of changes in reserves, the Statement of financial position, the Statement of cash flows and notes to the financial statements, including 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 2025 and of the income and expenditure for the year then ended;
- ▶ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ▶ have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing from April 2022.

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast

significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the 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 contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 or the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion adequate accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or

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

Responsibilities of the Board

As explained more fully in the Trustee's responsibilities statement set out on page 18, the Board is 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 Trustee's 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in

the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011, the Housing and Regeneration Act 2008, together with the Housing SORP. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within charitable company for fraud. The laws and regulations we considered in this context for the UK operations were requirements imposed by the Regulator of Social Housing and the Charity Commission, General Data Protection Regulations, health and safety legislation and employment legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, the Finance and Resources Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, analytical review and sample testing of income, reviewing accounting estimates for biases, reviewing regulatory correspondence with Social Housing Regulator and the Charity Commission and OFSTED inspection reports, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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.

Crowe U.K. LLP

Crowe U.K. LLP
Statutory Auditor
55 Ludgate Hill London
EC4M 7JW

Date: 26 September 2025

6.0 Statement of Comprehensive Income for the year ended 31 March 2025

	Notes	2025 £	2024 £
Turnover	1	8,686,509	6,702,144
Operating expenditure	1	(8,248,239)	(6,296,130)
Operating surplus	2	438,270	406,014
Interest receivable	3	77,864	37,088
Interest and financing costs	4	(109,902)	(110,911)
Movement in fair value of financial instruments	10	(26,318)	74,255
		379,914	406,446
Gift of charitable assets on charity merger	5	1,212,352	-
Surplus and total comprehensive income for the year		1,592,266	406,446

All income arises from continuing activities of the Charitable Company. The Charitable Company had no recognised gains or losses other than those dealt with in the Statement of Comprehensive Income.

The accounting policies and notes on pages 26 to 39 form an integral part of these accounts.

7.0 Statement of Changes in Reserves for the year ended 31 March 2025

	Notes	Restricted reserves £	Unrestricted reserves £	Total £
Balance at 1 April 2024	18	4,239,319	3,125,296	7,364,615
Surplus from statement of comprehensive income		1,325,369	266,897	1,592,266
Balance at 31 March 2025	18	5,564,688	3,392,193	8,956,881
Balance at 1 April 2023	18	4,261,402	2,696,767	6,958,169
(Deficit)/surplus from statement of comprehensive income		(22,083)	428,529	406,446
Balance at 31 March 2024	18	4,239,319	3,125,296	7,364,615

The accounting policies and notes on pages 26 to 39 form an integral part of these account

8.0 Statement of Financial Position as at 31 March 2025

Company registration number: 03716594

	Notes	2025 £	2024 £
Fixed assets			
Tangible fixed assets – housing properties	8	4,695,435	4,577,072
Tangible fixed assets – other	9	5,368,044	3,771,685
Investments	10	1,057,958	684,276
Total fixed assets		11,121,437	9,033,033
Current assets			
Debtors	11	713,430	971,264
Cash and cash equivalents	12	2,942,483	3,198,568
Total current assets		3,655,913	4,169,832
Current liabilities			
Creditors: amounts falling due within one year	13	(1,753,723)	(1,634,702)
Net current assets		1,902,190	2,535,130
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	14	(4,066,746)	(4,203,549)
Total net assets		8,956,881	7,364,615
Reserves			
Restricted reserves	18	5,564,688	4,239,319
Unrestricted reserves	18	3,392,193	3,125,296
Total reserves		8,956,881	7,364,615

The financial statements on pages 22 to 39 were approved by the Board of Trustees and authorised for issue on 25th September 2025 and are signed on its behalf by:

Mike Gent

Mike Gent
Treasurer

The accounting policies and notes on pages 26 to 39 form an integral part of these accounts.

9.0 Statement of cash flows as at 31 March 2025

	Notes	2025 £	2024 £
Cash flows from operating activities			
Surplus for the financial year		1,592,266	406,446
Movement in fair value of financial instruments		26,318	(74,255)
Depreciation charge		289,419	217,681
Gift of charitable assets on charity merger		(1,212,352)	-
Interest receivable		(77,864)	(37,088)
Interest paid		109,902	110,911
Decrease/(increase) in debtors		257,834	(434,177)
Increase/(decrease) in creditors		57,130	329,818
(Decrease) in pension provision		(16,935)	(99,420)
Net cash generated from operating activities		1,025,718	419,916
Cash flows from investing activities			
Purchase of tangible fixed assets		(2,004,141)	(1,158,915)
Government grants received		21,000	1,210,539
Gift of charitable assets on charity merger		1,212,352	
Purchase of investments		(400,000)	-
Interest receivable		77,864	37,088
Net cash (used by)/ provided by investing activities		(1,092,925)	88,712
Cash flows from financing activities			
Interest paid		(109,902)	(110,911)
New secured loans		-	350,000
Repayment of borrowings		(78,976)	(63,949)
Net cash (used by)/ provided by financing activities		(188,878)	175,140
Net change in cash and cash equivalents			
Cash and cash equivalents at beginning of the year	12	3,198,568	2,514,800
Cash and cash equivalents at end of the year	12	2,942,483	3,198,568

The accounting policies and notes on pages 26 to 39 form an integral part of these accounts

10.0 Accounting policies for the year ended 31 March 2025

Legal status

YMCA East Surrey is a company limited by guarantee, (No. 03716594) and is an English-registered social housing provider (No. 4854), a registered charity (No. 1075028) and public benefit entity. The liability of its members is limited to £1 each in the event of a deficiency arising on the winding up of the Charity. It has received dispensation to omit the word "Limited" from its title.

The principal address and registered office is YMCA Sports and Community Centre, Princes Road, Redhill, Surrey, RH1 6JJ.

The Charitable Company's principal activities and the nature of the Charitable Company's operations are included in the Report of the Trustees.

Basis of preparation

The financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice comprising the Statement of Recommended Practice for registered social housing providers, 2018 update, the Accounting Direction for Private Registered Providers of Social Housing (issued by the Regulator of Social Housing in 2022), the Housing Regeneration Act 2008, the Statement of Recommended Practice Accounting and Reporting by Charities published in 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the requirements of Companies Act 2006. The Charitable Company meets the definition of a public benefit entity under FRS 102.

The financial statements have been prepared under the historical cost basis of accounting, with the exception of investments held at market value, and on the going concern basis.

Judgements and key sources of estimation uncertainty are set out within note n) of the Accounting Policies.

Going Concern

In determining the appropriate basis of preparation of the financial statements for the year ended 31 March 2025, the Trustees are required to consider whether YMCA East Surrey can continue in operational existence for the foreseeable future.

The Trustees have reviewed the Charitable Company's financial position and financial forecasts, taking into account the level of investments, cash balances and the systems of financial control and risk management. As a result of this review the Trustees believe there are no material uncertainties over the Charitable Company's ability to continue as a going concern. Accordingly, the Trustees have a reasonable expectation that the Charitable Company has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from the approval of these financial statements. As a consequence, they continue to prepare the accounts on the going concern basis.

Principal Accounting Policies

A summary of the principal accounting policies is set out below. These policies have been consistently applied to all years presented.

a) Turnover

Turnover, excluding VAT, is recognised in the Statement of Comprehensive Income as follows:

- ▶ Income from contracts for services provided is recognised on an accruals basis over the period in which the underlying services are delivered
- ▶ Government capital grants are accounted for on an accruals basis. They are credited to deferred income and then recognised in the Statement of Comprehensive Income over the same period in which the corresponding capital expenditure is depreciated
- ▶ Government revenue grants are accounted for on an accruals basis. They are credited to the Statement of Comprehensive Income over the same period in which the corresponding expenditure is incurred
- ▶ Grants from non-government sources are recognised using the performance model. Grants are recognised as and when the associated performance conditions are met. If there are no associated performance conditions they are recognised on receipt.
- ▶ Membership subscriptions and programme activities are recognised in the period to which they relate
- ▶ Social housing rental income, net of voids, and service charges are accounted for on an accruals basis
- ▶ Donations are accounted for when received

a) **Turnover (continued)**

- ▶ Income from the remaining trading activities is accounted for on an accruals basis
- ▶ Investment income is accounted for when receivable

b) **Donated services and facilities**

Volunteer time is not recognised in these accounts. Please refer to the Report of the Chief Executive for more information about the contribution of volunteers.

c) **Expenditure**

Expenditure is included in the Statement of Comprehensive Income on an accruals basis, inclusive of any VAT if it cannot be recovered. Liabilities are recognised once there is a legal or constructive obligation committing the Charitable Company to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure, excluding interest and financing costs, has been classified under the relevant heading if it can be directly attributed. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Support and other central costs have been apportioned to each activity on the basis of turnover.

d) **Freehold property and depreciation**

The Charitable Company separately identifies the major components that comprise its freehold properties, and charges depreciation, so as to write down the cost of each component to its residual value, on a straight line basis, over its estimated useful economic life.

The Charitable Company depreciates the major components of its freehold properties, including Social Housing properties, at the following annual rates:

Component	Useful economic life
Land	Infinite
Structure	100 years
Roof	70 years
Windows and doors	30 years
Boilers	15 years
Kitchens	20 years
Bathrooms	30 years
Mechanical systems	30 years
Electrics	40 years
Lifts	20 years

The exception to this approach is The Old Pheasantry where the freehold property, excluding land, is depreciated over 50 years on a straight line basis.

e) **Other tangible fixed assets and depreciation**

Tangible assets with a value greater than £1,000 are capitalised at cost, being their purchase cost, together with any incidental expenses at acquisition, in the Statement of Financial Position. Assets below this level are treated as expenditure and are included in the Statement of Comprehensive Income in the year the expenditure is incurred.

Depreciation is provided on all other tangible fixed assets, so as to write down the cost of the asset to its residual value, on a straight line basis, over its estimated useful economic life at the following rates:

Asset type	Useful economic life
Leasehold buildings	Over the term of the lease
Sports equipment	4 years
Other equipment	3 to 4 years

f) **Pension contributions**

YMCA East Surrey participated in a multi-employer defined benefit pension plan ("the Plan") for employees of YMCAs in England, Scotland and Wales, which was closed to new members and accruals on 30 April 2007. Due to insufficient information, the Plan's actuary has advised that it is not possible to separately identify the assets and liabilities relating to YMCA East Surrey. As such, the Plan has been accounted for as a defined contribution plan. YMCA East Surrey has a contractual obligation to make pension deficit payments as part of the Plan's recovery plan. This liability has been recognised, and any year on year changes are charged/credited to the Statement of Comprehensive Income. The liability is payable over a period of years and is discounted to a net present value using a discount rate based on the yield available on high quality corporate bonds as at the reporting date.

f) Pension contributions (continued)

In addition, YMCA East Surrey is also required to contribute to the operating expenses of the Plan. These costs are charged to the Statement of Comprehensive Income as made. YMCA East Surrey also operates two defined contribution pension schemes, The Scottish Widows Scheme for Managers and The People's Pension Scheme which is available to all current staff. The amount charged to the Statement of Comprehensive Income represents contributions payable in respect of services rendered in the period. YMCA East Surrey also contributes to the Local Government Scheme Pension Scheme for employees who were subject to a TUPE transfer from Surrey County Council. This is a defined benefit scheme. Provision has been made for the required contribution levels during the year.

g) Operating leases

Rents payable under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

h) Fund Accounting

Funds held by the Charitable Company are either:

Unrestricted general funds - available for use at the discretion of the trustees in furtherance of the general objectives of the Charitable Company and which have not been designated for specific purposes.

Unrestricted designated funds - have been set aside by the trustees for specific purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds- to be used in accordance with specific restrictions imposed by donors, or which have been raised by the Charitable Company for specific purposes. The cost of raising and administering such funds are charged against the specific fund.

i) Investments

All investments are carried at their fair value. Investments are all traded in quoted public markets. The basis of the fair value for quoted investments is equivalent to the market value, using their bid price. Asset purchases are recognised at the date of trade at cost (that is their transaction value). Any movements in the fair value of investments is reported in the Statement of Comprehensive Income.

j) Financial Instruments

The Charitable Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Charitable Company becomes a party to the contractual provisions of the instrument, and are offset only when the Charitable Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

k) Debtors

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

A provision for impairment of trade debtors is established when there is evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in the Statement of Comprehensive Income.

l) Cash and cash equivalents

Includes cash and short-term highly liquid investments.

m) Creditors, provision and borrowings

Creditors and provisions are recognised where the Charitable Company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

m) **Creditors, provision and borrowings (continued)**

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest and financing costs.

Public benefit concessionary loans are recognised at the amount received by the Charitable Company. Deferred income represents Government capital grants at the value received which are then released to the Statement of Comprehensive Income in the same period in which the corresponding capital expenditure is depreciated.

n) **Judgements and key sources of estimation uncertainty**

In the application of the Charitable Company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision of accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The following are deemed to be the key judgements within the financial statements:

- ▶ Tangible fixed assets – depreciation is charged on tangible fixed asset components over their estimated useful economic lives, taking into account any residual value if appropriate. The actual lives of the assets and their residual values are assessed annually.
- ▶ Pension benefits – the cost of defined benefit pension plans and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty.
- ▶ Impairment of fixed assets – the carrying amounts of property, plant and equipment are reviewed at each reporting date or whenever events or changes in circumstances indicate that the carrying amount of an asset may be impaired. The recoverable amount of an asset is estimated as the higher of fair value less cost of disposal and the value in use, with an impairment charge being recognised whenever the carrying amount exceeds the recoverable amount.
- ▶ Tangible fixed assets - In determining the appropriate accounting treatment for The Old Pheasantry the Trustees have made the judgement that the property is held primarily to further the Charitable Company's provision of social benefit and to deliver its charitable purposes. Accordingly The Old Pheasantry has been treated as a tangible fixed asset rather than an investment property.

11.0 Notes to the financial statements for the year ended 31 March 2025

1 Turnover, operating expenditure and operating surplus

Year ended 31 March 2025:

	Turnover £	Operating expenditure £	Operating surplus / (deficit) £
Social housing			
Rent	349,381	(351,135)	(1,754)
Service charges	689,247	(692,707)	(3,460)
Supported housing grants	693,636	(463,312)	230,324
Social housing grants	195,763	(51,334)	144,429
Total social housing	1,928,027	(1,558,488)	369,539
Non-social housing	255,467	(195,768)	59,699
Total housing	2,183,494	(1,754,256)	429,238
Non-housing			
Childcare and Children's Activities	1,192,026	(1,246,018)	(53,992)
Youth Work and Family Services	1,633,036	(1,651,556)	(18,520)
Disability Services	1,087,852	(1,160,235)	(72,383)
Emotional Wellbeing and Mental Health	1,520,171	(1,475,638)	44,533
Total Children and Young People	5,433,085	(5,533,447)	(100,362)
Health and Wellbeing	829,842	(813,063)	16,779
Other activities	240,088	(147,473)	92,615
Total non-housing	6,503,015	(6,493,983)	9,032
Total	8,686,509	(8,248,239)	438,270

1 **Turnover, operating expenditure and operating surplus** (continued)

Year ended 31 March 2024:

	Turnover	Operating expenditure	Operating surplus / (deficit)
	£	£	£
Social housing			
Rent	328,140	(328,713)	(573)
Service charges	605,742	(606,799)	(1,057)
Supported housing grants	624,824	(391,036)	233,788
Social housing grants	20,430	(18,708)	1,722
Total social housing	1,579,136	(1,345,256)	233,880
Non-social housing	234,860	(193,673)	41,187
Total housing	1,813,996	(1,538,929)	275,067
Non-housing			
Childcare and Children's Activities	1,060,911	(1,042,717)	18,194
Youth Work and Family Services	506,423	(570,870)	(64,447)
Disability Services	995,439	(957,311)	38,128
Emotional Wellbeing and Mental Health	1,326,608	(1,253,916)	72,692
Total Children and Young People	3,889,381	(3,824,814)	64,567
Health and Wellbeing	782,861	(797,283)	(14,422)
Other activities	215,906	(135,104)	80,802
Total non-housing	4,888,148	(4,757,201)	130,947
Total	6,702,144	(6,296,130)	406,014

1 **Turnover, operating expenditure and operating surplus** (continued)

	2025 £	2024 £
Void losses: notional calculation of income lost from vacant rooms	50,511	16,357
Number of registered accommodation units – supported housing	75	69

2 **Operating surplus**

	2025 £	2024 £
The operating surplus is arrived at after charging:		
Depreciation of owned assets	255,436	179,814
Depreciation of leasehold assets	33,983	37,867
Auditor’s Remuneration – Audit fees:	25,800	24,800
Operating leases	38,147	24,881

3 **Interest receivable**

	2025 £	2024 £
Bank deposit interest	77,864	37,088

4 **Interest and financing costs**

	2025 £	2024 £
Loan interest payable	109,902	110,911

5 **Gift of charitable assets on charity merger**

During the year, in June 2024, the Land and City Families Trust (“LCFT”) transferred all its assets and liabilities to the YMCA East Surrey and was subsequently deregistered as a charity. The two charities shared aligned charitable purposes. The assets and liabilities of the LCFT principally comprised the Old Pheasantry outdoor residential centre on Colley Hill in Reigate, together with some cash. The two charities had been working together in partnership for the prior fifteen months to secure the future of the property. The net assets transferred were comprised as follows:

	£
Fixed asset	1,150,000
Cash	62,352
	1,212,352

The fixed asset is The Old Pheasantry outdoor residential centre. The valuation of £1,150,000 was based on a valuation performed by an independent qualified Chartered Surveyor.

6 **Staff costs**

	2025 £	2024 £
Wages and salaries	4,677,138	3,811,876
Social security costs	356,454	275,280
Pension costs	209,258	125,494
	5,242,850	4,212,650

During the year, the charity spent £14,700 on termination payments (2024: £1,274).

The trustees received no remuneration or reimbursement of expenses during the year (2024: Nil).

6 Staff costs (continued)

The full-time equivalent average headcount during the year by division was as follows:

	2025 No.	2024 No.
Health and Wellbeing	11	15
Children and Young People	83	58
Housing	23	21
Support	23	15
Total	140	109
The total average headcount during the year was as follows:		
Total	260	235

The number of higher-paid employees who received emoluments in the following bands was:

	2025 £	2024 £
£60,000-£70,000	2	2
£70,000-£80,000	-	-
£80,000-£90,000	-	-
£90,000-£100,000	1	1

Key management personnel in charge of directing and controlling, running and operating the Charitable Company are deemed to be the Board of Trustees and the Senior Management Team. The Senior Management Team comprises the Chief Executive and the 4 (2024: 4) Heads of Service. The total employee benefits of the key management personnel of the Charitable Company were:

	2025 £	2024 £
Salaries and pension costs	369,823	344,938
Social security costs	38,969	36,475
	408,792	381,413

The salary received by the highest-paid executive staff member (the Chief Executive) was:

	2025 £	2024 £
Salary	98,434	92,862

Contributions to the Scottish Widows defined contribution pension scheme on behalf of the Chief Executive were £6,890 (2022: £6,500).

7 Taxation

The Charitable Company is a registered charity and, as such, its income and gains falling within Sections 471 to 489 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 are exempt from corporation tax to the extent that they are applied to its charitable objectives.

8 **Tangible fixed assets – Housing properties**

	Social housing properties held for letting £	Total £
Cost:		
At 1 April 2024	4,811,432	4,811,432
Additions	182,885	182,885
Disposals	-	-
At 31 March 2025	4,994,317	4,994,317
Depreciation:		
At 1 April 2024	234,360	234,360
Charge	64,522	64,522
Disposals	-	-
At 31 March 2025	298,882	298,882
Net book value:		
At 31 March 2025	4,695,435	4,695,435
At 31 March 2024	4,577,072	4,577,072

All social housing properties are freehold.

Total amounts received for the year ending 31 March 2025

	2025 £	2024 £
Capital grants received in respect of social housing	223,095	399,000

9 **Tangible fixed assets – other**

	Freehold land and buildings £	Leasehold land and buildings £	The Old Pheasantry £	Sports Equipment £	Other Equipment £	Total £
Cost:						
At 1 April 2024	3,676,665	904,777	-	435,432	983,673	6,000,547
Additions	542,573	-	1,150,000	56,787	71,896	1,821,256
Disposals	-	-	-	-	-	-
At 31 March 2025	4,219,238	904,777	1,150,000	492,219	1,055,569	7,821,803
Depreciation:						
At 1 April 2024	493,241	573,441	-	383,577	778,603	2,228,862
Charge	55,913	33,983	15,333	40,003	79,665	224,897
Disposals	-	-	-	-	-	-
At 31 March 2025	549,154	607,424	15,333	423,580	858,268	2,453,759
Net book value:						
At 31 March 2025	3,670,084	297,353	1,134,667	68,639	197,301	5,368,044
At 31 March 2024	3,183,424	331,336	-	51,855	205,070	3,771,685

10 **Investments**

Movement in fixed asset listed investments

	2025	2024
	£	£
Market value at 1 April 2024	684,276	610,021
Additions to investments at cost	400,000	-
Disposal of investments at cost	-	-
Net (decrease)/increase in fair value of investments	(26,318)	74,255
Market value at 31 March 2025	1,057,958	684,276

11 **Debtors**

	2025	2024
	£	£
Rent debtors	105,600	33,909
Less: provision for doubtful debts	(14,000)	(8,003)
	91,600	25,906
Prepayments	97,256	105,544
Project funding debtors	226,670	411,979
Other debtors	297,904	427,835
	713,430	971,264

12 **Cash and cash equivalents**

	2025	2024
	£	£
Deposit accounts	2,307,835	1,444,086
Current account	595,953	1,729,999
Cash	38,695	24,483
	2,942,483	3,198,568

13 **Creditors: amounts falling due within one year**

	2025	2024
	£	£
Bank loans (Note 15)	88,895	78,484
Trade creditors	234,473	243,447
Accruals	173,676	177,992
Income received in advance	951,579	939,108
Taxation and social security	77,912	65,016
Other creditors	170,672	80,511
Deferred capital grants (Note 16)	39,000	33,588
Accrued pension deficit (Note 17)	17,516	16,556
	1,753,723	1,634,702

14 **Creditors: amounts falling due after more than one year**

	2025	2024
	£	£
Bank and other loans (Note 15)	1,518,874	1,608,261
Deferred capital grants (Note 16)	2,528,278	2,558,178
Accrued pension deficit (Note 17)	19,594	37,110
	4,066,746	4,203,549

15 **Bank and other loans**

	2025	2024
	£	£
Secured:		
In one year or less	88,895	78,484
In more than one year, but not more than two years	95,335	84,895
In more than two years, but not more than five years	307,176	292,631
In more than five years	1,116,363	1,230,735
	1,607,769	1,686,745

£152,250 was borrowed from Barclays in 2014 at a fixed rate of 5.73% until 30 June 2021 and thereafter at a variable rate of 3.25% over the bank's base rate and is repayable over a 15-year term. This loan is secured by a legal charge over the property at Lynwood Road, Redhill.

15 **Bank and other loans (continued)**

£989,340 was borrowed from Barclays in 2017 at a rate of 1.6% over the bank’s base rate with a 25-year repayment profile. In November 2022 £812,000 was refinanced with Barclays at a rate of 2.10% over the bank’s base rate. The loan has a 15-year repayment profile. This loan is secured by a legal charge over the property on Brighton Road, Redhill and a floating charge over the charitable company’s assets.

£150,000 was borrowed from the Methodist Church in March 2019, this is a public benefit concessionary loan and is interest-free and repayable at the end of the 15-year term. The loan is secured by a legal charge over the property on London Road, Merstham

£400,000 was borrowed from Barclays in 2021 at a rate of 2.5% over the bank’s base rate. The loan has a 15-year repayment profile. The loan is secured by a legal charge over the property on Massetts Road, Horley.

£350,000 was borrowed from Barclays in August 2023 at a rate of 2.25% over the bank’s base rate. The loan has a 15 year repayment profile This loan is secured by a legal charge over the property on Shrewsbury Road, Redhill.

16 **Deferred Capital Grants**

	Grants at cost £	Amortisation £	Total net grants £
As at 1 April 2024	2,676,074	(84,308)	2,591,766
Grants received in year	21,000	-	21,000
Amortisation	-	(45,488)	(45,488)
As At 31 March 2025	2,697,074	(129,796)	2,567,278

17 **Accrued Pension deficit**

YMCA East Surrey participated in a multi-employer contributory pension plan providing defined benefits based on final pensionable pay for employees of YMCAs in England, Scotland and Wales. 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 employees and deferred members became deferred members as of 1 May 2011.

Due to insufficient information, the Plan's actuary has advised that it is not possible to identify separately the assets and liabilities relating to YMCA East Surrey. As such the Plan has been accounted for as a defined contribution plan. The assets of the YMCA Pension Plan are held separately from those of YMCA East Surrey.

The most recent completed three year valuation was as at 1 May 2023. 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 of 4.56%, the increase in pensions in payment of 3.18% (for RPI capped at 5% p.a.), and the average life expectancy from normal retirement age (of 65) for a current male pensioner of 21.5 years, female 24.4 years, and 23.1 years for a male pensioner, female 25.7 years, retiring in 20 years’ time. The result of the valuation showed that the actuarial value of the assets was £103.2m and the actuarial value of the liabilities £112.4m, resulting in a plan deficit of £9.2m. This was a reduction compared to the previous valuation as at 1 May 2020 which showed a deficit of £38.7m.

The improved funding levels have resulted in a reduction to the deficit reduction contributions required from the individual YMCAs. YMCA East Surrey has been advised that, it will need to make annual contributions of £19,186 from 1 May 2024 through until 30 April 2027. This amount is based on the current actuarial assumptions (as outlined above) and may vary in the future as a result of the actual performance of the Pension Plan. The current recovery period is three years. The previous recovery plan based on the actuarial valuation as at 1 May 2020 required annual payments of £23,898 from 1 May 2023, escalating at 3% a year, for six years until 30 April 2029. YMCA East Surrey will also have to contribute £6,003 in respect of the Plan’s expenses in 2025/6. In the financial year ended 31 March 2025 the contribution to expenses was £6,115 (2024: £5,648).

Accrued pension deficit	2025 £	2024 £
As at 1 April 2024 (2023)	53,666	153,086
Charged/(credited) to Statement of Comprehensive Income	2,630	(75,577)
Payments made	(19,186)	(23,843)
As at 31 March 2025 (2024)	37,110	53,666

17 Accrued Pension deficit (continued)

These amounts are payable by year as below:

	2025 £	2024 £
Within one year	19,186	19,186
One to two years	19,186	19,186
Two to five years	1,978	20,785
Discount benefit	(3,240)	(5,491)
Total	37,110	53,666

The liability is discounted using the yield available on high quality UK corporate bonds as at the reporting date. The discount rate used is 5.60% (2024: 4.93%).

In addition, YMCA East Surrey may over time have 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 East Surrey may be called upon to pay in the future.

YMCA East Surrey also operates two defined contribution pension schemes for the benefit of its current employees. The assets of these schemes are also held separately from the assets of YMCA East Surrey and contributions are charged to the Statement of Comprehensive Income as they fall due.

18 Analysis of reserves

	At 1 April 2024 £	Income £	Expenditure £	Transfers £	At 31 March 2025 £
Princes Road capital	979,059	-	(11,045)	-	968,014
Sovereign Centre capital	331,334	-	(33,983)	-	297,351
Sovereign centre	123,295	-	-	-	123,295
Move-on properties capital	686,532	195,763	(37,853)	-	844,442
Inclusive sports facility capital	1,717,779	1,883	(36,963)	-	1,682,699
Hillbrook Capital	65,771	-	(1,964)	-	63,807
Housing services	241,560	258,242	(251,236)	-	248,566
Children & Young People	53,473	783,459	(772,553)	-	64,379
Health & Wellbeing	40,516	175,034	(142,862)	-	72,688
The Old Pheasantry	-	1,259,655	(60,208)	-	1,199,447
Total restricted reserves	4,239,319	2,674,036	(1,348,667)	-	5,564,688
Unrestricted reserves:					
-General	2,258,084	7,148,233	(7,026,546)	440,110	2,819,881
-Designated	867,212	154,456	(9,246)	(440,110)	572,312
Total reserves	7,364,615	9,976,725	(8,384,459)	-	8,956,881

Designated reserves at the end of the year comprise money raised by the Life Change Fund, through donations and the various challenge events held, together with funds set aside by the Trustees for the development of the facilities at Princes Road.

The transfer to unrestricted reserves reflects the utilisation of reserves previously designated.

Analysis of reserves (continued)

	At 1 April 2023 £	Income £	Expenditure £	Transfers £	At 31 March 2024 £
Princes Road capital	990,105	-	(11,046)	-	979,059
Sovereign Centre capital	369,201	-	(37,867)	-	331,334
Sovereign centre	123,295	-	-	-	123,295
Move-on properties capital	696,026	22,944	(32,438)	-	686,532
Inclusive sports facility capital	1,752,859	1,883	(36,963)	-	1,717,779
Hillbrook capital	67,735	-	(1,964)	-	65,771
Housing services	192,918	230,045	(181,403)	-	241,560
Children & Young People	12,383	622,791	(581,701)	-	53,473
Health & Wellbeing	56,880	155,013	(171,377)	-	40,516
Total restricted reserves	4,261,402	1,032,676	(1,054,759)	-	4,239,319
Unrestricted reserves:					
-General	1,952,186	5,650,275	(5,344,377)	-	2,258,084
-Designated	744,581	130,536	(7,905)	-	867,212
Total reserves	6,958,169	6,813,487	(6,407,041)	-	7,364,615

Princes Road capital

The Princes Road capital reserve is held to provide premises for YMCA East Surrey. It is invested in the freehold land and buildings at Princes Road occupied by YMCA and it does not generate income.

Sovereign Centre capital

The Sovereign Centre capital reserve holds the leasehold premises at the Sovereign Centre and does not generate income.

Sovereign Centre

The Sovereign Centre reserve represents funds held to maintain and enhance the facilities at the Sovereign Centre and to support the YMCA's work with children and young people.

Move-on properties capital

Non-government grants received for the specific purpose of helping fund the acquisition of our move-on properties. Income in the year includes grants in respect of the new move-on property in Shrewsbury Road

Inclusive Sports Facility capital

The Inclusive Sports Facility capital reserve is held to provide premises for the Inclusive Sports Hall at the Princes Road site.

Hillbrook capital

Grants received in respect of funding for fixtures and fittings at Hillbrook House.

Housing services

Donations and grants received for the specific purpose of funding Housing initiatives, including funding for our NextStep programme, which assists families and individuals to secure private rented accommodation, and funding received for the deposits required to secure such accommodation.

Children & Young People

Donations and grants received for the specific purpose of funding Children and Young People initiatives, including youth work, emotional wellbeing support and inclusive services.

18 Analysis of reserves (continued)

Health and Wellbeing

Donations and grants received for the specific purpose of funding Health and Wellbeing initiatives and related equipment.

The Old Pheasantry

This fund includes the assets transferred to YMCA East Surrey by, the Land and City Families Trust ("LCFT"), together with the income and expenditure for the period relating to the principal asset, the Old Pheasantry. The use of the assets is restricted to the charitable purposes of the LCFT, which were to develop The Old Pheasantry into a centre for holidays and education for disadvantaged children.

19 Related party transactions

The Trustees all give freely their time and expertise without any form of remuneration or other benefit in kind (2024: £nil). Further, the Trustees have received no reimbursement of expenses during the year (2024: £nil).

There was nil outstanding with related parties as at 31 March 2025 (2024: £nil).

20 Operating lease commitments

At 31 March 2025, the Charitable Company had total commitments under non-cancellable operating leases for land and buildings as follows:

	2025 £	2024 £
Within one year	38,147	24,881
Within two to five years	116,406	93,921
After five years	5,095	7,140
	159,648	125,942

21 Capital commitments

At the end of the year, the Charitable Company had £360,460 (2024: £1,183,716) of capital commitments in relation to the development of the site at Princes Road, which was partly funded by a grant of £737,539 from Reigate and Banstead Borough Council.

22 Contingent liabilities

The charitable company has contingent liabilities relating to social housing grants received totalling £1,758,533 (2024 : £1,737,533). These grants would need to be recognised as a liability and repaid if the properties so funded were sold or ceased to be used for social housing purposes.

23 Net cash

	Current debt £	Non-current debt £	Cash and cash equivalents £	Net cash £
At 1 April 2024	(78,484)	(1,608,261)	3,198,568	1,511,823
Movements in the year	(10,411)	89,387	(256,085)	(177,109)
At 31 March 2025	(88,895)	(1,518,874)	2,942,483	1,334,714
	£	£	£	£
At 1 April 2023	(57,530)	(1,343,164)	2,514,799	1,114,105
Movements in the year	(20,954)	(265,097)	683,769	397,718
At 31 March 2024	(78,484)	(1,608,261)	3,198,568	1,511,823

YMCA EAST SURREY

England & Wales - Charity number 1075028

Accounts

YMCA East Surrey

(A charitable company limited by guarantee)

Report and Financial Statements for the year ended

31 March 2024



Charity Registration No: 1075028
Company Registration No: 03716594
Social Housing Provider Registration No: 4854

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1.0 Legal and administrative information

Directors and Trustees: Paul Byrne - Chairman
Ross Anderson
Christine Arnold
John Guy
Louise Elliott
Heather Loxley
Richard Mantle (Resigned 3rd April 2024)
Lolo Odunsi
Grant Samuel (Resigned 3rd April 2024)
Chloe Schendel-Wilson
Ian Thomas - Treasurer
Jeff Travis

The above served as trustees during (and, unless otherwise indicated, throughout) the year ended 31 March 2024.

Chief Executive and
Company Secretary:

Ian Burks

Registered Office:

YMCA East Surrey
Princes Road
Redhill
Surrey
RH1 6JJ

Registered Charity Number:

1075028

Registered Company Number:

03716594 (England & Wales)

Social Housing Provider
Registration Number:

4854

Bankers:

Barclays Bank plc
Guildford, Gatwick & Woking Business Banking
90/92 High Street
Crawley
West Sussex RH10 1BP

Auditors:

Crowe UK LLP
55 Ludgate Hill
London
EC4M 7JW

Solicitors:

Moore Barlow
The Oriel
Sydenham Road
Guildford
Surrey

2.0 Report of the Chief Executive

YMCA East Surrey is a vibrant charity that has been actively supporting the local community since 1870. We help people to believe in themselves, support them to achieve their goals and inspire them to be the best they can be. We are part of the oldest and largest youth charity in the world and our collective aim is to enable people to belong, contribute and thrive.

The main feature of the last year has been a continued growth of charitable activity. This is in response to an increased need within communities that are still feeling the aftershocks of Covid and resulting cost of living pressures.

In the year up to March 2024, 16,054 people benefitted from YMCA East Surrey services which was a 28% increase over the previous year's total of 12,472.

We are now two years into our five-year strategy. Main themes include expansion of YMCA activity across Surrey, becoming more sustainable (both financially and environmentally) and protecting and enhancing our volunteer ethos. We are also looking to develop greater diversity amongst our governance and staff teams to mirror the inclusive nature of our beneficiaries. With three years left to run we have already achieved 32 of the 62 strategic objectives within the plan.

The YMCA divides its work into three main directorates which are Children and Young People, Housing, and Health and Wellbeing.

Children and Young People

Services within Children and Young People (CYP) account for 58% of our turnover.

Need amongst young people has increased significantly over the past twelve months and this has been exacerbated by cost-of-living issues and the well documented pressures of social media. In response to this the YMCA has expanded its charitable work in many areas to help young people build on their strengths and develop greater resilience and independence.

One of the most notable successes of last year was winning a new contract with Surrey County Council (SCC) worth £1.28m to deliver Family Support across Reigate and Banstead and Mole Valley. Over 800 families will benefit from this service which will be delivered by 23 Family Support practitioners working from five Family Centres, three of which are on school sites leased to the YMCA from SCC.

The Family Centre programme will complement existing YMCA services such as short breaks for children with disabilities, emotional wellbeing and mental health services, childcare and youth work.

The YMCA has a long tradition of quality youth work and over the past few years, with help from Reigate and Banstead Borough Council and Surrey County Council, we have managed to build up a thriving programme of open access free provision in local youth centres attracting 1,832 young people. This is despite the well documented national reductions in local authority funding for youth services and the scarcity of other financial support.

The success and value of this work is widely recognised and has led to an extension of our lottery funding as well as grants from the Million Hours Fund and other charitable trusts. On top of this our Challenge fundraisers and a grant from the Home Office Safer Streets programme have enabled us to commission an innovative new Y Bus. This vehicle will transport our detached youth work team into more isolated areas of East Surrey where young people most at risk can benefit from fun activities, informal education and the listening ear of qualified youth workers.

Youth work provides vital intervention to support young people build the resilience they need to deal with future challenges in their lives. Sadly though, many were impacted heavily by lockdown and are struggling under the pressures of modern life. To help these young people the YMCA offers an Emotional Wellbeing and Mental Health Service staffed by mental health practitioners who offer focussed support to prevent and deal with mental health issues. Last year this service worked with 2,680 referrals and offered 14,976 hours of counselling, specialised group work and school-based services. Interventions were largely very positive, for example 92% of goal-based outcomes were achieved for clients accessing the Community Wellbeing Team and 75% of those attending counselling or other talking therapies said their emotional wellbeing had improved and they were better able to manage future challenges since having sessions.

Other achievements included winning a two-year grant from the NHS Mental Health Improvement Fund (MHIF) via the Surrey Wellbeing Partnership to employ Primary Schools Practitioners in the four boroughs and districts to the East of the county.

2.0 Report of the Chief Executive (cont.)

The numbers of children with disabilities and additional needs in Surrey is growing and the YMCA provided vital respite care for 429 families through its Short Breaks, Face to Face and Lifeworks programmes. These services offer seamless support across many years providing stability to families as they navigate through the challenges that growing up with disability can bring. Last year the YMCA worked closely with SCC and West Sussex County Council (WSCC) to secure additional support from the Dept of Education to enhance its short breaks provision and to extend provision to more families in Surrey and Sussex.

Although most YMCA services are rightly focussed on those facing disadvantage and challenge in their lives, we also offer a range of important universal activities that can bring positive benefits to all children. YMCA preschools at the Sovereign Centre and Merstham Hub along with our out of school childcare running in schools are all popular and rated (where applicable) as good by Ofsted. Our gymnastics and football programmes for children have also been well attended and help children develop skills, fitness and a sense of belonging.

Housing

The second largest directorate at YMCA East Surrey is Housing which accounts for 28% of YMCA East Surrey's turnover. Again, we have seen further expansion and development of services through 2023/24. National figures show that 136,000 young people presented as homeless last year and estimates suggest that a similar number are sofa surfing or living in unsuitable accommodation. Without a safe and affordable home, a young person cannot begin to overcome other issues or challenges in their lives. For this reason, the expansion of more YMCA Housing has been identified in our five-year strategy as a major priority.

Last year funding from Homes England and charitable trusts, combined with YMCA reserves and a small loan enabled the YMCA to purchase a property in Shrewsbury Rd, Redhill which has been converted into a high-quality shared living scheme for 6 young people. This has increased the YMCA's housing stock to 75 units and thanks to revenue funding from SCC this will mean six more young people aged between 18 and 21 will benefit from the support needed to move on to independence.

Our Next Step scheme funded by RBBC extends our housing service to older individuals and families, providing rent deposits, advice and guidance to enable access to private sector rental accommodation.

New for 2023/24 was the introduction of mandatory Ofsted registration for providers like the YMCA who house 16 – 18 year-olds. The YMCA has met Ofsted requirements and are waiting for the formal notification of our status as a registered provider. Supporting looked after children who have often experienced high levels of trauma is vital as demand has been intensified by the decision of many providers to stop housing this age group due to the higher levels of regulation.

Health and Wellbeing

Health and Wellbeing is the third directorate within the YMCA and this accounts for 12% of turnover. The aim of the department is to help people of all ages and abilities living across Surrey to embrace active living and lead healthier, more fulfilled lives. Our universal fitness service is accessible to everyone and last year the service finally shook off the effects of Covid and reached a record membership of 1,749. Attendance was also impressive with 109,021 annual visits to a mix of 50 weekly exercise classes and gym sessions which is an increase of 35% on last year's total of 80,583.

To supplement the universal fitness programme YMCA East Surrey offers a range of targeted projects that help those facing health inequalities, long term conditions or disabilities to access high quality sport and physical activity. In 2023 the YMCA took a lead role in a Surrey Heartlands funded project to bring together partners delivering Exercise Referral across 'East Surrey Place'. This was a successful programme that helped build strong links between Greenwich Leisure, Freedom Leisure and the YMCA. This resulted in greater consistency and standardisation of exercise referral enabling more people with long term conditions to access safe controlled exercise. This project has now developed into a broader physical activity initiative called Moving Together designed to promote 'Ageing Well' in the community. Other exciting developments within Health and Wellbeing include an expansion of health checks and Healthy Measures weight management.

In addition to all the great work going on within each of the YMCA's three directorates we have also seen some other exciting developments since my last report.

2.0 Report of the Chief Executive (cont.)

Challenge Fundraising

We are very fortunate to have a wonderful Challenge Committee made up from committed volunteers who devise, support and lead exciting physical activity challenges and community events, enabling local people to achieve a personal goal whilst raising awareness and funds for the YMCA's charitable work. During 23/24 910 people cycled, ran or walked a total of 38,260 miles to support the YMCA and 2% of turnover came from our events. Highlights included an Alpine cycle challenge finishing with the mighty Stelvio, a group of 40 hillwalkers climbing Ben Nevis (including 11 from our Housing schemes) and 60 cyclists pedalling from Redhill to Paris. These exciting challenges are a super way for local supporters to achieve a life affirming goal whilst at the same time transforming the lives of young people.

Old Pheasantry

After fifteen months of partnership working, the YMCA has joined forces with the Land and City Families Trust (LCFT) to secure the future of the Old Pheasantry Outdoor Residential Centre on Colley Hill in Reigate.

The property, built in 1912 and set in 5 acres of countryside adjoining the North Downs Way, houses a small special needs school as well as overnight accommodation for groups of up to 26 children and young people.

Both the YMCA and the LCFT have similar aims and on 28th June 2024 following a due diligence exercise, YMCA East Surrey and LCFT merged and the Old Pheasantry became a YMCA owned centre.

This exciting new partnership will preserve a valued facility and enable greater numbers of children and young people to benefit from residential experiences and learn about the great outdoors.

Central Services

We are very fortunate to have a highly motivated group of managers and staff within Central Services who have worked extremely hard to bring in new systems and enable front line service delivery to grow and continue to be successful. Last year saw the successful introduction of a new Housing Management system and a centralised IT application to manage our safeguarding records. This cloud-based system called My Concern enables all staff and volunteers to report safeguarding incidents and gives Designated Safeguarding Leads (DSLs) and our Safeguarding Trustee access to the reports they need to ensure children young people and adults at risk are kept safe.

To achieve positive change in communities requires a collaborative approach and we have been very fortunate to have worked with many excellent partners including Surrey Heartlands ICB, Surrey and West Sussex County Councils and several Boroughs and Districts, most notably Reigate and Banstead, Mole Valley and Tandridge. We are very grateful for the support we receive from these organisations and from our other charitable partners which enable us to achieve positive outcomes for our service users.

The financial climate for charities has been difficult with high inflation and increased utility costs impacting many third sector organisations including the YMCA. We have however managed our finances wisely. Turnover has increased by 11% and we have ended the year with a healthy surplus of £406,446.

Our main asset, as ever, is our people and despite increasing challenges around recruitment and retention we still have an excellent team of committed and skilled staff who do an amazing job transforming the lives of individuals and bringing hope to communities.

One of our strategic aims centres around enhancing our voluntary ethos and a new Volunteer Coordinator role has been created which will help us deliver more for the community and provide purpose in the lives of our volunteers.

The last year has seen some key improvements in our governance with the establishment of a new Governance and Risk Committee to work alongside our existing Finance and Resources Committee. These two committees enable trustees to offer a comprehensive range of support, guidance and scrutiny for the executive team.

2.0 Report of the Chief Executive (cont.)

Two trustees stood down in April 2024. Richard Mantle, a former Mayor at Reigate and Banstead was involved with the YMCA for 14 years and was well known for his financial expertise and business acumen. He played a key role in the development of the Sovereign Centre and started the YMCA Santa Run during his Mayoral year. Grant Samuel was with us for a relatively short time but his advice on legal matters was highly valued. Ian Thomas has indicated that he will be standing down at the AGM after 9 years of excellent service as Treasurer and Chair of the Finance and Resources Committee. His actuarial skills and logical mind have helped the YMCA successfully steer its way through the pandemic and other financial challenges.

I would like to thank all our trustees, led by our Chair Paul Byrne, for their dedicated service to the YMCA and young people in Surrey and Sussex.

We are excited about the developments and opportunities that are coming to fruition but also aware of the growing challenges facing many in our communities. The need for the YMCA is at a high point but we are confident that with our excellent team of staff, volunteers and trustees, along with our supportive partners and funders, we can continue to make a positive difference in the lives of people within East Surrey.



Ian Burks

Chief Executive

25th September 2024

3.0 Report of the Trustees (incorporating the strategic report)

The Trustees present their report and the financial statements for the YMCA East Surrey for the year ended 31 March 2024.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, the Housing Statement of Recommended Practice 2018, the Accounting Direction for Private Registered Providers of Social Housing (issued by the Regulator of Social Housing in 2022), the Housing Regeneration Act 2008 and are in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Objectives and activities

YMCA East Surrey is a Charitable Company – a company limited by guarantee and a registered charity governed by its Articles of Association.

YMCA East Surrey's **mission** is to help vulnerable children, young people and adults to belong, contribute and thrive. Our wide range of projects and activities aim to help create happy, healthy and connected communities.

All our work is for **public benefit**; we help people to believe in themselves, support them to achieve their goals and inspire them to be the best they can be by providing services that focus on those who are vulnerable, have a disability or face disadvantage. Our activities are underpinned by our charitable **objectives** which include:

- ▶ To provide recreational and leisure facilities for men and women with the object of improving their conditions of life
- ▶ To provide education to persons of all ages with the object of developing their physical, mental or spiritual capacities
- ▶ To bring relief to those who are in need, hardship or distress by reason of their social, physical or economic circumstances
- ▶ To provide residential accommodation for persons of all ages who are in need, hardship or distress by reason of their social, physical or economic circumstances
- ▶ To provide Social Housing, houses or hostels and any associated amenities including a counselling service and services for persons in necessitous circumstances upon terms appropriate to their means. In this part "social housing" means—
 - a) low-cost rental accommodation (defined by section 69 of the Housing and Regeneration Act 2008), and
 - b) low-cost home ownership accommodation (defined by section 70 of the Housing and Regeneration Act 2008).

As can be seen in the Report of the Chief Executive, these objectives are at the heart all of the services and activities we provide.

The Charitable Company is divided into three distinct service areas, designed and organised in order to meet these objectives: Housing, Children and Young People, and Health & Wellbeing. These are all supported by Central Services. In implementing the objectives through the activities of the service areas the Trustees continue to have had due regard to the guidance on "public benefit" of the Charity Commission.

Housing – Supporting those facing challenges in their lives with safe, secure and affordable housing – helping them to overcome barriers and achieve independent living

Our housing services support people who are in need of a home, are homeless or at risk of becoming homeless. YMCA Hillbrook House provides homeless young people aged 16-30 with safe accommodation in Redhill; each resident receives advice, support and access to a range of services.

We also have "Move On" houses in Horley, Merstham and Redhill which provide further support for those who need it. These projects provide a less intensive housing support option for those who are moving towards independence.

NextStep is a professional housing service delivered by YMCA East Surrey (with support from Reigate and Banstead Borough Council) that helps individuals and families facing homelessness to access private sector accommodation.

3.0 Report of the Trustees (incorporating the strategic report)/Continued

Children and Young People – We believe in children and young people and seek to offer inclusive services and activities that support them to make the best start in life.

Our services – Childcare and Children’s Activities, Inclusive Services, Emotional Wellbeing and Mental Health and Family and Youth Services are aimed at helping children and young people increase their confidence and self-esteem and lead fuller and more satisfying lives.

Activities include counselling, youth groups, mentoring, pre-schools, holiday clubs, after school clubs, short breaks and recreational activities together with activities designed to support parents and carers. Where charges apply, we offer free or reduced places to families who need additional support.

Health & Wellbeing – Helping people of all ages and abilities living across Surrey to embrace active living and lead healthier more fulfilled lives.

Health & Wellbeing comprises a range of activities including gym facilities, classes, weight management and exercise referrals for local people of all ages and abilities. Health & Wellbeing also provides sports facilities for community activities and disability sports.

The activities of the YMCA East Surrey are delivered through a mix of full-time and part-time staff working alongside a cadre of dedicated volunteers.

Achievements and Performance

In the Report of the Chief Executive, we set out the main achievements during the year; the Charitable Company continues to make a great difference to the lives of the people it helps and the reach of the Charitable Company’s work is continuing to expand.

The Charitable Company’s 2022-7 strategy was developed following discussions and consultations with users, volunteers, staff and Trustees. It builds on the strengths of our teams and the success of the services that we deliver, focuses on the needs of the communities that we support - expanding the reach of our services, recognises the need to maintain financial viability if we are to continue to achieve our charitable objectives and looks to address external factors impacting the environment in which we operate.

The Trustees undertook a review of the strategy in the first half of 2024 and concluded that the overall strategy remained fit for purpose. The future growth priority will be in Housing (in line with the original strategy) and a focus on a commensurate investment in the recruitment and retention of high quality staff - both centrally and in service areas - to ensure we maintain capacity and quality.

Progress in 2023/24 against the seven strategic priorities for delivery by 2027 has been:

- ▶ **Expanding our geographical reach across Surrey** – we have continued to expand the geographic reach of our services, particularly in Children and Young People.
- ▶ **Growing our service offerings with a target reach of impacting more than 20,000 people annually** – we have met our strategic growth targets in all three service areas and are on track to meet the 20,000 impact target.
- ▶ **Prioritising the housing needs of young people** –we invested in the development of a further 6 social housing units during the year taking the total to 75 against a target of 100.
- ▶ **Accessing a balanced blend of income sources** – we continue to grow the range of funding and income sources and monitor our exposure to any one funding partner.
- ▶ **Championing inclusivity in all that we do** – we have made excellent progress in extending the reach of our services particularly in areas such as our work with disabled children and adults, housing supported unaccompanied asylum seekers and in exercise referral.
- ▶ **Building on our culture of voluntary action** – our Challenge programme continues to thrive and harness voluntary support and we are in the process of recruiting a volunteering co-ordinator to further build on our volunteering capability.
- ▶ **Putting systems in place to measure our impact on the environment** – whilst we have made good progress with actions to improve our overall carbon footprint – we need to do more to improve our overall understanding and measurement of this important strategic priority.

3.0 Report of the Trustees (incorporating the strategic report)/Continued

Financial review

Income and Funding

The Charitable Company's funding is a blend of income from contracts for commissioned services, grants, rents and fees with a small but important proportion being derived from donations and fundraising ("challenge") events.

In 2023/24 total income was £6,702,144 an increase of 11% - £681,680 on the previous year, reflecting the growth across all of our services – but most notably in Childcare and Children's Activities (£191,220 - 22% growth) with the full year impact of income from out of school childcare at St Joseph's school in Redhill, Inclusive Services (£159,964 – 19% growth) with the extension of our programme most notably in West Sussex and Health and Wellbeing (£194,827 – 33% growth) where gym membership has now recovered to pre-covid levels.

The Trustees gratefully acknowledge the support of all our donors and funders. More than half of the Charity's income is in the form of contracts and grants from the NHS, local authorities and other bodies. Such funding enables the Charitable Company to carry on the work in all our lines of service, in turn supporting the objectives of the Charitable Company.

The Trustees regularly monitor key performance indicators by service area, including income against budget, success in securing grants and measures of underlying activity levels such as rental voids, counselling interventions delivered and attendance levels.

When looking ahead, the Trustees are acutely aware of the cost-of-living pressures on our service users, the increasing competition for grants and the many demands on Government and Local Authority funding. Whilst we continue to be successful in securing new sources of multi-year funding we have to keep pricing at a viable level to ensure longevity and a sustainable future for the Charitable Company. The annual budgeting process is rigorous and seeks to ensure that underlying income drivers are realistic and attainable.

Expenditure

Operating expenditure for the 2023/24 financial year was £6,296,130 an increase of 13% - £708,119 on the previous year. Staff costs at £4,212,650 remain our main area of expenditure, accounting for 67% of total expenditure (2023: £3,723,561 – 67%) and have generally increased in line with service delivery growth as well as inflation.

Trustees are cognisant of the need to preserve the competitive positioning of our staff reward and avoid excessive attrition. Inflationary increases have been built into the 2024/25 budget together with the full year impact of any increases in headcount for newly contracted services.

Gas and electricity costs have nearly doubled from the previous year now accounting for 5% of overall expenditure against 3% in 2022/23. The Trustees are very focused on opportunities to reduce our overall energy costs whether through consumption savings or contract management.

The Trustees regularly monitor key performance indicators for expenditure by service area including costs against budget, headcount, payroll run rates as well as large or unusual non-staff costs.

Overall results for the financial year

The Charitable Company's activities produced a total surplus of £406,446 for the 2023/24 financial year (2023: £375,533) which consisted of a surplus on unrestricted reserves of £428,529 (2023: £382,260) and a deficit of £22,083 (2023: deficit £6,727) on restricted reserves. The deficit on restricted reserves is in part reflective of these funds largely relating to funding premises which do not generate income and in part reflects the low margins on commissioned services. The surplus on unrestricted reserves includes the continuing contribution of "challenge" events and also includes a gain on revaluation of investments of £74,255 (2023: loss £5,481).

The Charitable Company achieved an operating surplus of £233,880 (2023: £404,594) in social housing; £41,187 (2023: £103,992) in non-social housing and a surplus of £130,947 (2023: deficit £76,133) in non-housing. The operating surplus in social housing in the prior year included the impact of charitable grants received of £130,000 for "move-on" properties.

3.0 Report of the Trustees (incorporating the strategic report)/Continued

The overall operating surplus of £406,014 (2023: £432,453) covered increasing finance costs of £110,911 (2023: £59,308) and enabled a contribution to reserves both in line with our reserves policy and as funding for future expansion in our charitable activities.

The Charitable Company has total reserves of £7,364,615 at 31 March 2024 (2023: £6,958,169) as set out in the Statement of financial position. The majority of the restricted funds of £4,239,319 (2023: £4,261,402) is attributable to the net book value of the freehold premises in Princes Road including the Inclusive Sports Facility (ISF), Lynwood Road, London Road and Massetts Road "Move On" properties and the leasehold of the Sovereign Centre. There are also designated funds totalling £867,212 (2023: £744,581) largely attributable to "challenge" event funding of the Princes Road facility and other projects.

Reserves policy

The Board approved Reserves Policy requires the Charitable Company to hold sufficient unrestricted free reserves to ensure, as far as possible, the continuation of the Charitable Company's activities in the event of significant fluctuations or shortfalls in anticipated income or to cover increased operational costs in response to an emergency. The Reserves Policy has been updated to allow for a combination of a risk-based calculation of reserve requirements (based on Principle risks and other scenarios) and the need to hold as a minimum, cover for up to two months' expenditure. Adopting this policy, the Finance and Resources Committee recommended to the Board and the Board approved that the target level of unrestricted free reserves should be £1.5m (which exceeds the minimum two months' expenditure cover). In the prior year the requirement was to hold up to three months' expenditure cover (which then totalled approximately £1.56m).

The Charitable Company had unrestricted reserves of £3,125,296 as at 31 March 2024 (2023: £2,696,767). A proportion of the unrestricted reserves comprise fixed assets (net of long-term bank loans and capital grants) totalling £982,186 (2023: £697,583) which are not readily available. Excluding these fixed assets and adding back long term pension deficit contributions of £37,110 (2023: £136,545) unrestricted free reserves totalled £2,180,220 at 31 March (2023 £2,135,729). This exceeds the Board's target of £1.5m (noted above) and accordingly the balance is available to the Board to further support our charitable work.

The Reserves Policy is continuously monitored and reviewed by the Finance and Resources Committee which makes recommendations to the Board if and when action is needed to maintain the policy or consideration needs to be given to its modification.

Investment policy

Aside from retaining a prudent amount in reserves each year most of the Charitable Company's funds are to be spent in the short term so there are few funds held for longer term investment. The Board has delegated responsibility to the Finance and Resources Committee for overseeing investment decisions and the management of investments, in line with the requirements of the Board approved Investment Policy. The objective of the Charitable Company in holding investments is to offset the risk associated with inflation that might, in the long term, erode the level of unrestricted free reserves held and to the extent possible enable some growth in those reserves to match the growth in the charity's underlying activities. Investments are managed by CCLA Investment Management Limited on behalf of the Charitable Company and are invested in the COIF Charities Investment Fund which has a risk profile compatible with the objectives of the Charitable Company.

Treasury management

The Charitable Company has significant cash and cash related balances totalling £3,198,568 (2023 £2,514,800). The majority of these balances relate to income for services received in advance and capital grants received but not yet expended. The Trustees are acutely aware of their responsibilities for the safeguarding of these assets and receive monthly cash flow forecasts to monitor the expected flows of funds. There is also a cash management policy designed to ensure that cash balances are appropriately invested with the minimum of risk.

3.0 Report of the Trustees (incorporating the strategic report)/Continued

Value for money

YMCA East Surrey is committed to achieving Value for Money (VFM) across all aspects of the Charitable Company's business. The aim is to generate surpluses in our service provision, to maintain a viable business and to fund future capital investment whilst at the same time ensuring we deliver high levels of service user satisfaction - in line with our charitable objectives. VFM is led by the Board and overseen by the Finance and Resources Committee.

The Charitable Company seeks to optimise by VFM by:

- ▶ Undertaking a rigorous annual budgeting exercise culminating in a Board approved budget with regular monitoring of variances to budget and reporting through to the Board.
- ▶ The application of a fit for purpose procurement policy together with regular monitoring of staff remuneration and turnover levels.
- ▶ Monthly monitoring of non-financial metrics that enable the impact and reach of our services to be measured and reported alongside other critical key performance indicators. Examples include occupancy levels in Housing, delivery against targets for contracted services in Children and Young People and attendance levels at classes in Health and Wellbeing.
- ▶ The use of Advisory Groups which enable service recipients, funders and other interested parties to consider and challenge overall outcomes and help shape future delivery.

Alongside compliance with the 2018 Value for Money Standard and associated Code of Practice, as a non-profit private registered provider of social housing, the Charitable Company is expected to report on certain value for money metrics to enable effective comparison across the sector. The metrics are included below:

- ▶ Metric 1 – Reinvestment %: This metric looks at the investment in properties (existing stock as well as new supply) as a percentage of the value of total properties held. The investment in properties was 21.8% (2023: 0.0%) reflecting the investment in a new Move On property at Shrewsbury Road – 2023 the investment had been in the prior year.
- ▶ Metric 2a – New supply delivered 0.0% (2023: 17.4%): This metric sets out the number of new social housing units that have been acquired or developed in the year as a proportion of total social housing units owned at period end. The Shrewsbury Road development was not completed until June 2024 and is not considered new supply in the context of this metric.
- ▶ Metric 2b – New supply delivered 0% (2023: 0%): This metric sets out the number of new non-social housing units that have been acquired or developed in the year as a proportion of total social housing units and non-social housing units owned at period end.
- ▶ Metric 3 – Gearing %: This metric looks at housing property assets and the degree of dependence on debt finance. The ratio is a negative -33.0% (2023: -30.7%) as at the balance sheet dates, the Charitable Company's cash and cash equivalents continued to be greater than debt finance.
- ▶ Metric 4 – Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included (EBITDA MRI) Interest Cover %: The EBITDA MRI interest cover measure is a key indicator for liquidity and investment capacity. It seeks to measure the level of surplus that a registered provider generates compared to interest payable; the measure avoids any distortions stemming from the depreciation charge. The ratio is 570% (2023: 1,137%) which again demonstrates the Charitable Company's low reliance on finance.
- ▶ Metric 5 – Headline social housing cost per unit: The unit cost metric assesses the headline social housing cost per unit as defined by the regulator. The cost per unit is £13,558 (2023: £11,019). The per unit cost level of expenditure is reflective of the small size of our properties relative to other providers.
- ▶ Metric 6 – Operating margin %: The Operating Margin demonstrates the profitability of operating assets before exceptional expenses are taken into account. The operating margin (social housing lettings only) was 14.8% (2023: 24.8%) and the operating margin (overall) was 6.1% (2023: 7.2%). The difference between the two measures reflects the varied services provided by the Charitable Company achieving different margins. The 2022/23 social housing operating margin is distorted by charitable grants received and excluding the impact of these would be 16.8%.
- ▶ Metric 7 – Return on capital employed (ROCE) %: This metric compares the operating surplus to total assets less current liabilities and is a common measure in the commercial sector to assess the efficient investment of capital resources. The ratio is 3.5% (2023: 4.4%).

3.0 Report of the Trustees (incorporating the strategic report)/Continued

Structure, governance and management

Legal status

The YMCA East Surrey is an incorporated Association and is affiliated to the National Council of YMCAs in England (charity number 212810).

YMCA East Surrey is a company limited by guarantee, incorporated on 19 February 1999 and registered as a charity on 9 April 1999. The company and charity registration numbers are shown on page 1. The governing documents are the Memorandum and Articles of Association. On the 21 October 2014, the Charitable Company changed its name from Reigate and Redhill YMCA to YMCA East Surrey to better reflect its expanding services across the local area. On 1 August 2017, the Charitable Company became a non-profit private registered provider of social housing (registered provider).

Trustees, as corporate members, guarantee to contribute an amount not exceeding £1 to the assets of the Charitable Company in the event of winding up.

Code of governance

The Board is committed to delivering best practice in all aspects of governance and the Trustees have adopted the Charity Governance Code for Larger Charities. The Governance and Risk Committee is monitoring a small number of actions where current governance falls short of the code requirements.

Annual review of governance and financial viability standard

The Finance and Resources Committee undertakes an annual assessment of compliance with the standard and considers the Charitable Company to be compliant with the provisions of the standard.

Organisation

The Trustees are directors for the purpose of company law as well as trustees for the purpose of charity law. They are responsible for the governance of the Charitable Company and delegate the day-to-day management to the Chief Executive and his management team. The Board of Management meets on a quarterly basis, or more often if required.

Following a review of delegated authorities during the course of the year, the Board now delegates authority to two principal Board Committees, the Finance and Resources Committee and the Governance and Risk Committee. The chairs of these committees report to the Board quarterly.

The Finance and Resources Committee meets 9 times a year and provides oversight of management, financial and performance reporting, financial control and the audit process, human resources and remuneration, IT and infrastructure, treasury matters and reserves management. It also monitors progress with the Strategy and considers strategic initiatives.

The Governance and Risk Committee meets quarterly. It provides oversight of governance, risk management, incident reporting and management and compliance matters.

There are also Advisory Groups for each of Children and Young People, Housing and Health and Wellbeing established to enable the Charitable Company to understand the changing needs of our communities and to compare or benchmark our performance with other similar organisations. The Advisory Groups are chaired by a Trustee (who regularly reports back to the Board) and have a membership made up of trustees, management and external parties.

Appointment, induction and training of Trustees

Trustees are appointed at the AGM to serve a period of 3 years. One third of the Trustees retire each year by rotation and are eligible for re-appointment at each AGM. If it is agreed that a Trustee will serve for more than nine years, then it is subject to a particularly rigorous review and takes into account the need for progressive refreshing of the Board, and their re-appointment is explained in that year's Report of the Trustees. The Board of Management has power to co-opt additional members and fill casual vacancies. It is the aim of the Board of Management to attract new Trustees with suitable skills who themselves may be drawn from the various user groups. The aim is to have well-balanced and appropriately qualified Trustees.

3.0 Report of the Trustees (incorporating the strategic report)/Continued

All Trustees undertake inductions and on-going training to ensure that they quickly become effective and are aware of developments in corporate and charity governance. Every new Trustee is issued with a copy of a comprehensive Trustees' Handbook together with key documents including the Charitable Company's Memorandum and Articles and the latest audited Financial Statements. They are also offered induction opportunities with staff and other Trustees and are briefed about the various services provided by YMCA East Surrey.

There is also an annual Away Day where the Trustees and the Senior Management Team meet to discuss the future direction of the Charitable Company and to deliver any necessary training and updates.

Pay policy for senior staff

Key personnel in charge of directing and controlling, running and operating the Charity are deemed to be the Board of Management and the Senior Management Team. The Senior Management Team comprises the Chief Executive, The Deputy Chief Executive and Head of Children and Young People, the Head of Housing, the Head of Finance and the Head of Central Services.

The pay of the Senior Management Team is reviewed annually and salary increases will be recommended by the Chief Executive and approved by the Finance and Resources Committee. Pay for the Chief Executive is also set annually by the Remuneration Committee.

The Trustees give their time and expertise freely and receive no reimbursement for expenses.

Details of related party transactions are set out in Note 19.

Risk management

The Charitable Company maintains a comprehensive risk management framework to ensure the effective management of all risk types that could affect the charity's ability to achieve its objectives. A formal risk register is maintained by the Senior Management Team to record and assess identified risks in accordance with the Charitable Company's Risk Policy, including an assessment of mitigating policies and procedures. The Trustees regularly review the principal risks and uncertainties that the Charitable Company faces and the overall effectiveness of the risk management framework.

This review has identified the following key risks:

- ▶ **Accidental death or life-changing accident.** The Charitable Company has in place risk assessments and health & safety measures along with stringent safeguarding policies to reduce this risk. Regular training is provided on policies and procedures – which are robustly enforced. The Charitable Company reviews accident and incident reports regularly to amend measures as necessary.
- ▶ **Abduction, loss or abuse of a child or vulnerable adult.** The Charitable Company has robust safeguarding policies, procedures, regulatory checks and training in place to mitigate this risk. A reporting and incident management system ensures the effective management of incidents and informs the development of mitigating procedures and focused training.
- ▶ **A sudden significant funding reduction.** The Charitable Company works closely with local authorities, NHS Trusts and other commissioning bodies to ensure that service delivery is aligned to both current and future requirements and to enable sensible planning for changes in those requirements. We also actively seek new sources of funding in order to dilute this risk.
- ▶ **Failure to attract and retain appropriately skilled resources.** The charity sector is seeing significant competition for resources both from within the sector and externally. The Board and Senior Management Team continuously consider what additional steps can be taken to attract and retain resources – cognisant of the cost but conscious of the detrimental impact of unfilled vacancies and raised staff turnover.
- ▶ **Inflationary pressures.** Whilst this risk is dissipating, the Board and the Senior Management Team continue to focus on managing inflationary pressures – taking steps to limit the impact of increases to the overall cost base and managing the impact from longer term contracts where income might not grow in line with underlying service delivery costs.

3.0 Report of the Trustees (incorporating the strategic report)/Continued

- ▶ **Cyber-attack.** Cybercrime is a significant and evolving threat to the charity sector. The Charitable Company outsources its IT function and adopts cloud-based technologies to help mitigate this risk. Prevention is still critical with an ongoing focus on training and awareness and getting the basics right.
- ▶ **Balancing growth in services with matching infrastructure and support.** The Charitable Company has seen some considerable growth in services in recent years and whilst this is in line with the Strategic Plan there is potential to put a strain on underlying systems and resources. The Board and the Senior Management Team are cognisant of this and have put in place additional steps to monitor this and augment processes and people where required.

Fundraising

The Charitable Company raises funds in a number of ways as set out below:

- ▶ Applying for grant funding
- ▶ Challenge events
- ▶ Corporate and individual donations
- ▶ Provision of paid services

The Charitable Company does not use any commercial participators/professional fundraisers and all monitoring of fundraising is carried out internally. Whilst the Charitable Company has currently not signed up to any recognised fundraising standards, it has a full and detailed Fundraising Policy. This policy helps to ensure that the Charitable Company is protecting the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate and it specifically references:

- ▶ Personal information provided to the Charitable Company is kept confidential and will not be sold, rented, or given to anyone without consent
- ▶ No cold calling or door to door solicitation of the public is allowed

Plans for the future

The immediate priorities for the Charitable Company are to continue with initiatives aligned to the strategic priorities for 2027. These include:

Providing more housing for young people with the opening of our latest “move on” property at Shrewsbury Road in Redhill and prioritising further housing development in support of our strategic aim to deliver 100+ housing units by 2027.

Further development at our Princes Road site with funding from the Community Infrastructure Levy to enable us to deliver more services particularly in support of inclusive sport and to help improve our environmental footprint.

Delivery of newly contracted Family Centre and Family Resilience services for Reigate and Banstead and Mole Valley.

Initiatives focused on improving our environmental impact, leveraging the tremendous value that our volunteers bring and enhancing our approach to inclusivity.

In addition, as reported in the Chief Executive’s report, on 28th June 2024 the Charitable Company completed a merger with Land and City Family Trust (LCFT) – a charity with objectives compatible with those of YMCA East Surrey. As part of that merger, YMCA East Surrey acquired the net assets of LCFT - which included a property, the Old Pheasantry in Reigate - for nil consideration.

Trustees’ responsibilities for the Report and Financial Statements

The Trustees (who are also directors of YMCA East Surrey for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law and registered social housing legislation requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charitable Company and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Company for that period.

3.0 Report of the Trustees (incorporating the strategic report)/Continued

In preparing these financial statements, the Trustees are required to:

- ▶ Select suitable accounting policies and then apply them consistently
- ▶ Observe the methods and principles in the Housing Statement of Recommended Practice 2018 (SORP)
- ▶ 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; and
- ▶ Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006, The Housing Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

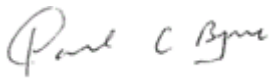
In so far as the Trustees are aware:

- ▶ There is no relevant audit information of which the Charitable Company's auditor is unaware and
- ▶ The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to reappoint Crowe UK LLP as auditor will be put to the members at the Annual General Meeting.

By order of the Board on



Paul Byrne

Chairman

25th September 2024

4.0 Independent Auditor's Report to the Members of YMCA East Surrey

Opinion

We have audited the financial statements of YMCA East Surrey (the charitable company) for the year ended 31 March 2024 which comprise the Statement of comprehensive income, the Statement of changes in reserves, the Statement of financial position, the Statement of cash flows and notes to the financial statements, including 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 2024 and of the income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing from April 2022.

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the 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 contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 or the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion adequate accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or

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

4.0 Independent Auditor's Report to the Members of YMCA East Surrey (Continued)

Responsibilities of the Board

As explained more fully in the Trustee's responsibilities statement set out on page 16, the Board is 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 Trustee's 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011, the Housing and Regeneration Act 2008, together with the Housing SORP. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within charitable company for fraud. The laws and regulations we considered in this context for the UK operations were requirements imposed by the Regulator of Social Housing and the Charity Commission, General Data Protection Regulations, health and safety legislation and employment legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, the Finance Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, analytical review and sample testing of income, reviewing accounting estimates for biases, reviewing regulatory correspondence with Social Housing Regulator and the Charity Commission and OFSTED inspection reports, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

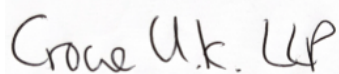
These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

4.0 Independent Auditor's Report to the Members of YMCA East Surrey (Continued)

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.

A handwritten signature in black ink that reads "Crowe U.K. LLP". The signature is written in a cursive, slightly slanted style.

Crowe U.K. LLP

Statutory Auditor
55 Ludgate Hill

London

EC4M 7JW

26.09.2024

5.0 Statement of comprehensive income for the year ended 31 March 2024

	Notes	2024 £	2023 £
Turnover	1	6,702,144	6,020,464
Operating expenditure	1	(6,296,130)	(5,588,011)
Operating surplus	2	406,014	432,453
Interest and dividends receivable	3	37,088	7,869
Interest and financing costs	4	(110,911)	(59,308)
Movement in fair value of financial instruments	10	74,255	(5,481)
Surplus and total comprehensive income for the year		406,446	375,533

All income arises from continuing activities of the charitable company. The charitable company had no recognised gains or losses other than those dealt with in the Statement of comprehensive income.

The accounting policies and notes on pages 24 to 37 form an integral part of these accounts.

6.0 Statement of changes in Reserves for the year ended 31 March 2024

	Notes	Restricted reserves	Unrestricted reserves	Total
		£	£	£
Balance at 1 April 2023	18	4,261,402	2,696,767	6,958,169
Surplus (Deficit) from statement of comprehensive income		(22,083)	428,529	406,446
Balance at 31 March 2024	18	<u>4,239,319</u>	<u>3,125,296</u>	<u>7,364,615</u>
Balance at 1 April 2022	18	4,268,129	2,314,507	6,582,636
Surplus (Deficit) from statement of comprehensive income		(6,727)	382,260	375,533
Balance at 31 March 2023	18	<u>4,261,402</u>	<u>2,696,767</u>	<u>6,958,169</u>

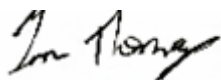
The accounting policies and notes on page 24 to 37 form an integral part of these accounts

7.0 Statement of financial position as at 31 March 2024

Company registration number: 03716594

	Notes	2024 £	2023 £
Fixed assets			
Tangible fixed assets – housing properties	7	4,577,072	3,631,941
Tangible fixed assets – other	8	3,771,685	3,775,582
Investments	9	684,276	610,021
Total fixed assets		<u>9,033,033</u>	<u>8,017,544</u>
Current assets			
Debtors	10	971,264	537,088
Cash and cash equivalents	11	3,198,568	2,514,800
Total current assets		<u>4,169,832</u>	<u>3,051,888</u>
Current liabilities			
Creditors: amounts falling due within one year	12	<u>(1,634,702)</u>	<u>(1,255,500)</u>
Net current assets		2,535,130	1,796,388
Total assets less current liabilities		<u>11,568,163</u>	<u>9,813,932</u>
Creditors: amounts falling due after more than one year	13	(4,203,549)	(2,855,763)
Total net assets		<u>7,364,615</u>	<u>6,958,169</u>
Reserves			
Restricted reserve	17	4,239,319	4,261,402
Unrestricted reserve	17	3,125,296	2,696,767
Total reserves		<u>7,364,615</u>	<u>6,958,169</u>

The financial statements on pages 20 to 37 were approved by the Board of Management and authorised for issue on 25th September 2024 and are signed on its behalf by:



Ian Thomas
Treasurer

The accounting policies and notes on pages 24 to 37 form an integral part of these accounts.

8.0 Statement of cash flows as at 31 March 2024

	Notes	2024 £	2023 £
Cash flows from operating activities			
Surplus/(deficit) for the financial year		406,446	375,533
Movement in fair value of financial instruments		(74,255)	5,481
Depreciation charges		217,681	259,841
Loss on fixed asset disposals		-	-
Dividends and interest received		(37,088)	(7,869)
Interest paid		110,911	59,307
(Increase)/decrease in debtors		(434,177)	(83,588)
Increase/(decrease) in creditors		329,818	(23,328)
Increase/(decrease) in pension provision		(99,420)	(7,689)
Net cash generated from operating activities		<u>419,916</u>	<u>577,688</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,158,915)	(38,345)
Government grants received		1,210,539	150,000
Proceeds from sale of investments		-	-
Interest and dividends received		37,088	7,869
Net cash provided by investing activities		<u>88,712</u>	<u>119,524</u>
Cash flows from financing activities			
Interest paid		(110,911)	(59,307)
New secured loans		350,000	-
Repayment of borrowings		(63,949)	(49,089)
Net cash provided by/(used by) financing activities		<u>175,140</u>	<u>(108,396)</u>
Net change in cash and cash equivalents			
		683,768	588,817
Cash and cash equivalents at beginning of the year	11	<u>2,514,800</u>	<u>1,925,983</u>
Cash and cash equivalents at end of the year	11	<u>3,198,568</u>	<u>2,514,800</u>

The accounting policies and notes on pages 24 to 37 form an integral part of these accounts

9.0 Accounting policies for the year ended 31 March 2024

Legal status

YMCA East Surrey is a company limited by guarantee and is an English-registered social housing provider, charity and public benefit entity. The liability of its members is limited to £1 each in the event of a deficiency arising on the winding up of the Charity.

It is also registered as a charity and has received dispensation to omit the word "Limited" from its title.

The principal address is YMCA Sports and Community Centre, Princes Road, Redhill, Surrey, RH1 6JJ.

The Charitable Company's principal activities and nature of the Charitable Company's operations are included in the Report of the Trustees.

Basis of preparation

The financial statements have been prepared in accordance with the Housing Statement of Recommended Practice 2018, the Accounting Direction for Private Registered Providers of Social Housing (issued by the Regulator of Social Housing in 2022), the Housing Regeneration Act 2008, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the requirements of Companies Act 2006.

The financial statements have been prepared on the historical cost basis of accounting with the exception of investment at market value and on the going concern basis.

Judgements and key sources of estimation uncertainty are set out within note n) of the Accounting Policies.

The Charitable Company meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

Preparation of the accounts on a going concern basis

The Charitable Company's financial activities, its current financial position and factors likely to affect its future development are set out within the Report of the Chief Executive and the Report of the Trustees. On this basis, the Board of Management has a reasonable expectation that the Charitable Company has adequate resources to continue in operational existence for the foreseeable future, being a period of twelve months after the date on which the Report and Financial Statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

Principal Accounting Policies

A summary of the principal accounting policies is set out below.

a) Turnover

Turnover, excluding VAT, is recognised in the Statement of comprehensive income as follows:

- ▶ Donations are accounted for when received
- ▶ Government grants are accounted for on an accruals basis, being credited to the Statement of comprehensive income in the same period as the expenditure to which they relate
- ▶ Grants from non-government sources are recognised using the performance model. Grants are recognised as and when the associated performance conditions are met.
- ▶ Fees and subscriptions are accounted for on an accruals basis
- ▶ Social housing rental income is accounted for on an accruals basis
- ▶ Income from remaining trading activities is accounted for on an accruals basis
- ▶ Investment income is accounted for when receivable

b) Donated services and facilities

Volunteer time is not recognised, please refer to the Report of the Chief Executive for more information about their contribution.

c) Expenditure

Expenditure is included in the Statement of comprehensive income on an accruals basis, inclusive of any VAT if it cannot be recovered. Liabilities are included as provisions once the Charity has a legal or constructive obligation to make future payments.

Expenditure has been classified under the heading that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Support and other central costs have been apportioned to each activity on the basis of turnover.

d) Freehold property and depreciation

The Charity separately identifies the major components that comprise its freehold properties, and charges depreciation, so as to write down the cost of each component to its residual value, on a straight line basis, over its estimated useful economic life.

The Charity depreciates the major components of its housing properties at the following annual rates:

<u>Component</u>	<u>Useful economic life</u>
Land	Infinite
Structure	100 years
Roof	70 years
Windows and doors	30 years
Boilers	15 years
Kitchens	20 years
Bathrooms	30 years
Mechanical systems	30 years
Electrics	40 years
Lifts	20 years

e) Other tangible fixed assets and depreciation

Tangible assets with a value greater than £1,000 are capitalised at cost, being their purchase cost, together with any incidental expenses at acquisition, in the Statement of financial position. Assets below this level are treated as expenditure and are included in the Statement of comprehensive income in the year the expenditure is incurred.

Depreciation is provided on all other tangible fixed assets, so as to write down the cost of each component to its residual value, on a straight line basis, over its estimated useful economic life at the following rates:

<u>Component</u>	<u>Useful economic life</u>
Leasehold buildings	Over the term of the lease
Sports equipment	4 years
Other equipment	3 to 4 years

f) Pension contributions

YMCA East Surrey participated in a multi-employer defined benefit pension plan ("the Plan") for employees of YMCAs in England, Scotland and Wales, which was closed to new members and accruals on 30 April 2007. Due to insufficient information, the Plan's actuary has advised that it is not possible to separately identify the assets and liabilities relating to YMCA East Surrey. As such the Plan has been accounted for as a defined contribution plan. YMCA East Surrey has a contractual obligation to make pension deficit payments as part of the Plan's recovery plan. This liability has been recognised, and any year on year changes are charged/credited to the Statement of Comprehensive Income. The liability is payable over a period of years and is discounted to a net present value using a discount rate based on the yield available on high quality corporate bonds as at the reporting date. In addition, YMCA East Surrey is also required to contribute to the operating expenses of the Plan. These costs are charged to the Statement of Comprehensive Income as made. YMCA East Surrey also operates two defined contribution pension schemes, The Scottish Widows Scheme for Managers and The People's Pension Scheme which is available to all current staff. The amount charged to the Statement of Comprehensive Income represents contributions payable in respect of services rendered in the period. YMCA East Surrey also contributes to the Local Government Scheme Pension Scheme for employees who were subject to a TUPE transfer from Surrey County Council. This is a defined benefit scheme. Provision has been made for the required contribution levels during the year.

g) Operating leases

Rentals applicable to operating leases are charged to the Statement of comprehensive income over the period in which the cost is incurred on a straight line basis.

h) Fund Accounting

Funds held by the Charity are either:

Unrestricted general funds - are available for use at the discretion of the trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes

Unrestricted designated funds – have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements

Restricted funds - are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charitable Company for specific purposes. The cost of raising and administering such funds are charged against the specific fund and set out in the notes to the financial statements.

- i) Investments
All investments are carried at their fair value. Investments are all traded in quoted public markets. The basis of the fair value for quoted investments is equivalent to the market value, using their bid price. Asset purchases are recognised at the date of trade at cost (that is their transaction value).
- j) Financial Instruments
The Charitable Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.
Financial assets and financial liabilities are recognised when the Charitable Company becomes a party to the contractual provisions of the instrument, and are offset only when the Charitable Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.
Derecognition of financial assets and liabilities
A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.
- k) Debtors
Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.
A provision for impairment of trade debtors is established when there is evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in the Statement of comprehensive income.
- l) Cash at bank
Includes cash and short-term highly liquid investments with a short maturity of three months, or less.
- m) Creditors, provisions and borrowings
Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.
Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.
Public benefit concessionary loans are recognised at the amount received by the Charity.
Deferred income represents Government grants at the value received which are then released to the Statement of comprehensive income in the same period as the expenditure to which they relate.
- n) Judgements and key sources of estimation uncertainty
In the application of the Charitable Company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.
The estimates and underlying assumptions are reviewed on an ongoing basis. Revision of accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.
The following are deemed to be the key judgements within the financial statements:
- ▶ Tangible fixed assets – depreciation is charged on tangible fixed asset components over their estimated useful economic lives, taking into account any residual value if appropriate. The actual lives of the assets and their residual values are assessed annually and may vary depending on a number of assumptions
 - ▶ Pension benefits – the cost of defined benefit pension plans and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty
 - ▶ Impairment of fixed assets – the carrying amounts of property, plant and equipment are reviewed at each reporting date or whenever events or changes in circumstances indicate that the carrying amount of an asset may be impaired. The recoverable amount of an asset is estimated as the higher of fair value less cost of disposal and the value in use, with an impairment charge being recognised whenever the carrying amount exceeds the recoverable amount.

10.0 Notes to the financial statements for the year ended 31 March 2024

Turnover, operating expenditure and operating surplus

Year ended 31 March 2024:

	Turnover £	Operating expenditure £	Operating surplus / (deficit) £
Social housing			
Rent	328,140	(328,713)	(573)
Service charges	605,742	(606,799)	(1,057)
Supported housing grants	624,824	(391,036)	233,788
Social housing grants	20,430	(18,708)	1,722
Total social housing	1,579,136	(1,345,256)	233,880
Non-social housing	234,860	(193,673)	41,187
Total housing	1,813,996	(1,538,929)	275,067
Non-housing			
Childcare and children's activities	1,060,911	(1,042,717)	18,194
Family and youth services	506,423	(570,870)	(64,447)
Inclusive services	995,439	(957,311)	38,128
Emotional wellbeing	1,326,608	(1,253,916)	72,692
Total Children & young people	3,889,381	(3,824,814)	64,567
Health and wellbeing	782,861	(797,283)	(14,422)
Other activities	215,906	(135,104)	80,802
Total non-housing	4,888,148	(4,757,201)	130,947
Total	6,702,144	(6,296,130)	406,014

Year ended 31 March 2023:

	Turnover £	Operating expenditure £	Operating surplus / (deficit) £
Social housing			
Rent	306,902	(272,532)	34,370
Service charges	549,283	(487,768)	61,515
Supported housing grants	623,783	(422,339)	201,444
Social housing grants	150,086	(42,821)	107,265
Total social housing	1,630,054	(1,225,460)	404,594
Non-social housing	245,627	(141,635)	103,992
Total housing	1,875,681	(1,367,095)	508,586
Non-housing			
Childcare and children's activities	869,691	(885,463)	(15,772)
Family and youth services	496,928	(505,819)	(8,891)
Inclusive services	835,475	(921,821)	(86,346)
Emotional wellbeing	1,217,011	(1,174,964)	42,047
Total Children & young people	3,419,105	(3,488,067)	(68,962)
Health and wellbeing	588,034	(628,834)	(40,800)
Other activities	137,644	(104,015)	33,629
Total non-housing	4,144,783	(4,220,916)	(76,133)
Total	6,020,464	(5,588,011)	432,453

1	Turnover, operating expenditure and operating surplus (continued)		
		2024	2023
		£	£
	Void losses: notional calculation of income lost from vacant rooms	16,357	19,515
	Number of registered accommodation units – supported housing	69	69
2	Operating surplus		
		2024	2023
		£	£
	The operating surplus is arrived at after charging:		
	Depreciation of owned assets	179,814	217,646
	Depreciation of leasehold assets	37,867	42,195
	Auditor’s Remuneration – Audit fees:	24,800	32,903
	Operating leases	24,881	36,869
3	Interest and dividends receivable		
		2024	2023
		£	£
	Dividends on listed investments	-	-
	Bank deposit interest	37,088	7,869
		37,088	7,869
4	Interest and financing costs		
		2024	2023
		£	£
	Loan interest payable	110,911	59,308
5	Staff costs		
		2024	2023
		£	£
	Wages and salaries	3,811,876	3,371,726
	Social security costs	275,280	241,621
	Pension costs	125,494	110,214
		4,212,650	3,723,561
	During the year the charity spent £1,274 on termination payments (2023: £nil).		
	The trustees received no remuneration or reimbursement of expenses during the year.		
	The full-time equivalent number of staff during the year was as follows:	2024	2023
		No.	No.
	Health and wellbeing	15	15
	Children’s services	58	60
	Housing	21	20
	Support	15	15
	Total	109	110
	The average headcount during the year was as follows:		
	Total	235	226

The number of higher-paid employees who received emoluments in the following bands was:

	2024	2023
£60,000-£70,000	2	1
£70,000-£80,000	-	-
£80,000-£90,000	-	-
£90,000-£100,000	1	1

Key management personnel in charge of directing and controlling, running and operating the Charity are deemed to be the Board of Management and the Senior Management Team. The Senior Management Team comprises the Chief Executive and the 4 (2023: four) Heads of Service. The total employee benefits of the key management personnel of the Charitable Company were:

	2024	2023
	£	£
Salaries and pension costs	344,938	323,639
Social security costs	36,475	35,848
	<u>381,413</u>	<u>359,487</u>

The salary received by the highest-paid executive staff member (the Chief Executive) was:

	2024	2023
	£	£
Salary	<u>92,862</u>	<u>86,786</u>

Contributions to the Scottish Widows defined contribution pension scheme on behalf of the Chief Executive were £6,500 (2022: £6,097).

6 **Taxation**

The Charitable Company is a registered charity and, as such, its income and gains falling within Sections 471 to 489 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 are exempt from corporation tax to the extent that they are applied to its charitable objectives.

7 **Tangible fixed assets – Housing properties**

	Social housing properties held for letting	Total
	£	£
Cost:		
At 1 April 2023	3,815,072	3,815,072
Additions	996,360	996,360
Disposals	-	-
At 31 March 2024	<u>4,811,432</u>	<u>4,811,432</u>
Depreciation:		
At 1 April 2023	183,131	183,131
Charge	51,229	51,229
Disposals	-	-
At 31 March 2024	<u>234,360</u>	<u>234,360</u>
Net book value:		
At 31 March 2024	<u>4,577,072</u>	<u>4,577,072</u>
At 31 March 2023	<u>3,631,941</u>	<u>3,631,941</u>

All social housing properties are freehold.

Total amounts received for year ending 31 March 2024

	2024	2023
	£	£
Capital grants	399,000	150,000
	<u>399,000</u>	<u>150,000</u>

8

Tangible fixed assets – other

	Freehold land and buildings	Leasehold land and buildings	Sports Equipment	Other Equipment	Total
	£	£	£	£	£
Cost:					
At 1 April 2023	3,676,665	904,777	430,637	825,913	5,837,992
Additions	-	-	4,795	157,760	162,555
Disposals	-	-	-	-	-
At 31 March 2024	<u>3,676,665</u>	<u>904,777</u>	<u>435,432</u>	<u>983,673</u>	<u>6,000,547</u>
Depreciation:					
At 1 April 2023	437,328	535,574	348,442	741,066	2,062,410
Charge	55,913	37,867	35,135	37,537	166,652
Disposals	-	-	-	-	-
At 31 March 2024	<u>493,241</u>	<u>573,441</u>	<u>383,577</u>	<u>778,603</u>	<u>2,228,862</u>
Net book value:					
At 31 March 2024	<u>3,183,424</u>	<u>331,336</u>	<u>51,855</u>	<u>205,070</u>	<u>3,771,685</u>
At 31 March 2023	<u>3,239,337</u>	<u>369,203</u>	<u>82,195</u>	<u>84,847</u>	<u>3,775,582</u>

9	Investments		
	Movement in fixed asset listed investments	2024	2023
		£	£
	Market value at 1 April 2023	610,021	615,502
	Additions to investments at cost	-	-
	Disposal of investments at cost	-	-
	Net gain (loss) on investments	74,255	(5,481)
	Market value at 31 March 2024	<u>684,276</u>	<u>610,021</u>
10	Debtors	2024	2023
		£	£
	Rent arrears	33,909	55,351
	Less: provision for doubtful debt	(8,003)	(8,003)
		<u>25,906</u>	<u>47,348</u>
	Prepayments	105,544	84,743
	Project funding debtors	411,979	184,130
	Other debtors	427,835	220,867
		<u>971,264</u>	<u>537,088</u>
11	Cash at bank and in hand	2024	2023
		£	£
	Deposit accounts	1,444,086	1,032,206
	Current account	1,729,999	1,466,932
	Cash	24,483	15,662
		<u>3,198,568</u>	<u>2,514,800</u>
12	Creditors: amounts falling due within one year	2024	2023
		£	£
	Bank loans (Note 14)	78,484	57,530
	Trade creditors	243,447	149,063
	Accruals	177,992	150,963
	Income received in advance	939,108	727,054
	Taxation and social security	65,016	55,522
	Other creditors	80,511	65,239
	Deferred capital grants (Note 15)	33,588	33,588
	Accrued pension deficit contributions (Note 16)	16,556	16,541
		<u>1,634,702</u>	<u>1,255,500</u>

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

	2024	2023
	£	£
Bank and other loans (Note 14)	1,608,261	1,343,164
Deferred capital grants (Note 15)	2,558,178	1,376,054
Accrued pension deficit contributions (Note 16)	37,110	136,545
	<u>4,203,549</u>	<u>2,855,763</u>

14 **Bank and other loans**

	2024	2023
	£	£
Secured:		
In one year or less	78,484	57,530
In more than one year, but not more than two years	84,895	61,058
In more than two years, but not more than five years	292,631	210,038
In more than five years	1,230,735	1,072,068
	<u>1,686,745</u>	<u>1,400,694</u>

£152,250 was borrowed from Barclays in 2014 at a fixed rate of 5.73% until 30 June 2021 and thereafter at a variable rate of 3.25% over the bank's base rate and is repayable over a 15-year term. This loan is secured by a legal charge over the property at 57 Lynwood Road, Redhill.

£989,340 was borrowed from Barclays in 2017 at a rate of 1.6% over the bank's base rate with a 25-year repayment profile. In November 2022 £812,000 was re-financed with Barclays at a rate of 2.10% over the bank's base rate. The loan has a 15-year repayment profile. This loan is secured by a legal charge over the property on Brighton Road, Redhill and a floating charge over the company assets.

£150,000 was borrowed from the Methodist Church in March 2019, this is a public benefit concessionary loan and is interest-free and repayable at the end of the 15-year term. The loan is secured by a legal charge over the property at 200 London Road, Merstham

£400,000 was borrowed from Barclays in 2021 at a rate of 2.5% over the bank's base rate. The loan has a 15-year repayment. The loan is secured by a legal charge over the property on Massetts Road, Horley.

£350,000 was borrowed from Barclays in August 2023 at a rate of 2.250% over the bank's base rate. The loan has a 15 year repayment profile This loan is secured by a legal charge over the property on Shrewsbury Road, Redhill

15 **Deferred Capital Grants**

	Grant at cost	Amortisation	Total net grant
	£	£	£
As at 1 April 2023	1,465,535	(55,893)	1,409,642
Grants received in year	1,219,539	-	1,219,539
Amortisation	-	(28,415)	(28,415)
As At 31 March 2024	<u>2,676,074</u>	<u>(84,308)</u>	<u>2,591,766</u>

Accrued pension deficit contributions

YMCA East Surrey participated in a multi-employer contributory pension plan providing defined benefits based on final pensionable pay for employees of YMCAs in England, Scotland and Wales. 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 of 1 May 2011.

Due to insufficient information, the Plan's actuary has advised that it is not possible to separately identify the assets and liabilities relating to YMCA East Surrey. As such the Plan has been accounted for as a defined contribution plan. The assets of the YMCA Pension Plan are held separately from those of YMCA East Surrey.

The most recent completed three year valuation was as at 1 May 2023. 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 of 4.56%, the increase in pensions in payment of 3.18% (for RPI capped at 5% p.a.), and the average life expectancy from normal retirement age (of 65) for a current male pensioner of 21.5 years, female 24. years, and 23.1 years for a male pensioner, female 25.7 years, retiring in 20 years' time. The result of the valuation showed that the actuarial value of the assets was £103.2m and the actuarial value of the liabilities £112.4m, resulting in a plan deficit of £9.2m. This is a reduction compared to the previous valuation as at 1 May 2020 which showed a deficit of £38.7m.

The improved funding levels have resulted in a reduction to the deficit reduction contributions required from the individual YMCAs. The YMCA East Surrey has been advised that, it will need to make annual contributions of £19,186 from 1 May 2024 through until 30 April 2027. This amount is based on the current actuarial assumptions (as outlined above) and may vary in the future as a result of the actual performance of the Pension Plan. The current recovery period is three years. The previous recovery plan based on the actuarial valuation as at 1 May 2020 required annual payments of £23,898 from 1 May 2023, escalating at 3% a year, for six years until 30 April 2029. The YMCA East Surrey will also have to contribute £6,115 in respect of the Plan's expenses in 2024/25. In the financial year ended 31 March 2023 the contribution to expenses was £5,648.

The accrued pension deficit contributions as at 31 March 2024 and the movements during the year are as follows:

Accrued pension deficit	2024	2023
	£	£
As at 1 April 2023 (2022)	153,086	160,774
(Credited) /charged to Statement of Comprehensive income	(75,577)	15,220
Payments made	(23,843)	(22,908)
As at 31 March 2024(2023)	<u>53,666</u>	<u>153,086</u>

These amounts are payable by year as below:

Payable by instalments	2024	2023
	£	£
Within one year	19,186	23,843
One to two years	19,186	24,556
Two to five years	20,785	78,184
After five years	-	58,483
Discount benefit	(5,491)	(31,983)
Total	<u>53,666</u>	<u>153,086</u>

The liability is discounted using the yield available on high quality UK corporate bonds as at the reporting date. The discount rate used is 4.93% (2023: 4.77%)

In addition, YMCA East Surrey may over time have 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 East Surrey may be called upon to pay in the future.

The YMCA East Surrey also operates two defined contribution pension schemes for the benefit of its current employees. The assets of these schemes are also held separately from the assets of the YMCA East Surrey and contributions are charged to the Statement of Comprehensive Income as they fall due.

17 **Analysis of reserves**

	At 1 April 2023	Income	Expenditure	At 31 March 2024
	£	£	£	£
Development capital	990,105	-	11,046	979,059
Sovereign capital	369,201	-	37,867	331,334
Sovereign centre	123,295	-	-	123,295
Lynwood Road Move-on	282,745	-	4,041	278,704
Inclusive sports facility	1,752,859	1,883	36,963	1,717,779
London Road Move-on	284,915	10,658	14,430	281,143
Hillbrook capital	67,735	-	1,964	65,771
Masset's Road	128,366	12,286	13,967	126,685
Gym equipment	32,727	-	16,364	16,363
Horley family centre	-	2,605	2,605	-
Health and wellbeing	24,153	155,013	155,013	24,153
Housing	192,918	230,045	181,403	241,560
Children's services	3,134	140,597	138,484	5,247
Youth services	5,240	255,645	212,659	48,226
Inclusive services	4,009	102,139	106,148	-
Emotional wellbeing	-	121,805	121,805	-
Total restricted reserves	4,261,402	1,032,676	1,054,759	4,239,319
Unrestricted reserves:				
- General	1,952,186	5,650,275	5,344,377	2,258,084
- Designated	744,581	130,536	7,905	867,212
Total reserves	<u>6,958,169</u>	<u>6,813,487</u>	<u>6,407,041</u>	<u>7,364,615</u>

General reserves are the 'free reserves' after allowing for all designated reserves
The designated reserves have arisen from Challenge events and represents monies received in relation to the capital costs of the new facility completed in December 2018 at the Princes Road site and supports the work of other projects within the charity.

17 Analysis of reserves cont.)

	At 1 April 2022	Income	Expenditure	At 31 March 2023
	£	£	£	£
Development capital	1,001,151	-	11,046	990,105
Sovereign capital	411,396	-	42,195	369,201
Sovereign centre	123,295	-	-	123,295
Lynwood Road Move-on	286,786	-	4,041	282,745
Inclusive sports facility	1,789,355	1,883	38,379	1,752,859
London Road Move-on	288,686	11,627	15,398	284,915
Hillbrook capital	69,699	-	1,964	67,735
Massetts Road	-	141,942	13,576	128,366
Gym equipment	49,091	-	16,364	32,727
Horley family centre	-	30,241	30,241	-
Health and wellbeing	24,153	119,084	119,084	24,153
Housing	178,906	214,719	200,707	192,918
Children's services	18,987	116,869	132,722	3,134
Youth services	5,240	232,145	232,145	5,240
Inclusive services	5,159	59,038	60,188	4,009
Emotional wellbeing	16,225	128,004	144,229	-
Total restricted reserves	4,268,129	1,055,552	1,062,279	4,261,402
Unrestricted reserves:				
- General	1,678,818	4,850,504	4,577,136	1,952,186
- Designated	635,689	116,797	7,905	744,581
Total reserves	6,582,636	6,022,853	5,647,320	6,958,169

18 **Restricted reserves**

The Development capital reserve is held to provide premises for the YMCA East Surrey. It is invested in the freehold land and buildings at Princes Road occupied by YMCA and it does not generate income.

The Sovereign capital reserve holds the leasehold premises at The Sovereign Centre and does not generate income.

The Sovereign centre reserve represents funds held to maintain and enhance the facilities at the Sovereign centre and to support the YMCA's work with children and young people with disabilities.

The Lynwood Move-on holds the freehold premises at Lynwood Road and does not generate income.

The London Road Move-on holds the freehold premises at London Road and does not generate income.

The Massett's Road Move-on holds the freehold premises at Massett's Road and does not generate income.

The Inclusive sport facility reserve represents monies received in relation to the capital costs of the new facility completed in December 2018 at the Princes Road site.

Housing reserves includes bond balances totalling £82,958 (2023: £84,907) and equipment funding totalling £17,465 (2023: £17,465), for use in replacement equipment for Hillbrook House as required. There is also a further capital funding of £65,771 (2023: £69,688) in respect of funding for fixtures and fittings at Hillbrook House. The remaining balance is represented by donations and other income in relation to housing projects.

The Gym equipment reserves relates to money received in relation to new capital equipment purchased for the gym during 2021/22.

Donations and other income received in respect of Health and wellbeing, Housing, Children's services, Youth services and Horley Family Centre are shown as other restricted reserves and matched with appropriate costs.

19 **Related party transactions**

The Trustees all give freely their time and expertise without any form of remuneration or other benefit in kind (2023: £nil). Further, the Trustees have received no reimbursement of expenses during the year (2023: £nil).

There was nil outstanding with related parties as at 31 March 2024 (2023: £nil).

20 **Operating lease commitments**

At 31 March 2024, the Charitable Company had total commitments under non-cancellable operating leases for land and buildings as follows:

	2024	2023
	£	£
Within one year	24,881	36,869
Within two to five years	93,921	95,522
After five years	7,140	30,420
	<u>125,942</u>	<u>162,811</u>

21 **Capital commitments**

At the end of the year, the Charitable Company had £1,183,716 of capital commitments comprising of £233,316 remaining in relation to the development of Shrewsbury Road housing property and £950,400 in relation to the development of the site at Princes Road (which was partly funded by a grant of £737,539 from Reigate and Banstead Borough Council) (2023: £nil)

22 **Net cash**

	Current debt	Non-current debt	Cash and cash equivalents	Net cash
	£	£	£	£
At 1 April 2023	(57,530)	(1,343,164)	2,514,799	1,114,105
Movements in the year	(20,954)	(265,097)	683,769	397,718
At 31 March 2024	(78,484)	(1,608,261)	3,198,568	1,511,823
	£	£	£	£
At 1 April 2022	(859,626)	(590,158)	1,925,983	476,199
Movements in the year	802,095	(753,006)	588,816	637,906
At 31 March 2023	(57,530)	(1,343,164)	2,514,799	1,114,105

YMCA EAST SURREY

England & Wales - Charity number 1075028

Accounts

YMCA East Surrey
(A charitable company limited by guarantee)

Report and Financial Statements

for the year ended

31 March 2023



Charity Registration No: 1075028
Company Registration No: 03716594
Social Housing Provider Registration No: 4854

YMCA East Surrey

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Legal and administrative information

Directors and Trustees: Paul Byrne - Chairman
Ross Anderson (appointed 1st November 2022)
Christine Arnold (appointed 1st November 2022)
Caroline Fisher (resigned 1st November 2022)
John Guy
Louise Elliott (appointed 1st November 2022)
Heather Loxley
Richard Mantle
Lolo Odunsi (appointed 1st November 2022)
Grant Samuel
Chloe Schendel-Wilson (appointed 1st November 2022)
Ian Thomas - Treasurer
Jeff Travis

The above served as trustees during (and, unless otherwise indicated, throughout) the year ended 31 March 2023.

Chief Executive and
Company Secretary:

Ian Burks

Registered Office:

YMCA East Surrey
Princes Road
Redhill
Surrey
RH1 6JJ

Registered Charity Number:

1075028

Registered Company Number:

03716594 (England & Wales)

Social Housing Provider
Registration Number:

4854

Bankers:

Barclays Bank plc
Guildford, Gatwick & Woking Business Banking
90/92 High Street
Crawley
West Sussex RH10 1BP

Auditors:

Crowe UK LLP
55 Ludgate Hill
London
EC4M 7JW

Solicitors:

Morr & Co LLP
Prospero
73 London Road,
Redhill
RH1 1LQ

YMCA East Surrey

Report of the Chief Executive

YMCA East Surrey is a vibrant charity that has been actively supporting the local community since 1870. We help people to believe in themselves, support them to achieve their goals and inspire them to be the best they can be. We are part of the oldest and largest youth charity in the world and our collective aim is to enable people to belong, contribute and thrive.

In the 12 months up to March 2023, 12,472 people benefitted from YMCA East Surrey services across our three main divisions of work which are; Housing, Children and Young People, and Health and Wellbeing. This was an increase of 1,895 over the previous year.

At our AGM we launched the latest YMCA East Surrey Strategy outlining our plans for the next five years. Main themes included expansion of YMCA activity, becoming more sustainable, both financially and environmentally, and protecting and enhancing our volunteer ethos. We are keen to develop greater diversity and inclusivity amongst our governance and staff teams to mirror the inclusive nature of those who benefit from our services. Progress was made last year when we elected five new trustees with an excellent range of skills, experience and backgrounds.

As ever the last twelve months has seen many exciting developments and achievements which have enabled us to provide positive impact in people's lives.

Housing young people is one of the most important jobs the YMCA can do and amounts to approximately 30% of our overall work. Many of the young people we accommodate come from traumatic backgrounds where they may not have benefited from positive adult role models. Providing safe, secure and affordable accommodation, along with 24-hour individual support can fundamentally change the life of a young person and offer the greatest opportunity for positive change.

This is recognised in our new strategy where one of our first priorities is to expand our housing provision to meet the growing issue of youth homelessness. In 2021/22 official records show that across the UK 129,000 young people aged between 16 and 24 were facing homelessness, an increase of 6% from the previous year. This is only those presenting at local authorities, many more are sofa surfing, sleeping rough or struggling in unsuitable accommodation. The cost-of-living crisis, lack of suitable accommodation and aftermath of Covid have all contributed to this problem and the YMCA are working closely with the local authorities to expand and improve housing provision for young people.

Last April 2022 we opened the doors to our first young residents at our new £1.4m Horley Housing Project in Massett's Rd. This project offers six places to young people referred by Surrey County Council (SCC) and six places to young people nominated by the Housing Team at Reigate and Banstead Borough Council. All 12 of these young people were supported to access college, find employment and move towards greater independence.

Buoyed by the success of Massett's Road we identified another property in Shrewsbury Rd, Redhill. Thanks to the support of Homes England, Landaid, and other charitable trusts we completed the purchase in August 2023. We aim to develop this property into a new six-bedroom housing project to further meet the demand amongst homeless young people in Surrey.

In April 2023 we signed new support contracts with Surrey County Council for additional beds and this enabled us to provide key workers for 63 of the 69 young people we currently house in our 4 housing projects in East Surrey.

Several of our residents at Hillbrook House are looked after children under the age of 18. From April 2024 this type of provision will be required to meet new standards overseen by Ofsted. The YMCA already has a wealth of expertise delivering other Ofsted registered services within Early Years. We welcome this new regulation, and we are working with SCC to ensure that YMCA provision meets the new inspection criteria.

The last year has also seen important developments within our children and young people division which amounts to approximately 60% of our work.

For many years we have been supporting children with disabilities and their families with our popular play and leisure short breaks programme. These services, delivered from the Sovereign Centre and other satellite centres around East Surrey and West Sussex are funded through a combination of parental contributions, charitable fundraising and a grant from SCC. Last year we went through recommissioning with both SCC and West Sussex County Council (WSCC). Funding constraints in

YMCA East Surrey

Report of the Chief Executive

Surrey have meant that short breaks across the county have been reduced by almost a third. Despite this, we are planning to deliver 37,700 hours of quality provision to give families a break from caring and to provide fun and stimulating activities for 580 individual children and young people. In Sussex we have won funding to extend our provision from Crawley into other parts of the county. We have now set up a new scheme for children and young people at Queen Elizabeth's school in Horsham and are looking for a new site in East Grinstead to complement the established scheme in Crawley.

Children and young people and their families are amazingly resilient, and most have been able to overcome the recent challenges presented by Covid, the cost-of-living crisis and other pressures of growing up in the digital age. There are however some individuals who need additional support as they go through the transition to adulthood to help them maintain their emotional wellbeing and avoid mental health problems. Over the last two years the YMCA has been working with other charities and statutory partners to develop the new Mindworks service for under 18's that provides early intervention and prevention services across Surrey. From almost a standing start in April 2021 this service has rapidly expanded and last year 1,127 young people benefitted from 7,645 hours of support from the YMCA team of counsellors, wellbeing practitioners and youth workers.

These services help reduce pressure on clinical services and give children and families the tools and confidence to manage their own wellbeing. To complement the Mindworks service we secured funding to start a new project called Step Forward. This will provide similar support for those aged 18 – 24 years who are unable to access Mindworks due to their age.

One factor contributing to the challenges facing young people is the lack of youth support available from local government. YMCA England and Wales have carried out research showing that over 70% of funding from local authorities has been lost since 2010. Working with the Borough and other partners the YMCA has managed to address this by securing three-year funding from the National Lottery to deliver youth clubs and detached work in the five more deprived areas of Reigate and Banstead. This programme has been successful thanks partly to some forward thinking by SCC who have set up innovative service level agreements. These give the YMCA access to two SCC youth centres in return for the management of the centres and the delivery of quality youth work. This arrangement has breathed new life into the centres and has revitalised not just the youth work but a whole range of other third sector provision to support the community. One of these centres in Horley also houses the YMCA Family Centre and is the base for the YMCA Early Help service. We are hoping to build on this success and replicate similar offers for families across East Surrey via the Early Help and Family Resilience Commissioning process, currently being rolled out across the county.

As well as many targeted services the YMCA offers a healthy programme of universal preschool and out of school childcare along with numerous opportunities within sport and recreation which are funded through parental contributions. New services for 2022/23 include an Out of School Childcare scheme at St Joseph's School in Redhill which has proved to be an immediate success. YMCA East Surrey Acrobatics has continued to develop and grow and last year we started a new girls' football group and organised a major gymnastics competition under BGA rules which attracted 300 plus top gymnasts from across the Southeast.

Our work across Children and Young People Services has been ably overseen by Judith Brooks who last year took on the added responsibility of Deputy CEO. Judith leads on safeguarding and training, and we have seen the benefits with a new programme of internal training along with the impending introduction of new 'My Concern' software to manage and record all safeguarding incidents.

Adult Health and Wellbeing is the third division of YMCA work (alongside Housing and Services for Children and Young People) and financially this service, amounts to 10% of our charitable activity. Health and Wellbeing is comprised of a large universal fitness programme alongside several specialised projects to support those with specific health needs or who are facing health inequalities. Our aim is to help people embrace active living and last year our fitness membership finally broke through pre covid levels in a dramatic fashion. Current membership has now reached 1,600 which is an increase of 36% over the beginning of the last financial year. Equally pleasing is our success with our targeted work where we have increased our NHS health checks offer and secured funding to develop a more standardised and joined up offer of exercise referral for those experiencing long term health conditions. Exercise is often called a miracle drug and we are determined to help more people across east Surrey to benefit from the increased vitality, efficacy and good health that physical activity can bring.

YMCA East Surrey

Report of the Chief Executive

Over the last twelve months the YMCA has supported people of all ages and backgrounds to transform their lives for the better, but this has only been possible with the help of many other individuals and organisations. Key partners include Surrey County Council, Surrey Heartlands NHS, Boroughs and Districts including Reigate and Banstead, plus of course a number of generous charitable trusts and other charities throughout the county and beyond. I would like to thank them all for their vital support.

The YMCA follows the Charity Code of Governance and yet again we have benefitted from the huge contribution made by our trustees who have carried out an excellent job fulfilling their responsibilities in areas such as managing risk, scrutinising decisions, supporting senior staff and shaping strategy.

I would like to publicly acknowledge the support of our Chair Paul Byrne and all our Trustees for their support and input throughout the last year.

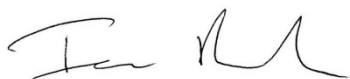
Once again, the YMCA has performed well financially, achieving a surplus of £375,533 which can be added to reserves. This performance is largely down to our excellent team of volunteers, staff and managers who work so hard to develop and deliver innovative services of the highest quality.

We are extremely fortunate to have so many committed YMCA supporters within our local community who are prepared to undergo gruelling challenge events to raise sponsorship to support our work. Last year 929 people covered 30,750 miles under their own steam on events such as the annual Fun Run, the Y2Y Marathon trek and a three-day ride to Bruges but the highlight was the 'RAID' a 450-mile cycle challenge from coast to coast across the Pyrenees taking in the summits of 18 mountains including the famous Col du Tourmalet. To make it even tougher the group were required to cover the distance including 46,000 ft of climbing (nearly 8.7 vertical miles) in 100 hrs. Thankfully everyone completed the challenge within the time limit, arriving safely at the finish point on the Mediterranean beach in Cerbere.

Sadly, last year's Challenge achievements were overshadowed by the tragic loss of Kim Roderick who passed away on September 11th 2022, following a short battle with cancer. Kim had worked at the YMCA since 1999 and had a combined role of EA to the CEO and Challenge Event Manager. Her enthusiasm and positive outlook combined with her warmth and wit helped attract a loyal following for Challenge events. The memories of what she achieved will stay with everyone at the YMCA for many years to come.

We are now looking firmly to the future and our new strategy includes a host of important priorities and objectives that will improve the lives of many people in the community.

With the help of our many supportive partners and funders, our committed trustees, our skilled staff and our dedicated fundraisers I am confident that YMCA East Surrey will continue to help people belong, contribute and thrive for many years to come.



Ian Burks
Chief Executive
27th September 2023

YMCA East Surrey

Report of the trustees (incorporating the strategic report)

The Trustees present their report and the financial statements for the YMCA East Surrey for the year ended 31 March 2023.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, the Housing Statement of Recommended Practice 2018, the Accounting Direction for Private Registered Providers of Social Housing (issued by the Regulator of Social Housing in 2022), the Housing Regeneration Act 2008 and are in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Objectives and activities

YMCA East Surrey is a Charitable Company – a company limited by guarantee and a registered charity governed by its Articles of Association.

YMCA East Surrey's **mission** is to help vulnerable children, young people and adults to belong, contribute and thrive. Our wide range of projects and activities aim to help create happy, healthy and connected communities.

The charitable **objectives** of the YMCA East Surrey include:

- ▶ To provide recreational and leisure facilities for men and women with the object of improving their conditions of life
- ▶ To provide education to persons of all ages with the object of developing their physical, mental or spiritual capacities
- ▶ To bring relief to those who are in need, hardship or distress by reason of their social, physical or economic circumstances
- ▶ To provide residential accommodation for persons of all ages who are in need, hardship or distress by reason of their social, physical or economic circumstances
- ▶ To provide Social Housing, houses or hostels and any associated amenities including a counselling service and services for persons in necessitous circumstances upon terms appropriate to their means. In this part "social housing" means—
 - a) low-cost rental accommodation (defined by section 69 of the Housing and Regeneration Act 2008), and
 - b) low-cost home ownership accommodation (defined by section 70 of the Housing and Regeneration Act 2008).

As can be seen in the Report of the Chief Executive, these objectives are at the heart all of the services and activities we provide.

The Charitable Company is divided into three distinct service areas, designed and organised in order to meet these objectives: Housing, Children and Young People, and Health & Wellbeing. These are all supported by Central Services. In implementing the objectives through the activities of the service areas the Trustees have had due regard to the guidance on "public benefit" of the Charity Commission.

Housing – Supporting those facing challenges in their lives with safe, secure and affordable housing – helping them to overcome barriers and achieve independent living

Our housing services support people who are in need of a home, are homeless or at risk of becoming homeless. YMCA Hillbrook House provides homeless young people aged 16-30 with safe accommodation in Redhill; each resident receives advice, support and access to a range of services. We have three "Move On" houses in Horley, Merstham and Redhill which provide further support for those who need it. These projects provide a less intensive housing support option for those who are moving towards independence. NextStep is a professional housing service delivered by YMCA East Surrey (with support from Reigate and Banstead Borough Council) that helps individuals and families facing homelessness to access private sector accommodation.

YMCA East Surrey

Report of the trustees (incorporating the strategic report)

Objectives and activities (continued)

Children and Young People – We believe in children and young people and seek to offer inclusive services and activities that support them to make the best start in life

Our services – Childcare and Children’s Activities, Family and Youth Services, Inclusive Services and Emotional Wellbeing and Mental Health are aimed at helping children and young people increase their confidence and self-esteem and lead fuller and more satisfying lives.

Activities include counselling, youth groups, mentoring, pre-schools, holiday clubs, after school clubs, short breaks and recreational activities together with activities designed to support parents and carers. Where charges apply, we offer free or reduced places to families who need additional support.

Health & Wellbeing – Helping people of all ages and abilities living across Surrey to embrace active living and lead healthier more fulfilled lives

Health & Wellbeing comprises a range of activities including gym facilities, classes, weight management and exercise referrals for local people of all ages and abilities. Health & Wellbeing also provides sports facilities for community activities and disability sports.

The activities of the YMCA East Surrey are delivered through a mix of full-time and part-time staff working alongside a cadre of dedicated volunteers.

Achievements and Performance

In the Report of the Chief Executive, we set out the main achievements during the year; the Charitable Company continues to make a great difference to the lives of the people it helps and the reach of the Charitable Company’s work is continuing to expand.

The Charitable Company’s 2022-7 strategy was developed following discussions and consultations with users, volunteers, staff and Trustees. It builds off the strengths of our teams and the success of the services that we deliver, focuses on the needs of the communities that we support - expanding the reach of our services, recognises the need to maintain financial viability if we are to continue to achieve our charitable objectives and looks to address external factors impacting the environment in which we operate.

Progress in 2022/23 against the seven strategic priorities for delivery by 2027 has been:

- ▶ **Expanding our geographical reach across Surrey** – we have expanded the geographic reach of our services, particularly in Children and Young People.
- ▶ **Continuing to grow our service offerings** – we saw growth in all three service areas with double digit growth in Housing and Children and Young People.
- ▶ **Championing inclusivity in all that we do** – we have made excellent progress in governance with the appoint of 5 new trustees and are establishing plans to further progress this priority.
- ▶ **Prioritising the housing needs of young people** – 12 additional social housing units were fully operational from April 2022 and a further “move on” site in Redhill has been identified and contracted.
- ▶ **Accessing a balanced blend of income sources** – we continue to grow the range of funding and income sources and monitor our exposure to any one funding partner.
- ▶ **Building on our culture of voluntary action** – initiatives are underway with a dedicated trustee providing direction and support.
- ▶ **Putting systems in place to measure our impact on the environment** – environmental surveys have been undertaken across all our properties and other initiatives are being progressed by the Facilities and Environment Committee.

Financial review

Income and Funding

The Charitable Company’s funding is a blend of income from contracts for commissioned services, grants, rents and fees with a small but important proportion being derived from donations and fundraising (“challenge”) events.

YMCA East Surrey

Report of the trustees (incorporating the strategic report)

Financial review (continued)

In 2022/23 total income was £6,020,464 an increase of 15% - £789,525 on the previous year, reflecting the growth in all our services – including the impact on social housing of a 21% growth in registered accommodation units, 29% growth in children’s services arising from increased activity in Pre School and Out of School childcare and the full year impact (13% growth) of our delivery of Emotional Wellbeing and Mental Health Services as part of the contract being delivered by the Surrey Wellbeing Partnership to Surrey and Borders Partnership NHS Trust.

The Trustees gratefully acknowledge the support of all our donors and funders. More than half of the Charity’s income is in the form of contracts and grants from the NHS, local authorities and other bodies. Such funding enables the Charitable Company to carry on the work in all our lines of service, in turn supporting the objectives of the Charitable Company.

The Trustees regularly monitor key performance indicators by service area, including income against budget, success in securing grants and measures of underlying activity levels such as rental voids, counselling interventions delivered and attendance levels.

When looking ahead, the Trustees are acutely aware of the cost-of-living pressures on our service users, the increasing competition for grants and the many demands on Government and Local Authority funding. The annual budgeting process is rigorous and seeks to ensure that underlying income drivers are realistic and attainable.

Expenditure

Operating expenditure for the 2022/23 financial year was £5,588,011 an increase of 17% - £793,786 on the previous year. Staff costs at £3,723,561 remain our main area of expenditure, accounting for 67% of total expenditure (2022: £3,220,603 – 67%) and generally increase in line with service delivery growth.

The Trustees regularly monitor key performance indicators for expenditure by service area including costs against budget, headcount, payroll run rates as well as large or unusual non-staff costs. Whilst utility costs have seen exponential growth these increases were largely budgeted and accommodated within our overall cost base.

Trustees are very focused on monitoring the inflationary pressures on our cost base as well as the competitive positioning of our staff reward and staff turnover levels. Inflationary increases have been built into the 2023/24 budget together with the full year impact of the increased headcount built up throughout 2022/23.

Overall results for the financial year

The Charitable Company’s activities produced a total surplus of £375,533 for the 2022/23 financial year (2022: £475,971) which consisted of a surplus on unrestricted reserves of £382,260 (2022: £470,713) and a small deficit of £6,727 (2022: surplus £5,258) on restricted reserves. The small 2023 deficit (2022: surplus) on restricted reserves is in part reflective of these funds largely relating to funding premises which do not generate income and in part reflects the low margins on commissioned services. The surplus on unrestricted reserves includes the continuing contribution of “challenge” events and also includes a loss on revaluation of investments of £5,481 (2022: surplus £64,678).

The Charitable Company achieved an operating surplus of £404,594 (2022: £235,197) in social housing; £103,992 (2022: £93,307) in non-social housing and a deficit of £76,133 (2022: surplus £108,210) in non-housing. The operating surplus in social housing includes the impact of charitable grants received of £130,000 (2022: nil) for “move-on” properties. The overall operating surplus of £432,453 (2022: £436,714) covered increasing finance costs of £59,308 (2022: £25,663) and enabled a contribution to reserves in line with our reserves policy to cover the growth in operating expenditure as well as funding for future expansion in our charitable activities.

YMCA East Surrey

Report of the trustees (incorporating the strategic report)

Financial review (continued)

The Charitable Company has total reserves of £6,958,169 at 31 March 2023 (2022: £6,582,636) as set out in the Statement of financial position. The majority of the restricted funds of £4,261,402 (2022: £4,268,129) is attributable to the net book value of the freehold premises in Princes Road including the Inclusive Sports Facility (ISF), Lynwood Road, London Road and Massetts Road "Move On" properties and the leasehold of the Sovereign Centre. There are also designated funds totalling £744,581 (2022: £635,689) largely attributable to "challenge" event funding of the Princes Road facility and other projects.

Reserves policy

The Charitable Company's aim is to hold sufficient unrestricted free reserves to cover up to three months' expenditure so as to ensure, as far as possible, the continuation of the Charitable Company's activities in the event of significant fluctuations or shortfalls in anticipated income as well as held for ongoing growth

The Charitable Company had unrestricted reserves of £2,696,767 as at March 2023 (2022: £2,314,507). Unrestricted free reserves are funds that the Board is free to use to support our charitable work, available at short notice. However, a proportion of the unrestricted reserves comprise fixed assets (net of long-term bank loans and capital grants) totalling £697,583 (2022: £924,653) which are not readily available. Excluding these fixed assets and adding back long term pension deficit contributions of £136,545 (2022: £142,031) unrestricted free reserves totalled £2,135,729 (2022: £1,531,855). This represents approximately 4.1 months of expenditure budgeted for the forthcoming year, which meets the requirements of the reserves policy with a small balance available for investment (2022: approximately 3.4 months).

The Reserves Policy is continuously monitored and reviewed by the Finance and Resources Committee which makes recommendations to the Trustees if and when action is needed to maintain the policy or consideration needs to be given to its modification.

Value for money

YMCA East Surrey is committed to achieving Value for Money (VFM) across all aspects of the Charitable Company's business. The aim is to generate surpluses in our service provision, to maintain a viable business and to fund future capital investment whilst at the same time ensuring we deliver high levels of service user satisfaction - in line with our charitable objectives. VFM is led by the Board and overseen by the Finance and Resources Committee.

VFM is about achieving the right balance between the three 'E's' - Economy, Efficiency and Effectiveness. Essentially this requires YMCA East Surrey to assess the impact of all its costs, to best meet its stakeholders' needs.

- ▶ Economy - the price paid for what goes into providing a service
- ▶ Efficiency - a measure of productivity or how much is gained from what is put in
- ▶ Effectiveness - a measure of the impact achieved which can be both qualitative and quantitative

VFM is high when there is an optimum balance between all three 'E's': relatively low costs, high productivity and successful outcomes.

The Charitable Company seeks to optimise by VFM by:

- ▶ Undertaking a rigorous annual budgeting exercise culminating in a Board approved budget with regular monitoring of variances to budget and reporting through to the Board.
- ▶ The application of a fit for purpose procurement policy together with regular monitoring of staff remuneration and turnover levels.
- ▶ Monthly monitoring of non-financial metrics that enable the impact and reach of our services to be measured and reported alongside other critical key performance indicators. Examples include occupancy levels in Housing, delivery against targets for contracted services in Children and Young People and attendance levels at classes in Health and Wellbeing.
- ▶ The use of Advisory Groups which enable service recipients, funders and other interested parties to consider and challenge overall outcomes and help shape future delivery.

YMCA East Surrey

Report of the trustees (incorporating the strategic report)

Financial review (continued)

Alongside compliance with the 2018 Value for Money Standard and associated Code of Practice, as a non-profit private registered provider of social housing, the Charitable Company is expected to report on certain value for money metrics to enable effective comparison across the sector. The metrics are included below:

- ▶ Metric 1 – Reinvestment %: This metric looks at the investment in properties (existing stock as well as new supply) as a percentage of the value of total properties held. The investment in properties was 0.0% (2022: 40.0%) reflecting the fact that the new 12 bed Move On property at Massetts Road, Horley became available for occupancy at the start of April 2022 whilst the purchase and refurbishment were undertaken during the 2021/22 financial year.
- ▶ Metric 2a – New supply delivered 17.4% (2022: 0%): This metric sets out the number of new social housing units that have been acquired or developed in the year as a proportion of total social housing units owned at period end. The completion of the works at Massetts Road, Horley to convert this into Social Housing delivered 12 new units which became available at the start of April 2022.
- ▶ Metric 2b – New supply delivered 0% (2022: 0%): This metric sets out the number of new non-social housing units that have been acquired or developed in the year as a proportion of total social housing units and non-social housing units owned at period end.
- ▶ Metric 3 – Gearing %: This metric looks at housing property assets and the degree of dependence on debt finance. The ratio is a negative -30.7% (2022: -12.9%) as at the balance sheet dates, the Charitable Company's cash and cash equivalents were greater than debt finance.
- ▶ Metric 4 – Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included (EBITDA MRI) Interest Cover %: The EBITDA MRI interest cover measure is a key indicator for liquidity and investment capacity. It seeks to measure the level of surplus that a registered provider generates compared to interest payable; the measure avoids any distortions stemming from the depreciation charge. The ratio is 1,137% (2022: 2,602%) which again confirms the Charitable Company's low reliance on finance.
- ▶ Metric 5 – Headline social housing cost per unit: The unit cost metric assesses the headline social housing cost per unit as defined by the regulator. The cost per unit is £11,019 (2022: £10,364). The per unit cost level of expenditure is reflective of the small size of our properties relative to other providers.
- ▶ Metric 6 – Operating margin %: The Operating Margin demonstrates the profitability of operating assets before exceptional expenses are taken into account. The operating margin (social housing lettings only) was 24.8% (2022: 19.6%) and the operating margin (overall) was 8.3% (2022: 7.2%). The difference between the two measures reflects the varied services provided by the Charitable Company achieving different margins. However, the 2022/23 social housing operating margin is distorted by charitable grants received and excluding the impact of these would be 16.8%
- ▶ Metric 7 – Return on capital employed (ROCE) %: This metric compares the operating surplus to total assets less current liabilities and is a common measure in the commercial sector to assess the efficient investment of capital resources. The ratio is 4.4% (2022: 5.1%).

Structure, governance and management

Legal status

The YMCA East Surrey is an incorporated Association and is affiliated to the National Council of YMCAs in England (charity number 212810).

YMCA East Surrey is a company limited by guarantee, incorporated on 19 February 1999 and registered as a charity on 9 April 1999. The company and charity registration numbers are shown on page 1. The governing documents are the Memorandum and Articles of Association. On the 21 October 2014, the Charitable Company changed its name from Reigate and Redhill YMCA to YMCA East Surrey to reflect its expanding services across the local area. On 1 August 2017, the Charitable Company became a non-profit private registered provider of social housing (registered provider).

Trustees, as corporate members, guarantee to contribute an amount not exceeding £1 to the assets of the Charitable Company in the event of winding up.

YMCA East Surrey

Report of the trustees (incorporating the strategic report)

Code of governance

Structure, governance and management (continued)

The Board is committed to delivering best practice in all aspects of governance and the Trustees have adopted the Charity Governance Code for Larger Charities. The Charitable Company continues to review and develop its governance and following a dedicated Trustee Awayday has embarked on a number of actions to further enhance its overall governance.

Annual review of governance and financial viability standard

The Finance and Resources Committee undertakes an annual assessment of compliance with the standard and considers the Charitable Company to be compliant with the provisions of the standard.

Organisation

The Trustees are directors for the purpose of company law as well as trustees for the purpose of charity law. They are responsible for the governance of the Charitable Company and delegate the day-to-day management to the Chief Executive and his management team. The Board of Management meets on a quarterly basis, or more often if required.

The Board delegates authority to a number of Board Committees, including the Finance and Resources Committee which provides support and strategic direction for the finance, administration and personnel functions and also operates as an audit committee. The Finance and Resources Committee meets 9 times a year whilst other committees meet quarterly.

There are Advisory Groups for each of Children and Young People, Housing and Health and Wellbeing established to enable the Charitable Company to understand the changing needs of our communities and to compare or benchmark our performance with other similar organisations. The Advisory Groups are chaired by a Trustee (who regularly reports back to the Board) and have a membership made up of trustees, management and external parties.

Appointment, induction and training of Trustees

Trustees are appointed at the AGM to serve a period of 3 years. One third of the Trustees retire each year by rotation and are eligible for re-appointment at each AGM. If it is agreed that a Trustee will serve for more than nine years, then it is subject to a particularly rigorous review and takes into account the need for progressive refreshing of the Board, and their re-appointment is explained in that year's Report of the Trustees. The Board of Management has power to co-opt additional members and fill casual vacancies. It is the aim of the Board of Management to attract new Trustees with suitable skills who themselves may be drawn from the various user groups. The aim is to have well-balanced and appropriately qualified Trustees.

Five new Trustees were appointed at the 2022 AGM augmenting the skills, knowledge and experience of the Board and identified in response to the skills audit that the Board had previously undertaken. At the same AGM two Trustees (Richard Mantle and Jeff Travis) who had already served nine years as Trustees were re-appointed. Their appointments had been subject to a rigorous review and reflected the need to ensure an ongoing balance of continuity on the Board. They also both brought significant knowledge of the local communities particularly with regard to funding and housing.

All Trustees undertake inductions and on-going training to ensure that they quickly become effective and are aware of developments in corporate and charity governance. Every new Trustee is issued with a copy of a comprehensive Trustees' Handbook together with certain key documents listed within the Handbook including the Charitable Company's Memorandum and Articles and the latest audited Financial Statements. They are also offered induction opportunities with staff and other Trustees and are briefed about the various services provided by YMCA East Surrey. Further, there is an annual Away Day where the Trustees, the Chief Executive and senior members of his management team meet to discuss the future direction of the Charitable Company and to deliver any necessary training and updates.

Pay policy for senior staff

Key management personnel in charge of directing and controlling, running and operating the Charity are deemed to be the Board of Management and the Senior Management Team. The Senior Management Team comprises the Chief Executive, The Deputy Chief Executive and Head of Children and Young People, the Head of Housing, the Head of Finance and the Head of Central Services. The Trustees give their time and expertise freely and receive no reimbursement for expenses.

YMCA East Surrey

Report of the trustees (incorporating the strategic report)

Structure, governance and management (continued)

The pay of the Senior Management Team is reviewed annually and salary increases will be recommended by the Chief Executive and approved by the Finance and Resources Committee. Pay for the Chief Executive is also set annually by the Remuneration Committee. Details of related party transactions are set out in Note 20.

Investment policy

Aside from retaining a prudent amount in reserves each year most of the Charitable Company's funds are to be spent in the short term so there are few funds held for longer term investment; those that are, are invested with CCLA Investment Management Limited (CCLA). Finance and Resources Committee continue to monitor the amounts invested with CCLA on a regular basis particularly looking to ensure that these funds remain sufficient to more than cover the pension liability in the balance sheet. The decision to continue to hold the funds in the CCLA is to ensure that we maximise the expected long-term return on our assets within an acceptable degree of risk. This is considered a low-risk strategy.

Risk management

The Charitable Company maintains a comprehensive risk management framework to ensure the effective management of all risk types that could affect the charity's ability to achieve its objectives. A formal risk register is maintained by the Senior Management Team to record and assess identified risks in accordance with the Charitable Company's Risk Policy, including an assessment of mitigating policies and procedures. The Trustees regularly review the principal risks and uncertainties that the Charitable Company faces and the overall effectiveness of the risk management framework.

This review has continued to identify the following key risks:

- ▶ Accidental death. The Charitable Company has in place risk assessments and health & safety measures along with stringent safeguarding policies to reduce this risk. Regular training is provided on policies and procedures – which are robustly enforced. The Charitable Company reviews accident and incident reports regularly to amend measures as necessary.
- ▶ Abduction, loss or abuse of a child or vulnerable adult. The Charitable Company has robust safeguarding policies, procedures, regulatory checks and training in place to mitigate this risk. A new reporting and incident management system has been implemented to better inform the development of mitigating procedures and more focused training.
- ▶ Failure to attract and retain appropriately skilled resources and failure to adequately value the contribution of our staff. The charity sector is seeing significant competition for resources both from within the sector and externally. The Board and Senior Management Team continuously consider what additional steps can be taken to attract and retain resources – cognisant of the cost and detrimental impact of unfilled vacancies and raised staff turnover.
- ▶ Inflationary pressures. The Board and the Senior Management Team are actively managing inflationary pressures – taking steps to limit the impact of increases to the overall cost base and managing the impact from longer term contracts where income might not grow in line with underlying service delivery costs.
- ▶ A sudden significant funding reduction. The Charitable Company works closely with local authorities, NHS Trusts and other commissioning bodies to ensure that service delivery is aligned to both current and future requirements and to enable sensible planning for changes in those requirements. We also actively seek new sources of funding in order to dilute this risk.
- ▶ Cyber-attack. Cybercrime is a significant and evolving threat to the charity sector. The Charitable Company outsources its IT function and adopts cloud based technologies to help mitigate this risk. Prevention is still critical with an ongoing focus on training and awareness and getting the basics right.
- ▶ Breach of GDPR requirements. The Charitable Company has a Data Protection Officer in place who reviews and disseminates relevant policies and procedures to staff.

YMCA East Surrey

Report of the trustees (incorporating the strategic report)

Structure, governance and management (continued)

Fundraising

The Charitable Company raises funds in a number of ways as set out below:

- ▶ Challenge events
- ▶ Corporate and individual donations via one-off or regular payments, Give As You Earn and legacies
- ▶ Provision of paid services
- ▶ Grant funding

The Charitable Company does not use any commercial participators/professional fundraisers and all monitoring of fundraising is carried out internally. Whilst the Charitable Company has currently not signed up to any recognised fundraising standards, it has a full and detailed Fundraising Policy. This policy helps to ensure that the Charitable Company is protecting the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate and it specifically references:

- ▶ Personal information provided to the Charitable Company will be kept confidential and will not be sold, rented, or given to anyone without consent
- ▶ No cold calling or door to door solicitation of the public is allowed

Plans for the future

The immediate priorities for the Charitable Company are to proceed with the planned initiatives aligned to the seven strategic priorities for 2027. These include:

The purchase and refurbishment of a further "move on" property in Redhill with the support of Homes England, Land Aid and other charitable trusts together with financing from Barclays Bank.

Further development at our Princes Road site with funding from the Community Infrastructure Levy to enable us to deliver more services particularly in support of inclusive sport and to help improve our environmental foot print.

Expanding the geographic reach of Short Breaks for children with disabilities and their families as well as for other family services.

Launching a number of initiatives focused on improving our environmental impact, leveraging the tremendous value that our volunteers bring and enhancing our approach to inclusivity.

Trustees' responsibilities for the Report and Financial Statements

The Trustees (who are also directors of YMCA East Surrey for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law and registered social housing legislation requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charitable Company and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Company for that period.

In preparing these financial statements, the Trustees are required to:

- ▶ Select suitable accounting policies and then apply them consistently
- ▶ Observe the methods and principles in the Housing Statement of Recommended Practice 2018 (SORP)
- ▶ 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; and

YMCA East Surrey

Report of the trustees (incorporating the strategic report)

- ▶ Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

Trustees' responsibilities for the Report and Financial Statements (continued)

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006, The Housing Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- ▶ There is no relevant audit information of which the Charitable Company's auditor is unaware and
- ▶ The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to reappoint Crowe UK LLP as auditor will be put to the members at the Annual General Meeting.

By order of the board on



Paul Byrne

Chairman

27th September 2023

Independent Auditor's Report to the Members of YMCA East Surrey

Opinion

We have audited the financial statements of YMCA East Surrey (the charitable company) for the year ended 31 March 2023 which comprise the Statement of comprehensive income, the Statement of changes in reserves, the Statement of financial position, the Statement of cash flows and notes to the financial statements, including 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 2023 and of the income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing from April 2019.

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Board with respect to going concern are described in the relevant sections of this report.

Other information

The Board is responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

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 charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 the Board

As explained more fully in the Board's responsibilities statement set out on page 13, the Board is 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 Board determines 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 Board is 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 Board either intends 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011, the Housing and Regeneration Act 2008, together with the Housing SORP. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within charitable company for fraud. The laws and regulations we considered in this context for the UK operations were requirements imposed by the Regulator of Social Housing and the Charity Commission, General Data Protection Regulations, health and safety legislation and employment legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, the Finance Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, analytical review and sample testing of income, reviewing accounting estimates for biases, reviewing regulatory correspondence with Social Housing Regulator and the Charity Commission and OFSTED inspection reports, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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.

Crowe U.K. LLP

Crowe U.K. LLP

Statutory Auditor

55 Ludgate Hill

London

EC4M 7JW

28th September 2023

YMCA East Surrey

Statement of comprehensive income
for the year ended 31 March 2023

	Notes	2023 £	2022 £
Turnover	1	6,020,464	5,230,939
Operating expenditure	1	(5,588,011)	(4,794,225)
Operating surplus	2	432,453	436,714
Interest and dividends receivable	3	7,869	242
Interest and financing costs	4	(59,308)	(25,663)
Movement in fair value of financial instruments	10	(5,481)	64,678
Surplus for the year		375,533	475,971
Actuarial gains in respect of pension schemes		-	-
Total comprehensive income for the year		<u>375,533</u>	<u>475,971</u>

All income arises from continuing activities of the charitable company. The charitable company had no recognised gains or losses other than those dealt with in the Statement of comprehensive income.

The notes on pages 23 to 35 form an integral part of these accounts.

YMCA East Surrey

Statement of changes in reserves
for the year ended 31 March 2023

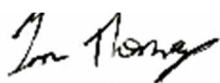
	Notes	Restricted reserves £	Unrestricted reserves £	Total £
Balance at 1 April 2022	18	4,268,129	2,314,507	6,582,636
Surplus (Deficit) from statement of comprehensive income		(6,727)	382,260	375,533
Balance at 31 March 2023	18	4,261,402	2,696,767	6,958,169
Balance at 1 April 2021	18	4,262,871	1,843,794	6,106,665
Surplus from statement of comprehensive income		5,258	470,713	475,971
Balance at 31 March 2022	18	4,268,129	2,314,507	6,582,636

YMCA East Surrey
Statement of financial position
as at 31 March 2023

Company registration number: 03716594

	Notes	2023 £	2022 £
Fixed assets			
Tangible fixed assets – housing properties	8	3,631,941	3,682,636
Tangible fixed assets – other	9	3,775,582	3,946,384
Investments	10	610,021	615,502
Total fixed assets		<u>8,017,544</u>	<u>8,244,522</u>
Current assets			
Debtors	11	537,088	453,499
Cash and cash equivalents	12	2,514,800	1,925,983
Total current assets		<u>3,051,888</u>	<u>2,379,482</u>
Current liabilities			
Creditors: amounts falling due within one year	13	(1,255,500)	(2,054,814)
Net current assets		<u>1,796,388</u>	<u>324,668</u>
Total assets less current liabilities		<u>9,813,932</u>	<u>8,569,190</u>
Creditors: amounts falling due after more than one year	14	(2,855,763)	(1,986,554)
Total net assets		<u>6,958,169</u>	<u>6,582,636</u>
Reserves			
Restricted reserve	18	4,261,402	4,268,129
Unrestricted reserve	18	2,696,767	2,314,507
Total reserves		<u>6,958,169</u>	<u>6,582,636</u>

The financial statements on pages 17 to 33 were approved by the Board of Management and authorised for issue on 27th September 2023 and are signed on its behalf by:



Ian Thomas
Treasurer

The notes on pages 23 to 35 form an integral part of these account

YMCA East Surrey

Statement of cash flows
as at 31 March 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Surplus/(deficit) for the financial year		375,533	475,971
Movement in fair value of financial instrument		5,481	(64,678)
Depreciation charges		259,841	244,410
Loss on fixed asset disposals		-	-
Dividends and interest received		(7,869)	(242)
Interest paid		59,307	25,663
(Increase)/decrease in debtors		(83,588)	258,939
Increase/(decrease) in creditors		(23,328)	111,681
Increase/(decrease) in pension provision		(7,689)	(9,896)
Net cash generated from operating activities		<u>577,688</u>	<u>1,041,848</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(38,345)	(1,599,254)
Government grants received		150,000	550,000
Proceeds from sale of investments		-	-
Interest and dividends received		7,869	242
Net cash used in investing activities		<u>119,524</u>	<u>(1,049,012)</u>
Cash flows from financing activities			
Interest paid		(59,307)	(25,663)
New secured loans		-	384,569
Repayment of borrowings		(49,089)	(44,846)
Net cash used in/(provided by) financing activities		<u>(108,396)</u>	<u>314,060</u>
Net change in cash and cash equivalents		588,817	306,897
Cash and cash equivalents at beginning of the year	12	<u>1,925,983</u>	<u>1,619,086</u>
Cash and cash equivalents at end of the year	12	<u>2,514,800</u>	<u>1,925,983</u>

YMCA East Surrey

Accounting policies
for the year ended 31 March 2023

Legal status

YMCA East Surrey is a company limited by guarantee and is an English-registered social housing provider, charity and public benefit entity. The liability of its members is limited to £1 each in the event of a deficiency arising on the winding up of the Charity.

It is also registered as a charity and has received dispensation to omit the word "Limited" from its title.

The principal address is YMCA Sports and Community Centre, Princes Road, Redhill, Surrey, RH1 6JJ.

The Charitable Company's principal activities and nature of the Charitable Company's operations are included in the Report of the Trustees.

Basis of preparation

The financial statements have been prepared in accordance with the Housing Statement of Recommended Practice 2014, the Accounting Direction for Private Registered Providers of Social Housing (issued by the Regulator of Social Housing in September 2019), the Housing Regeneration Act 2008, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the requirements of Companies Act 2006.

The financial statements have been prepared on the historical cost basis of accounting with the exception of investment at market value and on the going concern basis.

Judgements and key sources of estimation uncertainty are set out within note n) of the Accounting Policies.

The Charitable Company meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

Preparation of the accounts on a going concern basis

The Charitable Company's financial activities, its current financial position and factors likely to affect its future development are set out within the Report of the Chief Executive and the Report of the Trustees. On this basis, the Board of Management has a reasonable expectation that the Charitable Company has adequate resources to continue in operational existence for the foreseeable future, being a period of twelve months after the date on which the Report and Financial Statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

Principal Accounting Policies

A summary of the principal accounting policies is set out below.

a) Turnover

Turnover, excluding VAT, is recognised in the Statement of comprehensive income as follows:

- ▶ Donations are accounted for when received
- ▶ Government grants are accounted for on an accruals basis, being credited to the Statement of comprehensive income in the same period as the expenditure to which they relate
- ▶ Grants from non-government sources are recognised using the performance model. Grants are recognised as and when the associated performance conditions are met.
- ▶ Fees and subscriptions are accounted for on an accruals basis
- ▶ Social housing rental income is accounted for on an accruals basis
- ▶ Income from remaining trading activities is accounted for on an accruals basis
- ▶ Investment income is accounted for when receivable

b) Donated services and facilities

Volunteer time is not recognised, please refer to the Report of the Chief Executive for more information about their contribution.

c) Expenditure

Expenditure is included in the Statement of comprehensive income on an accruals basis, inclusive of any VAT if it cannot be recovered. Liabilities are included as provisions once the Charity has a legal or constructive obligation to make future payments.

Expenditure has been classified under the heading that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Support and other central costs have been apportioned to each activity on the basis of turnover.

YMCA East Surrey

Accounting policies
for the year ended 31 March 2023

Principal Accounting Policies (continued)

d) Freehold property and depreciation

The Charity separately identifies the major components that comprise its freehold properties, and charges depreciation, so as to write down the cost of each component to its residual value, on a straight line basis, over its estimated useful economic life.

The Charity depreciates the major components of its housing properties at the following annual rates:

<u>Component</u>	<u>Useful economic life</u>
Land	Infinite
Structure	100 years
Roof	70 years
Windows and doors	30 years
Boilers	15 years
Kitchens	20 years
Bathrooms	30 years
Mechanical systems	30 years
Electrics	40 years
Lifts	20 years

e) Other tangible fixed assets and depreciation

Tangible assets with a value greater than £1,000 are capitalised at cost, being their purchase cost, together with any incidental expenses at acquisition, in the Statement of financial position. Assets below this level are treated as expenditure and are included in the Statement of comprehensive income in the year the expenditure is incurred.

Depreciation is provided on all other tangible fixed assets, so as to write down the cost of each component to its residual value, on a straight line basis, over its estimated useful economic life at the following rates:

<u>Component</u>	<u>Useful economic life</u>
Leasehold buildings	Over the term of the lease
Sports equipment	4 years
Other equipment	3 to 4 years

f) Pension contributions

YMCA East Surrey participated in a multi-employer defined benefit pension plan for employees of YMCAs in England, Scotland and Wales, which was closed to new members and accruals on 30 April 2007. Due to insufficient information, the plan's actuary has advised that it is not possible to separately identify the assets and liabilities relating to YMCA East Surrey. As described in note 7, YMCA East Surrey has a contractual obligation to make pension deficit payments of £23,843 per annum (starting in May 2023, increasing 3% per annum) over the period to April 2027, accordingly this is shown as a liability in note 17 to these accounts. In addition, YMCA East Surrey is required to contribute £5,648 pa to the operating expenses of the Pension Plan and these costs are charged to the Statement of comprehensive income as made.

YMCA East Surrey also operates two defined contribution pension schemes, The Scottish Widows Scheme for Managers and The People's Pension Scheme which is available to all current staff. The amount charged to the Statement of comprehensive income represents contributions payable in the period.

YMCA East Surrey also contributes to the Local Government Scheme Pension Scheme for employees who were subject to a TUPE transfer from Surrey County Council. This is a defined benefit scheme, the employer's contribution rate is still to be assessed by the scheme's actuary. Provision has been made for estimated contribution levels during the year.

g) Operating leases

Rentals applicable to operating leases are charged to the Statement of comprehensive income over the period in which the cost is incurred on a straight line basis.

h) Fund Accounting

Funds held by the Charity are either:

Unrestricted general funds - are available for use at the discretion of the trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes

YMCA East Surrey

Accounting policies
for the year ended 31 March 2023

Principal Accounting Policies (continued)

Unrestricted designated funds – have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements

Restricted funds - are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charitable Company for specific purposes. The cost of raising and administering such funds are charged against the specific fund and set out in the notes to the financial statements.

i) Investments

All investments are carried at their fair value. Investments are all traded in quoted public markets. The basis of the fair value for quoted investments is equivalent to the market value, using their bid price. Asset purchases are recognised at the date of trade at cost (that is their transaction value).

j) Financial Instruments

The Charitable Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Charitable Company becomes a party to the contractual provisions of the instrument, and are offset only when the Charitable Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

k) Debtors

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

A provision for impairment of trade debtors is established when there is evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in the Statement of comprehensive income.

l) Cash at bank

Cash at bank includes cash and short term highly liquid investments with short maturity of three months or less.

m) Creditors, provisions and borrowings

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Public benefit concessionary loans are recognised at the amount received by the Charity.

Deferred income represents Government grants at the value received which are then released to the Statement of comprehensive income in the same period as the expenditure to which they relate.

m) Judgements and key sources of estimation uncertainty

In the application of the Charitable Company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated

YMCA East Surrey

Accounting policies
for the year ended 31 March 2023

Principal Accounting Policies (continued)

assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision of accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The following are deemed to be the key judgements within the financial statements:

- ▶ Tangible fixed assets – depreciation is charged on tangible fixed asset components over their estimated useful economic lives, taking into account any residual value if appropriate. The actual lives of the assets and their residual values are assessed annually and may vary depending on a number of assumptions
- ▶ Pension benefits – the cost of defined benefit pension plans and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty
- ▶ Impairment of fixed assets – the carrying amounts of property, plant and equipment are reviewed at each reporting date or whenever events or changes in circumstances indicate that the carrying amount of an asset may be impaired. The recoverable amount of an asset is estimated as the higher of fair value less cost of disposal and the value in use, with an impairment charge being recognised whenever the carrying amount exceeds the recoverable amount.

YMCA East Surrey

Notes to the financial statements
for the year ended 31 March 2023

1 Turnover, operating expenditure and operating surplus Year ended 31 March 2023:

	Turnover £	Operating expenditure £	Operating surplus / (deficit) £
Social housing			
Rent	306,902	(272,532)	34,370
Service charges	549,283	(487,768)	61,515
Supported housing grants	623,783	(422,339)	201,444
Social housing grants	150,086	(42,821)	107,265
Total social housing	1,630,054	(1,225,460)	404,594
Non-social housing	245,627	(141,635)	103,992
Total housing	1,875,681	(1,367,095)	508,586
Non-housing			
Childcare and children's activities	869,691	(885,463)	(15,772)
Family and youth services	496,928	(505,819)	(8,891)
Inclusive services	835,475	(921,821)	(86,346)
Emotional wellbeing	1,217,011	(1,174,964)	42,047
Total Children & young people	3,419,105	(3,488,067)	(68,962)
Health and wellbeing	588,034	(628,834)	(40,800)
Other activities	137,644	(104,015)	33,629
Total non-housing	4,144,783	(4,220,916)	(76,133)
Total	6,020,464	(5,588,011)	432,453

Year ended 31 March 2022:

	Turnover £	Operating expenditure £	Operating surplus / (deficit) £
Social housing			
Rent	251,788	(197,891)	53,897
Service charges	499,849	(392,853)	106,996
Supported housing grants	435,615	(357,815)	77,800
Social housing grants	13,399	(16,895)	(3,496)
Total social housing	1,200,651	(965,454)	235,197
Non-social housing	253,699	(160,392)	93,307
Total housing	1,454,350	(1,125,846)	328,504
Non-housing			
Childcare and children's activities	673,505	(730,599)	(57,094)
Family and youth services	479,504	(457,339)	22,165
Inclusive services	837,763	(940,260)	(102,497)
Emotional wellbeing	1,080,699	(955,847)	124,852
Total Children & young people	3,071,471	(3,084,045)	(12,574)
Health and wellbeing	565,429	(530,387)	35,042
Other activities	139,689	(53,947)	85,742
Total non-housing	3,776,589	(3,668,379)	108,210
Total	5,230,939	(4,794,225)	436,714

YMCA East Surrey

Notes to the financial statements
for the year ended 31 March 2023

1	Turnover, operating expenditure and operating surplus (continued)	2023	2022
		£	£
	Void losses: notional calculation of income lost from vacant rooms	19,515	18,710
		<hr/>	<hr/>
	Number of registered accommodation units – supported housing	69	57
		<hr/>	<hr/>
2	Operating surplus	2023	2022
		£	£
	The operating surplus is arrived at after charging:		
	Depreciation of owned assets	217,646	197,393
	Depreciation of leasehold assets	42,195	47,018
	Auditor’s Remuneration – Audit fees:	32,903	23,925
	Operating leases	36,869	37,530
		<hr/>	<hr/>
3	Interest and dividends receivable	2023	2022
		£	£
	Dividends on listed investments	-	-
	Bank deposit interest	7,869	242
		<hr/>	<hr/>
		7,869	242
		<hr/>	<hr/>
4	Interest and financing costs	2023	2022
		£	£
	Loan interest payable	59,308	25,663
		<hr/>	<hr/>
5	Staff costs	2023	2022
		£	£
	Wages and salaries	3,371,726	2,929,392
	Social security costs	241,621	195,290
	Pension costs	110,214	95,921
		<hr/>	<hr/>
		3,723,561	3,220,603
		<hr/>	<hr/>
	During the year the charity spent £nil on termination payments (2022: £nil).		
	The trustees received no remuneration or reimbursement of expenses during the year.		
	The full-time equivalent number of staff during the year was as follows:	2023	2022
		No.	No.
	Health and wellbeing	15	10
	Children’s services	60	58
	Housing	20	16
	Support	15	13
	Total	<hr/>	<hr/>
		110	97
		<hr/>	<hr/>
	The average headcount during the year was as follows:		
	Total	<hr/>	<hr/>
		226	203
		<hr/>	<hr/>

YMCA East Surrey

Notes to the financial statements
for the year ended 31 March 2023

5. Staff costs (continued)

The number of higher-paid employees who received emoluments in the following bands was:

£80,000-£90,000	1	1
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Key management personnel in charge of directing and controlling, running and operating the Charity are deemed to be the Board of Management and the Senior Management Team. The Senior Management Team comprises the Chief Executive and the 4 (2022: four) Heads of Service. The total employee benefits of the key management personnel of the Charitable Company were:

	2023	2022
	£	£
Salaries and pension costs	323,639	269,701
Social security costs	35,848	28,614
	<u>359,487</u>	<u>298,315</u>

The salary received by the highest-paid executive staff member (the Chief Executive) was:

	2023	2022
	£	£
Salary	<u>86,786</u>	<u>83,448</u>

Contributions to the Scottish Widows defined contribution pension scheme on behalf of the Chief Executive were £6,097 (2022: £6,064).

6 Taxation

The Charitable Company is a registered charity and, as such, its income and gains falling within Sections 471 to 489 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 are exempt from corporation tax to the extent that they are applied to its charitable objectives.

7 Pension costs

YMCA East Surrey 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 East Surrey and at the year end these were invested in the Mercer Dynamic De-risking Solution, 40% matching portfolio and 60% in the growth portfolio and Schroder (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 of 1 May 2011.

The valuation prepared as at 1 May 2020 showed that the YMCA Pension Plan had a deficit of £36 million across all participating YMCAs. YMCA East Surrey has been advised that, it will need to make monthly contributions of £1,689 from 1 May 2021. This amount is based on the current actuarial assumptions (as outlined above), number of participants and may vary in the future as a result of actual performance of the Pension Plan. The current recovery period is 7 years commencing 1st May 2022.

YMCA East Surrey

Notes to the financial statements
for the year ended 31 March 2023

7. Pension costs (continued)

In addition, YMCA East Surrey may over time have 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 East Surrey may be called upon to pay in the future.

8 Tangible fixed assets – housing properties

	Social housing properties held for letting	Total
	£	£
Cost:		
At 1 April 2022	3,815,072	3,815,072
Additions	-	-
Disposals	-	-
At 31 March 2023	<u>3,815,072</u>	<u>3,815,072</u>
Depreciation:		
At 1 April 2022	132,436	132,436
Charge	50,695	50,695
Disposals	-	-
At 31 March 2023	<u>183,131</u>	<u>183,131</u>
Net book value:		
At 31 March 2023	<u>3,631,941</u>	<u>3,631,941</u>
At 31 March 2022	<u>3,682,636</u>	<u>3,682,636</u>

All social housing properties are freehold.

Total amounts received for year ending 31 March

	2023	2022
	£	£
Capital grants	150,000	550,000
	-	-
	<u>150,000</u>	<u>550,000</u>

9 Tangible fixed assets – other

	Freehold land and buildings	Leasehold land and buildings	Sports Equipment	Other Equipment	Total
	£	£	£	£	£
Cost:					
At 1 April 2022	3,676,665	904,777	419,983	798,222	5,799,647
Additions	-	-	10,654	27,691	38,345
Disposals	-	-	-	-	-
At 31 March 2023	<u>3,676,665</u>	<u>904,777</u>	<u>430,637</u>	<u>825,913</u>	<u>5,837,992</u>
Depreciation:					
At 1 April 2022	381,415	493,379	309,263	669,207	1,853,264
Charge	55,913	42,195	39,179	71,859	209,146
Disposals	-	-	-	-	-
At 31 March 2023	<u>437,328</u>	<u>535,574</u>	<u>348,442</u>	<u>741,066</u>	<u>2,062,410</u>
Net book value:					
At 31 March 2023	<u>3,239,337</u>	<u>369,203</u>	<u>82,195</u>	<u>84,847</u>	<u>3,775,582</u>
At 31 March 2022	<u>3,295,251</u>	<u>411,398</u>	<u>110,730</u>	<u>129,015</u>	<u>3,946,384</u>

YMCA East Surrey

Notes to the financial statements
for the year ended 31 March 2023

10	Investments		
	Movement in fixed asset listed investments	2023	2022
		£	£
	Market value at 1 April 2022	615,502	550,824
	Additions to investments at cost	-	-
	Disposal of investments at cost	-	-
	Net gain (loss) on investment	(5,481)	64,678
	Market value at 31 March 2023	<u>610,021</u>	<u>615,502</u>
11	Debtors	2023	2022
		£	£
	Rent arrears	55,351	94,321
	Less: provision for doubtful debt	(8,003)	(6,306)
		<u>47,348</u>	<u>88,015</u>
	Prepayments	84,743	81,062
	Project funding debtors	184,130	231,763
	Other debtors	220,867	52,659
		<u>537,088</u>	<u>453,499</u>
12	Cash at bank and in hand	2023	2022
		£	£
	Deposit accounts	1,032,206	1,355,644
	Current account	1,466,932	560,193
	Cash	15,662	10,146
		<u>2,514,800</u>	<u>1,925,983</u>
13	Creditors: amounts falling due within one year	2023	2023
		£	£
	Bank loans (Note 15)	57,530	859,625
	Trade creditors	149,063	267,636
	Accruals	150,963	93,931
	Income received in advance	727,054	545,940
	Taxation and social security	55,522	50,943
	Other creditors	65,239	187,267
	Deferred capital grants (Note 16)	33,588	30,729
	Accrued pension deficit contributions (Note 17)	16,541	18,743
		<u>1,255,500</u>	<u>2,054,814</u>
14	Creditors: amounts falling due after more than one year	2023	2022
		£	£
	Bank and other loans (Note 15)	1,343,164	590,158
	Deferred capital grants (Note 16)	1,376,054	1,254,365
	Accrued pension deficit contributions (Note 17)	136,545	142,031
		<u>2,855,763</u>	<u>1,986,554</u>
15	Bank and other loans	2023	2022
	Secured:	£	£
	In one year or less	57,530	859,625
	In more than one year, but not more than two years	61,058	57,769
	In more than two years, but not more than five years	210,038	85,471
	In more than five years	1,072,068	446,918
		<u>1,400,694</u>	<u>1,449,783</u>

YMCA East Surrey

Notes to the financial statements
for the year ended 31 March 2023

7. Bank and other loans (continued)

£152,250 was borrowed from Barclays in 2014 at a fixed rate of 5.73% until 30 June 2021 and thereafter at a variable rate of 3.25% over the bank's base rate and is repayable over a 15-year term. This loan is secured by a legal charge over the property at 57 Lynwood Road, Redhill.

£989,340 was borrowed from Barclays in 2017 at a rate of 1.6% over the bank's base rate with a 25-year repayment profile. In November 2022 £812,000 was re-financed with Barclays at a rate of 2.10% over the bank's base rate. The loan has a 15-year repayment profile. This loan is secured by a legal charge over the property on Brighton Road, Redhill and a floating charge over the company assets.

£150,000 was borrowed from the Methodist Church in March 2019, this is a public benefit concessionary loan and is interest-free and repayable at the end of the 15-year term. The loan is secured by a legal charge over the property at 200 London Road, Merstham

£400,000 was borrowed from Barclays in 2021 at a rate of 2.5% over the bank's base rate. The loan has a 15-year repayment. The loan is secured by a legal charge over the property on Massetts Road, Horley.

16 Deferred capital grants

	Grant at cost £	Amortisati on £	Total net grant £
As at 1 April 2022	1,315,535	(30,441)	1,285,094
Grants received in year	150,000	-	150,000
Amortisation		(25,452)	(25,452)
As at 31 March 2023	<u>1,465,535</u>	<u>(55,893)</u>	<u>1,409,642</u>

17 Accrued pension deficit contributions

	Pension deficit £
As at 1 April 2022	160,774
Charged to statement of comprehensive income	15,220
Payments made	(22,908)
As at 31 March 2023	<u>153,086</u>
Payable by instalments:	£
Within one year	16,541
One to two years	18,045
Two to five years	64,119
After five years	54,382
Total	<u>153,086</u>

YMCA East Surrey has been notified by the YMCA Pension Plan of their allocation of the overall deficit on the YMCA Pension Plan (see Note 7). The initial allocation was provided for in full in the 31 March 2007 financial statements in accordance with FRS102. Subsequent notification following updated actuarial valuations of the Plan increased the amount and further provisions were made in the 31 March 2009, 31 March 2012 and 31 March 2015 financial statements. Monthly payments of £1,986 increasing by 3% per annum, in respect of the deficit allocation are being made for 6 years from May 2023. The monthly payment amount also includes a contribution towards scheme expenses.

YMCA East Surrey

Notes to the financial statements
for the year ended 31 March 2023

18 Analysis of reserves

	At 1 April 2022	Income	Expenditure	At 31 March 2023
	£	£	£	£
Development capital	1,001,151	-	11,046	990,105
Sovereign capital	411,396	-	42,195	369,201
Sovereign centre	123,295	-	-	123,295
Lynwood Road Move-on	286,786	-	4,041	282,745
Inclusive sports facility	1,789,355	1,883	38,379	1,752,859
London Road Move-on	288,686	11,627	15,398	284,915
Hillbrook capital	69,699	-	1,964	67,735
Massetts Road	-	141,942	13,576	128,366
Gym equipment	49,091	-	16,364	32,727
Horley family centre	-	30,241	30,241	-
Health and wellbeing	24,153	119,084	119,084	24,153
Housing	178,906	214,719	200,707	192,918
Children's services	18,987	116,869	132,722	3,134
Youth services	5,240	232,145	232,145	5,240
Inclusive services	5,159	59,038	60,188	4,009
Emotional wellbeing	16,225	128,004	144,229	-
Total restricted reserves	4,268,129	1,055,552	1,062,279	4,261,402
Unrestricted reserves:				
- General	1,678,818	4,850,504	4,577,136	1,952,186
- Designated	635,689	116,797	7,905	744,581
Total reserves	6,582,636	6,022,853	5,647,320	6,958,169

	At 1 April 2021	Income	Expenditure	At 31 March 2022
	£	£	£	£
Development capital	1,012,197	-	(11,046)	1,001,151
Sovereign capital	458,413	-	(47,017)	411,396
Sovereign centre	123,295	-	-	123,295
Lynwood Road Move-on	290,827	-	(4,041)	286,786
Inclusive sports facility	1,826,564	1,883	(39,092)	1,789,355
London Road Move-on	292,457	11,505	(15,276)	288,686
Hillbrook capital	71,663	-	(1,964)	69,699
Gym equipment	-	65,455	(16,364)	49,091
Horley family centre	-	13,030	(13,030)	-
Health and wellbeing	24,141	137,047	(137,035)	24,153
Housing	121,273	253,223	(195,590)	178,906
Children's services	34,850	44,357	(60,220)	18,987
Youth services	-	239,568	(234,328)	5,240
Inclusive services	7,191	66,279	(68,311)	5,159
Emotional wellbeing	-	228,318	(212,093)	16,225
Total restricted reserves	4,262,871	1,060,665	(1,055,407)	4,268,129
Unrestricted reserves:				
- General	1,280,043	4,155,351	(3,756,576)	1,678,818
- Designated	563,751	79,843	(7,905)	635,689
Total reserves	6,106,665	5,295,859	(4,819,888)	6,582,636

General reserves are the 'free reserves' after allowing for all designated reserves
The designated reserves have arisen from Challenge events and represents monies received in relation to the capital costs of the new facility completed in December 2018 at the Princes Road site and supports the work of other projects within the charity.

YMCA East Surrey

Notes to the financial statements
for the year ended 31 March 2023

19 **Restricted reserves**

The Development capital reserve is held on trust to provide premises for the YMCA East Surrey. It is invested in the freehold land and buildings at Princes Road occupied by YMCA and it does not generate income.

The Sovereign capital reserve holds the leasehold premises at The Sovereign Centre and does not generate income.

The Sovereign centre reserve represents funds held to maintain and enhance the facilities at the Sovereign centre and to support the YMCA's work with children and young people with disabilities.

The Lynwood Move-on holds the freehold premises at Lynwood Road and does not generate income.

The London Road Move-on holds the freehold premises at London Road and does not generate income.

The Massetts Road Move-on holds the freehold premises at Massetts Road and does not generate income.

The Inclusive sport facility reserve represents monies received in relation to the capital costs of the new facility completed in December 2018 at the Princes Road site.

Housing reserves includes bond balances totalling £84,907 (2022: £86,049) and equipment funding totalling £17,465 (2022: £17,465), for use in replacement equipment for Hillbrook House as required. There are also a further capital funding of £69,699 (2022: £71,663) in respect of funding for fixtures and fittings at Hillbrook House. The remaining balance is represented by donations and other income in relation to housing projects.

The Gym equipment reserves relates to money received in relation to new capital equipment purchased for the gym during 2021/22.

Donations and other income received in respect of Health and wellbeing, Housing, Children's services, Youth services and Horley Family Centre are shown as other restricted reserves and matched with appropriate costs.

20 **Related party transactions**

The Trustees all give freely their time and expertise without any form of remuneration or other benefit in kind (2022: £nil). Further, the Trustees have received no reimbursement of expenses during the year (2022: £nil).

There was nil outstanding with related parties as at 31 March 2023 (2022: £nil).

21 **Operating lease commitments**

At 31 March 2023, the Charitable Company had total commitments under non-cancellable operating leases for land and buildings as follows:

	2023	2022
	£	£
Within one year	36,869	37,530
Within two to five years	95,522	106,262
After five years	30,420	53,700
	<u>162,811</u>	<u>197,492</u>

22 **Capital commitments**

At the end of the year, the Charitable Company had £nil capital commitments (2022: £nil)

YMCA East Surrey

Notes to the financial statements
for the year ended 31 March 2023

23 Net cash

	Current debt	Non-current debt	Cash and cash equivalents	Net cash
	£	£	£	£
At 1 April 2022	(859,626)	(590,158)	1,925,983	476,199
Cash flow	802,095	(753,006)	588,816	637,906
Other movements				
At 31 March 2023	<u>(57,530)</u>	<u>(1,343,164)</u>	<u>2,514,799</u>	<u>1,114,105</u>
At 1 April 2021	£	£	£	£
Cash flow	(43,761)	(1,066,301)	1,619,086	509,024
Other movements	(815,865)	476,143	306,897	(32,825)
At 31 March 2022	<u>(859,626)</u>	<u>(590,158)</u>	<u>1,925,983</u>	<u>476,199</u>

YMCA EAST SURREY

England & Wales - Charity number 1075028

Accounts

YMCA East Surrey
(A charitable company limited by guarantee)

Report and Financial Statements

for the year ended

31 March 2022



Charity Registration No: 1075028
Company Registration No: 03716594
Social Housing Provider Registration No: 4854

YMCA East Surrey

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YMCA East Surrey

Legal and administrative information

Directors and Trustees: Dr Diana Bullock (resigned 25 January 2022)
Paul Byrne - Chairman
Freda Clark (resigned 2 November 2021)
Nigel Clifford (resigned 2 November 2021)
Caroline Fisher
John Guy (appointed 2 November 2021)
Penelope Horsfall (resigned 2 November 2021)
Heather Loxley
Richard Mantle
Grant Samuel (appointed 2 November 2021)
Ian Thomas - Treasurer
Jeff Travis

The above served as trustees during (and, unless otherwise indicated, throughout) the year ended 31 March 2022.

Chief Executive and
Company Secretary:

Ian Burks

Registered Office:

YMCA East Surrey
Princes Road
Redhill
Surrey
RH1 6JJ

Registered Charity Number:

1075028

Registered Company Number:

03716594 (England & Wales)

Social Housing Provider

Registration Number:

4854

Bankers:

Barclays Bank plc
Guildford, Gatwick & Woking Business Banking
90/92 High Street
Crawley
West Sussex RH10 1BP

Auditors:

Crowe UK LLP
55 Ludgate Hill
London
EC4M 7JW

Solicitors:

Morr & Co LLP
Prospero
73 London Road,
Redhill
RH1 1LQ

YMCA East Surrey

Report of the Chief Executive

YMCA East Surrey is a local charity that helps people to improve their lives, realise their potential and become the best they can be. Our focus is on the young, the vulnerable and those facing disadvantage. Services are delivered from nine YMCA sites plus numerous other outreach locations and venues in different communities. We offer a diverse range of charitable activity, covering sports, physical activity, childcare, youth work, family work, short breaks, housing and therapeutic services.

We pride ourselves on our inclusive approach, delivering specialist support for those with different abilities alongside universal services that everyone can benefit from. We believe all young people can succeed whatever their background and we encourage service users to build on their strengths to become healthy, happy and fulfilled members of our community.

Sadly, the need for our services have never been greater following the aftermath of Covid and this is reflected in the growth in our charitable services over the last year. We anticipate even greater demand as the country faces future challenges such as the energy crisis, conflict in Europe and the resulting cost of living crisis.

Despite the challenges, last year saw a number of key achievements including the development of a new supported housing scheme, the successful roll out of a Lottery funded youth work project and a successful bid to win a 5-year lease on the Phoenix, a Surrey County Council (SCC) owned Youth Centre in Tadworth.

Probably the most notable accomplishment, however, has been our contribution to the transformation of mental health services for young people in Surrey. The ongoing effects of the lockdown and resulting isolation faced by young people has fuelled a wave of emotional difficulties amongst young people, and the numbers requiring support are at an all-time high.

In response to this, the YMCA has worked closely with partners to help form a new alliance of partners under the title of Mindworks Surrey. This new service, jointly commissioned by SCC and Surrey Heartlands NHS, has been set up to improve the mental health of children and young people across the county. The new services follow the THRIVE Framework for System Change giving children and young people a central voice in decisions about their care.

The lead provider is Surrey and Borders Partnership but one of the key Alliance partners is the newly constituted Surrey Wellbeing Partnership (SWP) made up of 12 Surrey charities. The YMCA has played a central role in forming this pioneering new partnership and delivers a significant proportion of the services it commissions.

The first year of the contract required the mobilisation of a range of new services and the recruitment of many counsellors, wellbeing practitioners and relational youth workers. Despite some challenges with recruitment the YMCA was able to deliver 10,696 sessions of counselling, one to one support and youth group activity to children and young people across East Surrey. Young people accessing the services have been able to address difficult emotional issues such as depression, anxiety and low self-esteem and have achieved positive outcomes such as improved relationships with family and friends and greater success at school and college. We are confident that we can build on what has been learnt during year 1 of the contract to develop new innovative services and activities that will have a powerful preventative effect on young people's wellbeing, dealing with issues early before they are allowed to become entrenched mental health problems.

Another important way to support emotional wellbeing is through good accessible youth work and over the last year thanks to a number of funders, including the National Lottery, the YMCA has continued to deliver free youth clubs and detached youth work in the five most deprived areas of Reigate and Banstead. These services are offered from youth centres in Redhill, Horley, Woodhatch, Merstham and Tadworth as well as out on the streets and in parks and open spaces where young people congregate.

YMCA East Surrey

Report of the Chief Executive

Both Reigate and Banstead Borough Council (RBBC) and SCC play a key role within the YMCA's Youth Offer and last year the YMCA entered into a five-year lease and service level agreement to take on the management of the Phoenix Youth Centre. This is the second SCC youth centre leased to the YMCA (following Horley) and these innovative arrangements have breathed new life and activity into buildings that were previously underused due to local authority funding pressures.

Both centres (along with our own Sovereign Centre) now offer a similar vibrant array of programme supporting children, young people and families with a wide range of needs. The centres are also made available free of charge to other statutory and charitable partners such as the MYTI club who provide additional positive activities for young people in Tadworth.

Other services within our Children and Young People Department have continued to thrive. Last year after successful delivery against targets our short breaks contracts with SCC and West Sussex County Council were extended for a further year until March 2023. Short breaks provide essential time away from caring for parents and siblings but also offer exciting opportunities for young people with disabilities to gain skills, make friends and move towards more independence.

Numbers of families accessing our YMCA Preschools have increased over the last year thanks to the great work of our managers and staff, however financial viability of this provision is still a challenge especially at Merstham which is often quoted as the most deprived ward in Surrey. Most of the children access free funded places from SCC and the subsidy per place will only increase by 1.1% for 2022/23. Research shows that the first 1,000 days have a major influence over the rest of a child's life and accessing early years education helps give children the skills and confidence needed to thrive when they start school.

One of the most fundamental ways the YMCA can help a young person is by providing them with a safe and affordable home and we have seen many at risk young people transformed by the positive package of support that all our residents receive when they move into one of our 57 units of supported accommodation (increasing to 69 from April 2022).

In April 2021 we completed on the purchase of a former guest house in Horley which we have redeveloped with help from Homes England, RBBC and LandAid, into a high-quality supported housing scheme for 12 young people. The property has 3 self-contained units and 9 shared rooms each with ensuite facilities, plus generous community spaces including a large lounge area, kitchen and conservatory.

The opening of Massetts Rd coincided with SCC's recommissioning of supported accommodation, and we were able to increase the number of beds that will be supported by SCC from April 1st 2022 to 63 out of our total 69 units. This guarantees our residents a core support service including a key worker and access to a range of Y Focus group activities, and this is supplemented by a wider package of YMCA holistic support such as free fitness programmes at our Sports and Community Centre, volunteering schemes (funded by The William Waites Foundation) free counselling and youth work projects. All these initiatives ensure that young people have every opportunity to build the skills, self-esteem and confidence to move on to independent living.

Over the last two years the Housing Team have been embedding a Trauma Informed Approach (TIA) to supporting young people. There is a growing recognition that many of the young people we work with have been exposed to adverse childhood experiences such as abuse, violence or neglect which may have long term effects. Staff have undergone training to understand the impact of this trauma on behaviour and how this can affect the relationships that young people have with family, friends and support staff. Training from Homeless Link has led to the introduction of regular 'reflective practice' along with changes to policies and language that help staff to adopt an asset-based approach, building on young people's strengths rather than focussing on problems. This has proved invaluable, keeping staff motivated and empowering residents to achieve positive changes in their lives.

YMCA East Surrey

Report of the Chief Executive

Although our main focus within housing is on those aged 16 to 25 we also continue to work in partnership with RBBC and Tandridge District Council to offer the NextStep Service designed to help homeless single people and families to access the private rental sector.

Our third service line after 'Children and Young People' and 'Housing' is 'Health and Wellbeing' and this programme includes a mix of inclusive fitness and targeted physical activity designed to address health inequalities and promote healthy living amongst all members of the community. Notable developments over the last year include the recruitment of a full time Disability Sports Coordinator funded by the Peter Harrison Foundation who has been tasked with revitalising our disability sport provision and making best use of our fully accessible inclusive sports facilities at Princes Rd. Our Exercise Referral, Healthy Measures and Wellbeing Walks continue to attract referrals from GPs and the Wellbeing Service and we are grateful to Surrey Heartlands Integrated Care Partnership for their ongoing support which makes this work possible.

One of our priorities over the past 12 months has been to strengthen the central support available to front line projects and this has included the recruitment of two new posts of Head of Central Services and Head of Finance. Further work to embed our new Microsoft O365 cloud-based system has also taken place and all YMCA staff and trustees are now able to remotely access our data and systems, safely and securely. All legacy applications are now operating from Azure and there are future plans to bring in new more integrated software to streamline management processes and record outcomes and impact.

One unique feature of YMCA East Surrey which contributes to our financial sustainability is our Challenge Programme and in 2021/22 we were able to finally offer several face-to-face events following previous postponements due to Covid. We were also extremely lucky to have the support of her worshipful the Mayor of Reigate and Banstead, Cllr Jill Bray, who injected a huge amount of energy and innovation into our fundraising activities. Cllr Bray not only attended our events she also took part, raising money by sleeping out at the annual Sleep Easy in the Town Hall carpark and running the 3-mile Santa Run in Priory Park. She helped us deliver a successful fundraising quiz and raised a total of £10,365 from her Mayoral events.

Following the Covid Pandemic and the end of our previous five-year plan we have used the last year to review our current position, assess local needs and plan a way forward for the future of the charity. Following extensive consultation with trustees, staff and stakeholders and with the help of a pro bono consultancy called Skylark we have devised a new five-year strategy outlining the optimum future direction of our charitable work.

Key aims that have been identified include plans to become YMCA Surrey, extending our provision to address needs across all parts of Surrey and beyond, reaching out to more service users and working with key partners to provide county wide solutions for our many client groups.

The further expansion of housing is a central component of our strategy. Without safe, affordable accommodation a young person cannot begin to deal with all the other challenges they may face in their lives. Youth homelessness is growing and with our 'Registered Provider' status we are determined to develop new housing projects to give more young people the opportunity to build independence and succeed in life. The surplus generated over the last year will help us invest in this important priority.


If we are to successfully expand our reach, we need to focus on sustainability, not just in terms of financial viability, but also by understanding and limiting our impact on climate change. We want to build on our excellent track record of inclusive provision by developing greater diversity within our teams of staff and volunteers, and at a governance level. We are also keen to retain our volunteer ethos and to ensure that the young people we represent have a voice and are able to shape and influence the support available from the YMCA.

We recognise that none of the achievements of the past year or our future plans could be achieved without the support of our many vital partners, and we are extremely fortunate to work with some forward thinking and collaborative public bodies including RBBC and SCC along with Surrey Heartlands ICB and of course all our many charitable funders who enable us to develop and fund innovative new projects.

YMCA East Surrey

Report of the Chief Executive

Our biggest asset is our people, and the YMCA has a dedicated team who go the extra mile to fulfil our overriding aims to help people belong, contribute, and thrive. Our staff and volunteers are supported and steered by skilled and knowledgeable trustees led by our Chair, Paul Byrne, and I would like to take this opportunity to thank all of these dedicated people for the great work they do to transform the lives of so many people in our local communities.



Ian Burks
Chief Executive

28th September 2022

YMCA East Surrey

Report of the Trustees (incorporating the Strategic Report)

The Trustees present their report and the financial statements for the YMCA East Surrey for the year ended 31 March 2022.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, the Housing Statement of Recommended Practice 2018, the Accounting Direction for Private Registered Providers of Social Housing (issued by the Regulator of Social Housing in September 2019), the Housing Regeneration Act 2008 and are in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Objectives and activities

YMCA East Surrey is a Charitable Company – a company limited by guarantee and a registered charity governed by its Articles of Association.

The objectives of the YMCA East Surrey are:

- ▶ To provide or assist in the provision, in the interest of social welfare, of facilities for recreation and other leisure time occupations for men and women with the object of improving their conditions of life
- ▶ To provide or assist in the provision of education for persons of all ages with the object of developing their physical, mental or spiritual capacities
- ▶ To relieve or assist in the relief of persons of all ages who are in conditions of need, hardship or distress by reason of their social, physical or economic circumstances
- ▶ To provide residential accommodation for persons of all ages who are in need, hardship or distress by reason of their social, physical or economic circumstances
- ▶ To provide Social Housing, houses or hostels and any associated amenities including a counselling service and services for persons in necessitous circumstances upon terms appropriate to their means. In this part “social housing” means—
 - a) low-cost rental accommodation (defined by section 69 of the Housing and Regeneration Act 2008), and
 - b) low-cost home ownership accommodation (defined by section 70 of the Housing and Regeneration Act 2008).

As can be seen in the Report of the Chief Executive, these objectives are at the heart all of the services and activities we provide.

The Charitable Company is divided into three distinct service areas, designed and organised in order to meet these objectives: Housing, Children and Young People, and Health & Wellbeing. These are all supported by Central Services. In implementing the objectives through the activities of the service areas the Trustees have had due regard to the guidance on “public benefit” of the Charity Commission.

Housing – Supporting those facing challenges in their lives with safe, secure and affordable housing – helping them to overcome barriers and achieve independent living

Our housing services support people who are in need of a home, are homeless or at risk of becoming homeless. YMCA Hillbrook House provides homeless young people aged 16-30 with safe accommodation in Redhill; each resident receives advice, support and access to a range of services. We have three “Move On” houses in Horley, Merstham and Redhill which provide further support for those who need it. These projects provide a less intensive housing support option for those who are moving towards independence. NextStep is a professional housing service delivered by YMCA East Surrey (with support from Reigate and Banstead Borough Council) that helps individuals and families facing homelessness to access private sector accommodation.

Children and Young People – We believe in children and young people and seek to offer inclusive services and activities that support them to make the best start in life

Our services – Childcare and Children’s Activities, Family and Youth Services, Inclusive Services and Emotional Wellbeing and Mental Health are aimed at helping children and young people increase their confidence and self-esteem and lead fuller and more satisfying lives.

YMCA East Surrey

Report of the Trustees (incorporating the Strategic Report)

Activities include counselling, youth groups, mentoring, pre-schools, holiday clubs, after school clubs, short breaks and recreational activities together with activities designed to support parents and carers. Where charges apply, we offer free or reduced places to families who need additional support.

Health & Wellbeing – Helping people of all ages and abilities living across Surrey to embrace active living and lead healthier more fulfilled lives

Health & Wellbeing comprises a range of activities including gym facilities, classes, weight management and exercise referrals for local people of all ages and abilities. Health & Wellbeing also provides sports facilities for community activities and disability sports.

The activities of the YMCA East Surrey are delivered through a mix of full time and part time staff working alongside a cadre of dedicated volunteers.

Achievements and Performance

In the Report of the Chief Executive, we set out the main achievements during the year. Within this report you can see that the Charitable Company continues to make a great difference to the lives of the people it helps and the reach of the Charitable Company's work is continuing to expand within the county.

Financial review

Income and Funding

The Charitable Company's funding is a blend of income from contracts for commissioned services, grants, rents and fees with a small but important proportion being derived from donations and fundraising ("challenge") events. Most sources of income impacted by COVID (where services could not be delivered or events could not take place) had started to recover by the end of 2021/22.

In 2021/22 total income was £5,230,939 an increase of 24% - £998,117 on the previous year, reflecting the growth in all our services – but most particularly the commencement in April 2021 of our delivery of Emotional Wellbeing and Mental Health Services as part of the contract being delivered by the Surrey Wellbeing Partnership to Surrey and Borders Partnership NHS Trust.

The Trustees gratefully acknowledge the support of all our donors and funders. More than half of the Charity's income is in the form of contracts and grants from the NHS, local authorities and other bodies. Such funding enables the Charitable Company to carry on the work in all our lines of service, in turn supporting the objectives of the Charitable Company.

The Trustees regularly monitor key performance indicators by service area, including income against budget, success in securing grants and measures of underlying activity levels such as rental voids, counselling interventions delivered and attendance levels.

When looking ahead, the Trustees are acutely aware of the cost-of-living pressures on our service users, the increasing competition for grants and the many demands on Government and Local Authority funding. The annual budgeting process is rigorous and seeks to ensure that underlying income drivers are realistic and attainable.

Expenditure

Operating expenditure for the 2021/22 financial year was £4,794,225 an increase of £996,234 on the previous year and commensurate with the increase in income. Staff costs at £3,220,603 remain our main area of expenditure, accounting for 67% of total expenditure (2021: £2,679,327 – 71%).

The Trustees regularly monitor key performance indicators for expenditure by service area including costs against budget, headcount, payroll run rates as well as large or unusual non-staff costs.

YMCA East Surrey

Report of the Trustees (incorporating the Strategic Report)

Financial review (continued)

Trustees are also very focused on monitoring the inflationary pressures on our cost base as well as the competitive positioning of our staff reward and staff turnover levels.

Overall results for the financial year

The Charitable Company's activities produced a total surplus of £475,971 for the 2021/22 financial year (2021: £522,996) which consisted of a surplus on unrestricted reserves of £470,713 (2021: £592,795) and a small surplus of £5,258 (2021: deficit £69,799) on restricted reserves. The small 2022 surplus (2021: deficit) on restricted reserves is in part reflective of these funds largely relating to premises which do not generate income and in part reflective of the low margins on commissioned services. The surplus on unrestricted reserves reflects the success of "challenge" events and also includes a surplus on revaluation of investments of £64,678 (2021: £107,952).

The Charitable Company achieved an operating surplus of £235,197 (2021: £133,370) in social housing; £93,307 (2021: £82,121) in non-social housing and £108,210 (2021: £219,340) in non-housing. The overall operating surplus of £436,714 (2021: 434,831) enabled a contribution to reserves in line with our reserves policy to cover the growth in operating expenditure in 2021/22 as well as a funding for future expansion in our charitable activities.

The Charitable Company has total reserves of £6,582,636 at 31 March 2022 (2021: £6,106,665) as set out in the Statement of financial position. The majority of the restricted funds of £4,268,129 is attributable to the net book value of the freehold premises in Princes Road including the Inclusive Sports Facility (ISF), Lynwood Road and London Road "Move On" properties and the leasehold of the Sovereign Centre in Woodhatch. There are also designated funds totalling £635,689 (2021: £563,751) largely attributable to "challenge" event funding of the Princes Road facility and other projects.

Reserves policy

The Charitable Company's aim is to hold sufficient unrestricted free reserves to cover up to three months' expenditure so as to ensure, as far as possible, the continuation of the Charitable Company's activities in the event of significant fluctuations or shortfalls in anticipated income.

The Charitable Company had unrestricted reserves of £2,314,507 as at March 2022 (2021: £1,843,794). Unrestricted free reserves are funds that the Board is free to use to support our charitable work, available at short notice. A proportion of the unrestricted reserves comprise fixed assets (net of long-term bank loans and capital grants) totalling £924,653 (2021: £811,513) which are not readily available. Excluding these fixed assets and adding back long term pension deficit contributions of £142,031 (2021: £152,794) unrestricted free reserves totalled £1,531,885 (2021: £1,185,075). This represents approximately 3.4 months of expenditure budgeted for the forthcoming year, which meets the requirements of the reserves policy with a small balance available for investment (2021: approximately 3.0 months).

The Reserves Policy is continuously monitored and reviewed by the Finance and Resources Committee which makes recommendations to the Trustees if and when action is needed to maintain the policy or consideration needs to be given to its modification.

Value for money

YMCA East Surrey is committed to achieving Value for Money (VFM) across all aspects of the Charitable Company's business. The aim is to generate surpluses in our service provision, to maintain a viable business and to fund future capital investment whilst at the same time ensuring we deliver high levels of service user satisfaction - in line with our charitable objectives. VFM is led by the Board and overseen by the Finance and Resources Committee.

VFM is about achieving the right balance between the three 'E's'- Economy, Efficiency and Effectiveness. Essentially this requires YMCA East Surrey to assess the impact of all its costs, to best meet its stakeholders' needs.

- ▶ Economy - the price paid for what goes into providing a service
- ▶ Efficiency - a measure of productivity or how much is gained from what is put in
- ▶ Effectiveness - a measure of the impact achieved which can be both qualitative and quantitative

YMCA East Surrey

Report of the Trustees (incorporating the Strategic Report)

Financial review (continued)

VFM is high when there is an optimum balance between all three 'E's': relatively low costs, high productivity and successful outcomes.

The Charitable Company seeks to optimise by VFM by:

- ▶ Undertaking a rigorous annual budgeting exercise culminating in a Board approved budget with regular monitoring of variances to budget and reporting through to the Board.
- ▶ The application of a fit for purpose procurement policy together with regular monitoring of staff remuneration and turnover levels.
- ▶ Monthly monitoring of non-financial metrics that enable the impact and reach of our services to be measured and reported alongside other critical key performance indicators. Examples include occupancy levels in Housing, delivery against targets for contracted services in Children and Young People and attendance levels at classes in Health and Wellbeing.
- ▶ The use of Advisory Groups which enable service recipients, funders and other interested parties to consider and challenge overall outcomes and help shape future delivery.

Alongside compliance with the 2018 Value for Money Standard and associated Code of Practice, as a non-profit private registered provider of social housing, the Charitable Company is expected to report on certain value for money metrics to enable effective comparison across the sector. The metrics are included below:

- ▶ Metric 1 – Reinvestment %: This metric looks at the investment in properties (existing stock as well as new supply) as a percentage of the value of total properties held. The investment in properties was 40.0% (2021: 6.5%) representing an investment in a new Move On property at Massetts Road, Horley which led to a 12 bed scheme being available for occupancy at the start of April 2022.
- ▶ Metric 2a – New supply delivered 0% (2021: 3.5%): This metric sets out the number of new social housing units that have been acquired or developed in the year as a proportion of total social housing units owned at period end. The completion of the works at Massetts Road, Horley to convert this into Social Housing delivered 12 new units but these did not become available until the start of April 2022.
- ▶ Metric 2b – New supply delivered 0% (2021: 0%): This metric sets out the number of new non-social housing units that have been acquired or developed in the year as a proportion of total social housing units and non-social housing units owned at period end.
- ▶ Metric 3 – Gearing %: This metric looks at housing property assets and the degree of dependence on debt finance. The ratio is a negative -12.9% (2020: -22.7%) as at the balance sheet dates, the Charitable Company's cash and cash equivalents were greater than debt finance.
- ▶ Metric 4 – Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included (EBITDA MRI) Interest Cover %: The EBITDA MRI interest cover measure is a key indicator for liquidity and investment capacity. It seeks to measure the level of surplus that a registered provider generates compared to interest payable; the measure avoids any distortions stemming from the depreciation charge. The ratio is 2,602% (2021: 3,053%) which again confirms the Charitable Company's low reliance on finance.
- ▶ Metric 5 – Headline social housing cost per unit: The unit cost metric assesses the headline social housing cost per unit as defined by the regulator. The cost per unit is £10,364 (2021: £10,909). The level of expenditure is indicative of the small size of the Charitable Company.
- ▶ Metric 6 – Operating margin %: The Operating Margin demonstrates the profitability of operating assets before exceptional expenses are taken into account. The operating margin (social housing lettings only) was 19.6% (2021: 12%) and the operating margin (overall) was 8.3% (2021: 10.3%). The difference between the two measures reflects the varied services provided by the Charitable Company achieving different margins.
- ▶ Metric 7 – Return on capital employed (ROCE) %: This metric compares the operating surplus to total assets less current liabilities and is a common measure in the commercial sector to assess the efficient investment of capital resources. The ratio is 5.1% (2021: 5.4%).

YMCA East Surrey

Report of the Trustees (incorporating the Strategic Report)

Structure, governance and management

Legal status

The YMCA East Surrey is an incorporated Association and is affiliated to the National Council of YMCAs in England (charity number 212810).

YMCA East Surrey is a company limited by guarantee, incorporated on 19 February 1999 and registered as a charity on 9 April 1999. The company and charity registration numbers are shown on page 1. The governing documents are the Memorandum and Articles of Association. On the 21 October 2014, the Charitable Company changed its name from Reigate and Redhill YMCA to YMCA East Surrey to reflect its expanding services across the local area. On 1 August 2017, the Charitable Company became a non-profit private registered provider of social housing (registered provider).

Trustees, as corporate members, guarantee to contribute an amount not exceeding £1 to the assets of the Charitable Company in the event of winding up.

Code of governance

The Board is committed to delivering best practice in all aspects of governance and the Trustees have adopted the Charity Governance Code for Larger Charities. As an evolving organisation, YMCA East Surrey will continue to review and develop its governance in order to best serve its beneficiaries.

Annual review of governance and financial viability standard

As demonstrated by successfully gaining registered provider status in August 2017, YMCA East Surrey was able to demonstrate compliance with all RSH standards, including the governance and financial viability standard. The Finance and Resources Committee review the standard on an annual basis and ensure all necessary measures required to ensure compliance are put in place.

Organisation

The Trustees are directors for the purpose of company law as well as trustees for the purpose of charity law. They are responsible for the governance of the Charitable Company and delegate the day-to-day management to the Chief Executive and his management team. The Board of Management meets on a quarterly basis, or more often if required. There are a number of subcommittees and Advisory Groups that comprise of trustees and others which report back to the Board of Management for ratification. The Finance and Resources Committees meets 9 times a year whilst other committees meet quarterly.

Appointment, induction and training of trustees

Trustees are appointed at the AGM to serve a period of 3 years. One third of the Trustees retire each year by rotation and are eligible for re-appointment at each AGM. If it is agreed that a Trustee will serve for more than nine years, then it is subject to a particularly rigorous review and takes into account the need for progressive refreshing of the Board, and their re-appointment is explained in that year's Report of the Trustees. The Board of Management has power to co-opt additional members and fill casual vacancies.

It is the aim of the Board of Management to attract new Trustees with suitable skills who themselves may be drawn from the various user groups. All Trustees undertake inductions and on-going training to ensure that they quickly become effective and are aware of developments in corporate and charity governance. Every new Trustee is issued with a copy of a comprehensive Trustees' Handbook together with certain key documents listed within the Handbook, the Charitable Company's Memorandum and Articles and the latest audited Financial Statements among others. They are also offered induction opportunities with staff and other Trustees and are briefed about the various services provided by YMCA East Surrey. Further, there is an annual Away Day where the Trustees, the Chief Executive and senior members of his management team meet to discuss the future direction of the Charitable Company and to deliver any necessary training and updates. The long-term aim is to have well-balanced and appropriately qualified Trustees.

YMCA East Surrey

Report of the Trustees (incorporating the Strategic Report)

Structure, governance and management (continued)

Pay policy for senior staff

Key management personnel in charge of directing and controlling, running and operating the Charity are deemed to be the Board of Management and the Senior Management Team. The Senior Management Team comprises the Chief Executive and four Heads of Service.

The Trustees give their time and expertise freely and receive no reimbursement for expenses. The pay of the Senior Management Team is reviewed annually and salary increases will be recommended by the Chief Executive and approved by the Finance and Resources Committee. Pay for the Chief Executive is also set annually by the Remuneration Committee.

Details of related party transactions are set out in Note 20.

Investment policy

Aside from retaining a prudent amount in reserves each year most of the Charitable Company's funds are to be spent in the short term so there are few funds for long term investment. The Finance and Resources Committee continue to monitor the amounts invested with CCLA Investment Management Limited (CCLA) on a regular basis taking into account the expected unrestricted surplus funds. The level of funds invested with CCLA takes into account the level of expected future pension contributions of the Charitable Company together with a proportion of the unrestricted funds to be invested for the long term. The decision to continue to hold the funds in the CCLA is to ensure that we maximise the expected long-term return on our assets within an acceptable degree of risk. This is deemed a low-risk strategy.

Risk management

The Charitable Company maintains a comprehensive risk management framework to ensure the effective management of all risk types that could affect the charity's ability to achieve its objectives. A formal risk register is maintained by the Senior Management Team to record and assess identified risks in accordance with the Charitable Company's Risk Policy, including an assessment of mitigating policies and procedures. The Trustees regularly review the principal risks and uncertainties that the Charitable Company faces and the overall effectiveness of the risk management framework.

This review has continued to identify the following key risks:

- ▶ A sudden significant funding reduction. The Charitable Company works closely with local authorities and the NHS to understand their budgets, and ensure services continue to meet the needs of their priority client groups. We also actively seek new sources of funding in order to dilute this risk.
- ▶ Accidental death. The Charitable Company has in place risk assessments and health & safety measures along with stringent safeguarding policies to reduce this risk and reviews accident and incident reports regularly to amend measures as necessary. The Housing teams have support staff in place and provide regular training and support for these staff.
- ▶ Abduction, loss or abuse of a child or vulnerable adult. The Charitable Company has robust safeguarding policies, procedures, regulatory checks and training in place to mitigate this risk.
- ▶ Cyber-attack. The Charitable Company outsources the IT function to ensure appropriate measures are in place to mitigate this risk.
- ▶ Breach of GDPR requirements. The Charitable Company has a Data Protection Officer in place who reviews and disseminates relevant policies and procedures to staff.

The latest review has also identified two additional key risks not previously reported:

- ▶ Inflationary pressures. The Board and the Senior Management Team are actively managing inflationary pressures – taking steps to limit the impact of increases to the overall cost base and managing the impact from longer term contracts where income might not grow in line with underlying service delivery costs. Ultimately this could impact our reserves and challenge investment decisions.

YMCA East Surrey

Report of the Trustees (incorporating the Strategic Report)

Structure, governance and management (continued)

- ▶ Failure to attract and retain appropriately skilled resources. The charity sector is seeing significant competition for resources post Brexit and COVID both from within the sector and externally. The Board and Senior Management Team are looking at what additional steps can be taken to attract and retain resources – cognisant of the cost and detrimental impact of unfilled vacancies and raised staff turnover.

In addition, the following key risks, whilst still prevalent are no longer considered principal risks:

- ▶ Continuation of the pandemic. Whilst this continues to be a risk the impact has been significantly mitigated by the rollout of the Government's vaccination programme.
- ▶ Capacity and capabilities of the Board and management. Steps have been taken during the course of the year to enhance both the Board and the Senior Management Team.

Fundraising

The Charitable Company raises funds in a number of ways as set out below:

- ▶ Challenge events
- ▶ Corporate and individual donations via one-off or regular payments, Give As You Earn and legacies
- ▶ Provision of paid services
- ▶ Grant funding

The Charitable Company does not use any commercial participators/professional fundraisers and all monitoring of fundraising is carried out internally. Whilst the Charitable Company has currently not signed up to any recognised fundraising standards, it does have a full and detailed Fundraising Policy that can be found on the Charitable Company's website. This policy helps to ensure that the Charitable Company is protecting the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate and it specifically references:

- ▶ Personal information provided to the Charitable Company will be kept confidential and will not be sold, rented, or given to anyone without consent
- ▶ No cold calling or door to door solicitation of the public is allowed

Plans for the future

As referenced in the Report of the Chief Executive the Trustees have been actively involved in the development of a new Strategic Plan for the five years to 2027.

The strategy builds off the strengths of our teams and the success of the services that we deliver, focuses on the needs of the communities that we support - expanding the reach of our services, recognises the need to maintain financial viability if we are to continue to achieve our charitable objectives and looks to address external factors impacting the environment in which we operate.

Seven strategic priorities have been agreed:

- ▶ Expanding our geographical reach across Surrey – looking to help meet the needs of communities who we cannot currently support and where there is a real need not being addressed.
- ▶ Continuing to grow our service offerings – predominantly focused on children and young people - building off the 24% growth in turnover attained in 2021/22.
- ▶ Prioritising the housing needs of young people and continuing to grow the number of housing units that we offer – in 2021/22 we added 12 additional social housing units and we aim to continue with this type of growth identifying development opportunities in the areas of greatest need - working with Homes England and other grant funding providers.
- ▶ Maintaining a balanced mix of income sources - diluting the risk of dependency on any one area - and at the same time growing our skills and in-house expertise to ensure we continue to deliver the quality of services required in a safe and secure way.

YMCA East Surrey

Report of the Trustees (incorporating the Strategic Report)

Plans for the future (continued)

- ▶ Championing inclusivity in all that we do – our service reach, our service offerings, our service delivery and our governance – giving a voice to and reflecting the diversity and background of young people and those most in need in our communities.
- ▶ Building on our culture of voluntary action to help others gain new skills whilst at the same time supporting the delivery of charitable activities.
- ▶ Putting systems in place to measure our impact on the environment with plans to reduce our carbon footprint.

The Senior Management Team are working on detailed plans to deliver this strategy.

Trustees' responsibilities

The Trustees (who are also directors of YMCA East Surrey for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law and registered social housing legislation requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charitable Company and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Company for that period.

In preparing these financial statements, the Trustees are required to:

- ▶ Select suitable accounting policies and then apply them consistently
- ▶ Observe the methods and principles in the Housing SORP
- ▶ 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; and
- ▶ Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006, The Housing Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2015. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

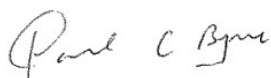
In so far as the Trustees are aware:

- ▶ There is no relevant audit information of which the Charitable Company's auditor is unaware and
- ▶ The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Auditors

A resolution to reappoint Crowe UK LLP as auditor will be put to the members at the Annual General Meeting.

By order of the board on



Paul Byrne

Chairman

28th September 2022

Independent Auditor's Report to the Members of YMCA East Surrey

Opinion

We have audited the financial statements of YMCA East Surrey (the charitable company) for the year ended 31 March 2022 which comprise the Statement of comprehensive income, the Statement of changes in reserves, the Statement of financial position, the Statement of cash flows and notes to the financial statements, including 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 the income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing from April 2019.

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Board with respect to going concern are described in the relevant sections of this report.

Other information

The Board is responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

YMCA East Surrey

Independent Auditor's Report

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 this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

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 charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 the Board

As explained more fully in the Board's responsibilities statement set out on page 13, the Board is 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 Board determines 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 Board is 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 Board either intends 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011, the Housing and Regeneration Act 2008, together with the Housing SORP. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within charitable company for fraud. The laws and regulations we considered in this context for the UK operations were requirements imposed by the Regulator of Social Housing and the Charity Commission, General Data Protection Regulations, health and safety legislation and employment legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, the Finance Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, analytical review and sample testing of income, reviewing accounting estimates for biases, reviewing regulatory correspondence with Social Housing Regulator and the Charity Commission and OFSTED inspection reports, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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.



Crowe U.K. LLP
Statutory Auditor
55 Ludgate Hill
London
EC4M 7JW

29th September 2022

YMCA East Surrey

Statement of comprehensive income
for the year ended 31 March 2022

	Notes	2022 £	2021 £
Turnover	1	5,230,939	4,232,822
Operating expenditure	1	(4,794,225)	(3,797,991)
Operating surplus	2	436,714	434,831
Interest and dividends receivable	3	242	1,043
Interest and financing costs	4	(25,663)	(20,830)
Movement in fair value of financial instruments	10	64,678	107,952
Surplus for the year		475,971	522,996
Actuarial gains in respect of pension schemes		-	-
Total comprehensive income for the year		<u>475,971</u>	<u>522,996</u>

All income arises from continuing activities of the charitable company. The charitable company had no recognised gains or losses other than those dealt with in the Statement of comprehensive income.

The notes on pages 21 to 33 form an integral part of these accounts.

YMCA East Surrey

Statement of changes in reserves
for the year ended 31 March 2022

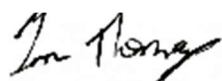
	Notes	Restricted reserves £	Unrestricted reserves £	Total £
Balance at 1 April 2021	18	4,262,871	1,843,794	6,106,665
Surplus from statement of comprehensive income		5,258	470,713	475,971
Balance at 31 March 2022	18	<u>4,268,129</u>	<u>2,314,507</u>	<u>6,582,636</u>
Balance at 1 April 2020	18	4,332,670	1,250,999	5,583,669
Surplus (Deficit) from statement of comprehensive income		(69,799)	592,795	522,996
Balance at 31 March 2021	18	<u>4,262,871</u>	<u>1,843,794</u>	<u>6,106,665</u>

YMCA East Surrey
Statement of financial position
as at 31 March 2022

Company registration number: 03716594

	Notes	2022 £	2021 £
Fixed assets			
Tangible fixed assets – housing properties	8	3,682,636	2,242,222
Tangible fixed assets – other	9	3,946,384	4,031,954
Investments	10	615,502	550,824
Total fixed assets		<u>8,244,522</u>	<u>6,825,000</u>
Current assets			
Debtors	11	453,499	712,438
Cash and cash equivalents	12	1,925,983	1,619,086
Total current assets		<u>2,379,482</u>	<u>2,331,524</u>
Current liabilities			
Creditors: amounts falling due within one year	13	(1,992,314)	(1,095,961)
Net current assets		<u>387,168</u>	<u>1,235,563</u>
Total assets less current liabilities		<u>8,631,690</u>	<u>8,060,563</u>
Creditors: amounts falling due after more than one year	14	(2,049,054)	(1,953,898)
Total net assets		<u>6,582,636</u>	<u>6,106,665</u>
Reserves			
Restricted reserve	18	4,268,129	4,262,871
Unrestricted reserve	18	2,314,507	1,843,794
Total reserves		<u>6,582,636</u>	<u>6,106,665</u>

The financial statements on pages 17 to 33 were approved by the Board of Management and authorised for issue on 28th September 2022 and are signed on its behalf by:



Ian Thomas
Treasurer

The notes on pages 21 to 33 form an integral part of these account

YMCA East Surrey

Statement of cash flows
as at 31 March 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Surplus/(deficit) for the financial year		475,971	522,996
Movement in fair value of financial instrument		(64,678)	(107,971)
Depreciation charges		244,410	209,092
Loss on fixed asset disposals		-	4,325
Dividends and interest received		(242)	(1,043)
Interest paid		25,663	20,830
(Increase)/decrease in debtors		258,939	(462,323)
Increase/(decrease) in creditors		49,182	379,532
Increase/(decrease) in pension provision		(9,896)	24,639
Net cash generated from operating activities		<u>979,349</u>	<u>590,077</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,599,254)	(250,694)
Government grants received		612,500	328,374
Proceeds from sale of investments		-	-
Interest and dividends received		242	1,043
Net cash used in investing activities		<u>(986,512)</u>	<u>78,723</u>
Cash flows from financing activities			
Interest paid		(25,663)	(20,830)
New secured loans		384,569	-
Repayment of borrowings		(44,846)	(44,389)
Net cash used in/(provided by) financing activities		<u>314,060</u>	<u>(65,219)</u>
Net change in cash and cash equivalents			
		306,897	603,581
Cash and cash equivalents at beginning of the year	12	<u>1,619,086</u>	<u>1,015,505</u>
Cash and cash equivalents at end of the year	12	<u><u>1,925,983</u></u>	<u><u>1,619,086</u></u>

YMCA East Surrey

Accounting policies
for the year ended 31 March 2022

Legal status

YMCA East Surrey is a company limited by guarantee and is an English registered social housing provider, charity and public benefit entity. The liability of its members is limited to £1 each in the event of a deficiency arising on the winding up of the Charity.

It is also registered as a charity and has received dispensation to omit the word "Limited" from its title.

The principal address is YMCA Sports and Community Centre, Princes Road, Redhill, Surrey, RH1 6JJ.

The Charitable Company's principal activities and nature of the Charitable Company's operations are included in the Report of the Trustees.

Basis of preparation

The financial statements have been prepared in accordance with the Housing Statement of Recommended Practice 2014, the Accounting Direction for Private Registered Providers of Social Housing (issued by the Regulator of Social Housing in September 2019), the Housing Regeneration Act 2008, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the requirements of Companies Act 2006.

The financial statements have been prepared on the historical cost basis of accounting with the exception of investment at market value and on the going concern basis.

Judgements and keys sources of estimation uncertainty are set out within note n) of the Accounting Policies.

The Charitable Company meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

Preparation of the accounts on a going concern basis

The Charitable Company's financial activities, its current financial position and factors likely to affect its future development are set out within the Report of the Chief Executive and the Report of the Trustees. On this basis, the Board of Management has a reasonable expectation that the Charitable Company has adequate resources to continue in operational existence for the foreseeable future, being a period of twelve months after the date on which the Report and Financial Statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

Principal Accounting Policies

A summary of the principal accounting policies is set out below.

a) Turnover

Turnover, excluding VAT, is recognised in the Statement of comprehensive income as follows:

- ▶ Donations are accounted for when received
- ▶ Government grants are accounted for on an accruals basis, being credited to the Statement of comprehensive income in the same period as the expenditure to which they relate
- ▶ Grants from non-government sources are recognised using the performance model. Grants are recognised as and when the associated performance conditions are met.
- ▶ Fees and subscriptions are accounted for on an accruals basis
- ▶ Social housing rental income is accounted for on an accruals basis
- ▶ Income from remaining trading activities is accounted for on an accruals basis
- ▶ Investment income is accounted for when receivable

b) Donated services and facilities

Volunteer time is not recognised, please refer to the Report of the Chief Executive for more information about their contribution.

YMCA East Surrey

Accounting policies
for the year ended 31 March 2022

Principal Accounting Policies (continued)

c) Expenditure

Expenditure is included in the Statement of comprehensive income on an accruals basis, inclusive of any VAT if it cannot be recovered. Liabilities are included as provisions once the Charity has a legal or constructive obligation to make future payments.

Expenditure has been classified under the heading that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Support and other central costs have been apportioned to each activity on the basis of turnover.

d) Freehold property and depreciation

The Charity separately identifies the major components that comprise its freehold properties, and charges depreciation, so as to write down the cost of each component to its residual value, on a straight line basis, over its estimated useful economic life.

The Charity depreciates the major components of its housing properties at the following annual rates:

<u>Component</u>	<u>Useful economic life</u>
Land	Infinite
Structure	100 years
Roof	70 years
Windows and doors	30 years
Boilers	15 years
Kitchens	20 years
Bathrooms	30 years
Mechanical systems	30 years
Electrics	40 years
Lifts	20 years

e) Other tangible fixed assets and depreciation

Tangible assets with a value greater than £1,000 are capitalised at cost, being their purchase cost, together with any incidental expenses at acquisition, in the Statement of financial position. Assets below this level are treated as expenditure and are included in the Statement of comprehensive income in the year the expenditure is incurred.

Depreciation is provided on all other tangible fixed assets, so as to write down the cost of each component to its residual value, on a straight line basis, over its estimated useful economic life at the following rates:

<u>Component</u>	<u>Useful economic life</u>
Leasehold buildings	Over the term of the lease
Sports equipment	4 years
Other equipment	3 to 4 years

f) Pension contributions

YMCA East Surrey participated in a multi-employer defined benefit pension plan for employees of YMCAs in England, Scotland and Wales, which was closed to new members and accruals on 30 April 2007. Due to insufficient information, the plan's actuary has advised that it is not possible to separately identify the assets and liabilities relating to YMCA East Surrey. As described in note 7, YMCA East Surrey has a contractual obligation to make pension deficit payments of £23,148 per annum (starting in May 2022, increasing 3% per annum) over the period to April 2027, accordingly this is shown as a liability in note 17 to these accounts. In addition, YMCA East Surrey is required to contribute £5,174 pa to the operating expenses of the Pension Plan and these costs are charged to the Statement of comprehensive income as made.

YMCA East Surrey also operates two defined contribution pension schemes, The Scottish Widows Scheme for Managers and The People's Pension Scheme which is available to all current staff. The amount charged to the Statement of comprehensive income represents contributions payable in the period.

YMCA East Surrey also contributes to the Local Government Scheme Pension Scheme for employees who were subject to a TUPE transfer from Surrey County Council. This is a defined benefit scheme, the employer's contribution rate is still to be assessed by the scheme's actuary. Provision has been made for estimated contribution levels during the year.

YMCA East Surrey

Accounting policies
for the year ended 31 March 2022

Principal Accounting Policies (continued)

- g) Operating leases
Rentals applicable to operating leases are charged to the Statement of comprehensive income over the period in which the cost is incurred on a straight line basis.
- h) Fund Accounting
Funds held by the Charity are either:
Unrestricted general funds - are available for use at the discretion of the trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes
Unrestricted designated funds - have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements
Restricted funds - are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charitable Company for specific purposes. The cost of raising and administering such funds are charged against the specific fund and set out in the notes to the financial statements.
- i) Investments
All investments are carried at their fair value. Investments are all traded in quoted public markets. The basis of the fair value for quoted investments is equivalent to the market value, using their bid price. Asset purchases are recognised at the date of trade at cost (that is their transaction value).
- j) Financial Instruments
The Charitable Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Charitable Company becomes a party to the contractual provisions of the instrument, and are offset only when the Charitable Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Derecognition of financial assets and liabilities
A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.
- k) Debtors
Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

A provision for impairment of trade debtors is established when there is evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in the Statement of comprehensive income.
- l) Cash at bank
Cash at bank includes cash and short term highly liquid investments with short maturity of three months or less.
- m) Creditors, provisions and borrowings
Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Public benefit concessionary loans are recognised at the amount received by the Charity.

YMCA East Surrey

Accounting policies

for the year ended 31 March 2022

Principal Accounting Policies (continued)

m) Creditors, provisions and borrowings (continued)

Deferred income represents Government grants at the value received which are then released to the Statement of comprehensive income in the same period as the expenditure to which they relate.

n) Judgements and key sources of estimation uncertainty

In the application of the Charitable Company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision of accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The following are deemed to be the key judgements within the financial statements:

- ▶ Tangible fixed assets – depreciation is charged on tangible fixed asset components over their estimated useful economic lives, taking into account any residual value if appropriate. The actual lives of the assets and their residual values are assessed annually and may vary depending on a number of assumptions
- ▶ Pension benefits – the cost of defined benefit pension plans and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty
- ▶ Impairment of fixed assets – the carrying amounts of property, plant and equipment are reviewed at each reporting date or whenever events or changes in circumstances indicate that the carrying amount of an asset may be impaired. The recoverable amount of an asset is estimated as the higher of fair value less cost of disposal and the value in use, with an impairment charge being recognised whenever the carrying amount exceeds the recoverable amount.

YMCA East Surrey

Notes to the financial statements
for the year ended 31 March 2022

1 Turnover, operating expenditure and operating surplus Year ended 31 March 2022:

	Turnover £	Operating expenditure £	Operating surplus / (deficit) £
Social housing			
Rent	251,788	(197,891)	53,897
Service charges	499,849	(392,853)	106,996
Supported housing grants	435,615	(357,815)	77,800
Social housing grants	13,399	(16,895)	(3,496)
Total social housing	1,200,651	(965,454)	235,197
Non-social housing	253,699	(160,392)	93,307
Total housing	1,454,350	(1,125,846)	328,504
Non-housing			
Childcare and children's activities	673,505	(730,599)	(57,094)
Family and youth services	479,504	(457,339)	22,165
Inclusive services	837,763	(940,260)	(102,497)
Emotional wellbeing	1,080,699	(955,847)	124,852
Total Children & young people	3,071,471	(3,084,045)	(12,574)
Health and wellbeing	565,429	(530,387)	35,042
Other activities	139,689	(53,947)	85,742
Total non-housing	3,776,589	(3,668,379)	108,210
Total	5,230,939	(4,794,225)	436,714

Year ended 31 March 2021:

	Turnover £	Operating expenditure £	Operating surplus / (deficit) £
Social housing			
Rent	238,449	(205,390)	33,059
Service charges	483,448	(416,422)	67,026
Supported housing grants	375,367	(326,772)	48,595
Social housing grant	10,234	(25,544)	(15,310)
Total social housing	1,107,498	(974,128)	133,370
Non-social housing	275,525	(193,404)	82,121
Total housing	1,383,023	(1,167,532)	215,491
Non-housing			
Childcare and children's activities	467,095	(552,781)	(85,686)
Family and youth services	465,603	(446,748)	18,855
Inclusive services	807,155	(728,520)	78,635
Emotional wellbeing	475,906	(442,386)	33,520
Total Children & young people	2,215,759	(2,170,435)	45,324
Health and wellbeing	415,034	(455,056)	(40,022)
Other activities	219,006	(4,968)	214,038
Total non-housing	2,849,799	(2,630,459)	219,340
Total	4,232,822	(3,797,991)	434,831

YMCA East Surrey

Notes to the financial statements
for the year ended 31 March 2022

1 Turnover, operating expenditure and operating surplus (continued)		
	2022	2021
	£	£
Void losses: notional calculation of income lost from vacant rooms	18,710	14,592
Number of registered accommodation units – supported housing	57	57
2 Operating surplus		
	2022	2021
	£	£
The operating surplus is arrived at after charging:		
Depreciation of owned assets	197,393	162,075
Depreciation of leasehold assets	47,018	47,017
Auditor’s Remuneration – Audit fees:	23,925	19,000
Operating leases	37,530	37,149
3 Interest and dividends receivable		
	2022	2021
	£	£
Dividends on listed investments	-	-
Bank deposit interest	242	1,043
	242	1,043
4 Interest and financing costs		
	2022	2021
	£	£
Loan interest payable	25,663	20,830
5 Staff costs		
	2022	2021
	£	£
Wages and salaries	2,929,392	2,430,077
Social security costs	195,290	159,381
Pension costs	95,921	89,869
	3,220,603	2,679,327

During the year the charity spent £4,550 on termination payments (2021: £11,374).

The trustees received no remuneration or reimbursement of expenses during the year.

The full time equivalent number of staff during the year was as follows:		
	2022	2021
	No.	No.
Health and wellbeing	10	10
Children’s services	58	46
Housing	16	20
Support	13	14
Total	97	90

The average head count during the year was as follows:		
	2022	2021
Total	203	176

The number of higher paid employees who received emoluments in the following bands was:

£70,000-£80,000	0	1
£80,000-£90,000	1	0

YMCA East Surrey

Notes to the financial statements
for the year ended 31 March 2022

5 **Staff costs** (continued)

Key management personnel in charge of directing and controlling, running and operating the Charity are deemed to be the Board of Management and the Senior Management Team. The Senior Management Team comprises the Chief Executive and the 5 (2021: three) Heads of Service. The total employee benefits of the key management personnel of the Charitable Company were:

	2022	2021
	£	£
Salaries and pension costs	269,701	242,909
Social security costs	28,614	26,311
	<u>298,315</u>	<u>269,220</u>

The salary received by the highest paid executive staff member (the Chief Executive) was:

	2022	2021
	£	£
Salary	<u>83,448</u>	<u>78,675</u>

Contributions to the Scottish Widows defined contribution pension scheme on behalf of the Chief Executive were £6,064 (2020 £5,507).

6 **Taxation**

The Charitable Company is a registered charity and, as such, its income and gains falling within Sections 471 to 489 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 are exempt from corporation tax to the extent that they are applied to its charitable objectives.

7 **Pension costs**

YMCA East Surrey 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 East Surrey and at the year end these were invested in the Mercer Dynamic De-risking Solution, 40% matching portfolio and 60% in the growth portfolio and Schroder (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 £36 million across all participating YMCAs. YMCA East Surrey has been advised that, it will need to make monthly contributions of £1,689 from 1 May 2021. This amount is based on the current actuarial assumptions (as outlined above), number of participants and may vary in the future as a result of actual performance of the Pension Plan. The current recovery period is 7 years commencing 1st May 2022.

In addition, YMCA East Surrey may over time have 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 East Surrey may be called upon to pay in the future.

YMCA East Surrey

Notes to the financial statements
for the year ended 31 March 2022

8 Tangible fixed assets – housing properties

	Social housing properties held for letting	Total
	£	£
Cost:		
At 1 April 2021	2,342,473	2,342,473
Additions	1,472,599	1,472,599
Disposals	-	-
At 31 March 2022	<u>3,815,072</u>	<u>3,815,072</u>
Depreciation:		
At 1 April 2021	100,251	100,251
Charge	32,185	32,185
Disposals	-	-
At 31 March 2022	<u>132,436</u>	<u>132,436</u>
Net book value:		
At 31 March 2022	<u>3,682,636</u>	<u>3,682,636</u>
At 31 March 2021	<u>2,242,222</u>	<u>2,242,222</u>

All social housing properties are freehold.

Total amounts received for year ending 31 March

	2022	2021
	£	£
Capital grants	612,500	328,374
Revenue grants	-	-
	<u>612,500</u>	<u>328,374</u>

9 Tangible fixed assets - other

	Freehold land and buildings	Leasehold land and buildings	Sports Equipment	Other Equipment	Total
	£	£	£	£	£
Cost:					
At 1 April 2021	3,676,666	904,777	321,958	769,592	5,672,993
Additions	-	-	98,025	28,630	126,655
Disposals	-	-	-	-	-
At 31 March 2022	<u>3,676,666</u>	<u>904,777</u>	<u>419,983</u>	<u>798,222</u>	<u>5,799,648</u>
Depreciation:					
At 1 April 2021	325,502	446,362	273,869	595,305	1,641,038
Charge	55,913	47,017	35,394	73,902	212,226
Disposals	-	-	-	-	-
At 31 March 2022	<u>381,415</u>	<u>493,379</u>	<u>309,263</u>	<u>669,207</u>	<u>1,853,264</u>
Net book value:					
At 31 March 2022	<u>3,295,251</u>	<u>411,398</u>	<u>110,720</u>	<u>129,015</u>	<u>3,946,384</u>
At 31 March 2021	<u>3,351,163</u>	<u>458,414</u>	<u>48,088</u>	<u>174,289</u>	<u>4,031,954</u>

YMCA East Surrey

Notes to the financial statements
for the year ended 31 March 2022

10	Investments		
	Movement in fixed asset listed investments	2022	2021
		£	£
	Market value at 1 April 2021	550,824	442,853
	Additions to investments at cost	-	19
	Disposal of investments at cost	-	-
	Net gain on investment	64,678	107,952
	Market value at 31 March 2022	<u>615,502</u>	<u>550,824</u>
11	Debtors	2022	2021
		£	£
	Rent arrears	94,321	68,821
	Less: provision for doubtful debt	(6,306)	(4,806)
		<u>88,015</u>	<u>64,015</u>
	Prepayments	81,062	263,284
	Project funding debtors	231,763	357,007
	Other debtors	52,659	28,132
		<u>453,499</u>	<u>712,438</u>
12	Cash at bank and in hand	2022	2021
		£	£
	Deposit accounts	1,355,644	1,457,582
	Current account	560,193	150,681
	Cash	10,146	10,823
		<u>1,925,983</u>	<u>1,619,086</u>
13	Creditors: amounts falling due within one year	2022	2021
		£	£
	Bank loans (Note 15)	859,625	43,761
	Trade creditors	267,636	198,480
	Accruals	93,931	81,057
	Income received in advance	483,440	569,583
	Taxation and social security	50,943	58,595
	Other creditors	187,267	112,807
	Deferred capital grants (Note 16)	30,729	13,801
	Accrued pension deficit contributions (Note 17)	18,743	17,877
		<u>1,992,314</u>	<u>1,095,961</u>
14	Creditors: amounts falling due after more than one year	2022	2021
		£	£
	Bank and other loans (Note 15)	590,158	1,066,301
	Deferred capital grants (Note 16)	1,316,865	734,803
	Accrued pension deficit contributions (Note 17)	142,031	152,794
		<u>2,049,054</u>	<u>1,953,898</u>

YMCA East Surrey

Notes to the financial statements
for the year ended 31 March 2022

15 Bank and other loans

	2022	2021
	£	£
Secured:		
In one year or less	859,625	43,761
In more than one year, but not more than two years	57,769	838,758
In more than two years, but not more than five years	85,471	35,202
In more than five years	446,918	192,341
	<u>1,449,783</u>	<u>1,111,062</u>

£152,250 was borrowed from Barclays in 2014 at a fixed rate of 5.73% until 30 June 2021 and thereafter at a variable rate of 3.25% over the bank's base rate and is repayable over a 15 year term. This loan is secured by a legal charge over the property at 57 Lynwood Road, Redhill.

£989,340 was borrowed from Barclays in 2017 at a rate of 1.6% over the bank's base rate. The loan has a 25 year repayment profile with a break after 5 years at which point the loan will be renegotiated. This loan is secured by a legal charge over the property on Brighton Road, Redhill.

£150,000 was borrowed from the Methodist Church in March 2019, this is a public benefit concessionary loan and is interest free and repayable at the end of the 15 year term. The loan is secured by a legal charge over the property at 200 London Road, Merstham

£400,000 was borrowed from Barclays in 2021 at a rate of 2.5% over the bank's base rate. The loan has a 15 year repayment. The loan is secured by a legal charge over the property on Massetts Road, Horley.

16 Deferred capital grants

	Grant at cost	Amortisation	Total net grant
	£	£	£
As at 1 April 2021	765,535	(16,931)	748,604
Grants received in year	612,500	-	612,500
Amortisation	-	(13,510)	(13,510)
As at 31 March 2022	<u>1,378,035</u>	<u>(30,441)</u>	<u>1,347,594</u>

17 Accrued pension deficit contributions

	Pension deficit
	£
As at 1 April 2021	170,670
Charged to statement of comprehensive income	10,324
Payments made	(20,220)
As at 31 March 2022	<u>160,774</u>
Payable by instalments:	£
Within one year	18,743
One to two years	19,951
Two to five years	67,651
After five years	54,429
Total	<u>160,774</u>

YMCA East Surrey

Notes to the financial statements
for the year ended 31 March 2022

17 Accrued pension deficit contributions (continued)

YMCA East Surrey has been notified by the YMCA Pension Plan of their allocation of the overall deficit on the YMCA Pension Plan (see Note 7). The initial allocation was provided for in full in the 31 March 2007 financial statements in accordance with FRS102. Subsequent notification following updated actuarial valuations of the Plan increased the amount and further provisions were made in the 31 March 2009, 31 March 2012 and 31 March 2015 financial statements. Monthly payments of £1,929 increasing by 3% per annum, in respect of the deficit allocation are being made for 7 years from May 2022. The monthly payment amount also includes a contribution towards scheme expenses.

18 Analysis of reserves

	At 1 April 2021	Income	Expenditure	At 31 March 2022
	£	£	£	£
Development capital	1,012,197	-	(11,046)	1,001,151
Sovereign capital	458,413	-	(47,017)	411,396
Sovereign centre	123,295	-	-	123,295
Lynwood Road Move-on	290,827	-	(4,041)	286,786
Inclusive sports facility	1,826,564	1,883	(39,092)	1,789,355
London Road Move-on	292,457	11,505	(15,276)	288,686
Hillbrook capital	71,663	-	(1,964)	69,699
Gym equipment		65,455	(16,364)	49,091
Horley family centre		13,030	(13,030)	-
Health and wellbeing	24,141	137,047	(137,035)	24,153
Housing	121,273	253,223	(195,590)	178,906
Children's services	34,850	44,357	(60,220)	18,987
Youth services	-	239,568	(234,328)	5,240
Inclusive services	7,191	66,279	(68,311)	5,159
Emotional wellbeing		228,318	(212,093)	16,225
Total restricted reserves	4,262,871	1,060,665	(1,055,407)	4,268,129
Unrestricted reserves:				
- General	1,280,043	4,155,351	(3,756,576)	1,678,818
- Designated	563,751	79,843	(7,905)	635,689
Total reserves	6,106,665	5,295,859	(4,819,888)	6,582,636

	At 1 April 2020	Income	Expenditure	At 31 March 2021
	£	£	£	£
Development capital	1,023,242	-	(11,045)	1,012,197
Sovereign capital	505,430	-	(47,017)	458,413
Sovereign centre	123,295	-	-	123,295
Lynwood Road Move-on	294,868	-	(4,041)	290,827
Inclusive sports facility	1,822,695	44,646	(40,777)	1,826,564
London Road Move-on	296,229	11,444	(15,216)	292,457
Hillbrook capital	74,353	(728)	(1,962)	71,663
Health and wellbeing	23,582	94,853	(94,294)	24,141
Housing	109,050	270,592	(258,369)	121,273
Children's services	50,704	66,397	(82,251)	34,850
Youth services	-	203,488	(203,488)	-
Inclusive services	9,222	64,934	(66,965)	7,191
Emotional wellbeing		219,416	(219,416)	
Total restricted reserves	4,332,670	975,042	(1,044,841)	4,262,871
Unrestricted reserves:				
- General	749,846	3,295,983	(2,765,786)	1,280,043
- Designated	501,153	70,792	(8,194)	563,751
	5,583,669	4,341,817	(3,818,821)	6,106,665

YMCA East Surrey

Notes to the financial statements
for the year ended 31 March 2022

18 **Analysis of reserves (continued)**

General reserves are the 'free reserves' after allowing for all designated reserves.

The designated reserves have arisen from Challenge events and represents monies received in relation to the capital costs of the new facility completed in December 2018 at the Princes Road site and supports the work of other projects within the charity.

19 **Restricted reserves**

The Development capital reserve is held on trust to provide premises for the YMCA East Surrey. It is invested in the freehold land and buildings at Princes Road occupied by YMCA and it does not generate income.

The Sovereign capital reserve holds the leasehold premises at The Sovereign Centre and does not generate income.

The Sovereign centre reserve represents funds held to maintain and enhance the facilities at the Sovereign centre and to support the YMCA's work with children and young people with disabilities.

The Lynwood Move-on holds the freehold premises at Lynwood Road and does not generate income.

The London Road Move-on holds the freehold premises at London Road and does not generate income.

The Inclusive sport facility reserve represents monies received in relation to the capital costs of the new facility completed in December 2018 at the Princes Road site.

Housing reserves includes bond balances totalling £86,049 (2021: £86,049) and equipment funding totalling £17,465 (2021: £17,465), for use in replacement equipment for Hillbrook House as required. The remaining balance is represented by donations and other income in relation to housing projects, still to be matched against the appropriate costs.

The Gym equipment reserves relates to money received in relation to new capital equipment purchased for the gym during 2021/22

Donations and other income received in respect Health and wellbeing, Children's services, Youth services and Horley Family Centre are shown as other restricted reserves and matched with appropriate costs.

20 **Related party transactions**

The Trustees all give freely their time and expertise without any form of remuneration or other benefit in kind (2021: £nil). Further, the Trustees have received no reimbursement of expenses during the year (2021: £nil).

There was nil outstanding with related parties as at 31 March 2022 (2021: £nil).

21 **Operating lease commitments**

At 31 March 2022, the Charitable Company had total commitments under non-cancellable operating leases for land and buildings as follows:

	2022	2021
	£	£
Within one year	37,530	26,818
Within two to five years	106,262	25,679
After five years	53,700	19,380
	<u>197,492</u>	<u>71,877</u>

22 **Capital commitments**

At the end of the year, the Charitable Company had capital commitments in respect of £nil (2021: £1,341,091)

YMCA East Surrey

Notes to the financial statements
for the year ended 31 March 2022

23

Net cash

	Current debt	Non-current debt	Cash and cash equivalents	Net cash
	£	£	£	£
At 1 April 2021	(43,761)	(1,066,301)	1,619,086	509,024
Cash flow	(815,865)	476,143	306,897	(32,825)
Other movements				
At 31 March 2022	<u>(859,626)</u>	<u>(590,158)</u>	<u>1,925,983</u>	<u>476,199</u>
At 1 April 2020	(39,446)	(1,115,005)	1,015,505	(138,946)
Cash flow	(4,315)	48,704	603,581	647,970
Other movements	-	-	-	-
At 31 March 2021	<u>(43,761)</u>	<u>(1,066,301)</u>	<u>1,619,086</u>	<u>509,024</u>

YMCA EAST SURREY

England & Wales - Charity number 1075028

Accounts

YMCA East Surrey
(A charitable company limited by guarantee)

Report and Financial Statements

for the year ended

31 March 2021



Charity Registration No: 1075028
Company Registration No: 03716594
Social Housing Provider Registration No: 4854

YMCA East Surrey

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YMCA East Surrey

Legal and administrative information

Directors and Trustees: Phil Baker (resigned 20 October 2020)
Dr Diana Bullock
Paul Byrne Chairman
Freda Clark
Nigel Clifford
Caroline Fisher
Penelope Horsfall President
Heather Loxley
Richard Mantle
Rev David Skitt (resigned 20 October 2020)
Ian Thomas Treasurer
Jeff Travis
Ann Woodford (resigned 20 October 2020)

The above served as trustees during (and, unless otherwise indicated, throughout) the year ended 31 March 2021.

Chief Executive and
Company Secretary: Ian Burks

Registered Office: YMCA East Surrey
Princes Road
Redhill
Surrey
RH1 6JJ

Registered Charity Number: 1075028

Registered Company Number: 03716594 (England & Wales)

Social Housing Provider
Registration Number: 4854

Bankers: Barclays Bank plc
Guildford, Gatwick & Woking Business Banking
90/92 High Street
Crawley
West Sussex RH10 1BP

Auditors: Crowe UK LLP
55 Ludgate Hill
London
EC4M 7JW

Solicitors: Morrisons Solicitors
Prospero
73 London Road,
Redhill
RH1 1LQ

YMCA East Surrey

Report of the Chief Executive

YMCA East Surrey is a local charity that is here for everyone but focusses on supporting the young, the vulnerable and those facing disadvantage. We offer programmes that instil a sense of belonging and encourage people to contribute and thrive. One of our strengths is our diversity of charitable activity covering projects and services in sports, physical activity, childcare, youth work, short breaks, housing and therapeutic services.

We pride ourselves on our inclusive approach and deliver specialist support for those with different abilities alongside thriving universal services especially in areas such as play and leisure. Our aim is to help people stay safe, healthy, happy and fulfilled, building on people's strengths and preventing problems before they become too difficult to resolve.

The last year has been quite exceptional in the history of the YMCA not just because 2020 was our 150th anniversary but also because of the impact of the Coronavirus Pandemic which engulfed us. By April 2020 many of our services were in lockdown including all adult and children's activities at Princes Rd, the Sovereign Centre and Merstham Hub. Much of our other work to support children, young people and families was able to continue but only in an adapted format using telephone, social media and video conferencing to ensure social distancing was observed. Due to their essential nature, our housing projects continued under Covid secure measures throughout the pandemic.

Thanks to the hard work of trustees, managers and staff we managed to negotiate our way through what was a uniquely challenging year. By the end of March 2021 we were back delivering nearly all of our pre Covid services and had developed new ways of working using technology that enabled us to reach more service users and made us more efficient as an organisation. Thanks to the support of the Coronavirus Job Retention Scheme we were able to retain the vast majority of our staff.

The impact of Covid will be far reaching and managers have used the last year wisely to actively planning new services and developments to help young people recover from the loss of education, lack of social and sporting activity, isolation and other damage caused by the pandemic. These include a brand new youth work offer funded by the National Lottery, a major expansion of our emotional wellbeing and mental health services and the development of a new housing scheme in Horley. The benefits of these services will begin to be seen in 2021-22.

Housing young people and helping them achieve independence is an integral part of what the YMCA does and the need for these services has increased over recent years and is forecasted to rise further as the economic impact of Covid ripples through communities in Surrey.

This has reinforced the YMCA's strategic commitment to develop more housing projects for young people. Considerable progress in this area has been made over the last twelve months. In November 2020 a new housing project in Merstham was opened with the help of a Homes England Grant to extend and refurbish a 4 bedroom property on the London Road. Despite the difficulties of carrying out a building project during lockdown this new development was completed on time and within budget and is now providing high quality, affordable accommodation plus support for 6 young people between the ages of 18 and 30.

Also in November 2020, a former guest house was identified in Horley as a potential new project to meet the housing needs of young people in the South of the Borough, which due to its close proximity to Gatwick, was anticipated to see high levels of unemployment and subsequent homelessness. Following discussions with Homes England and Reigate and Banstead Borough Council capital funding was secured towards the purchase and development of the property into a new Move On scheme for 12 young people. A loan was also agreed in principle with Barclays Bank to enable the building to be remodelled and brought up to the highest standards. Contracts were exchanged in March 2021 and the project will be completed by November 2021.

The YMCA has also negotiated an expansion in the numbers of young homeless people that were supported through its contract with Surrey County Council (SCC). From April 2020 the number of young people with SCC support packages increased from 26 to 42 and once Merstham was open in November this increased further to 48 young people.

YMCA East Surrey

Report of the Chief Executive

Funding from Homeless Link was secured to implement a 'Trauma Informed Approach' to working with young people who in many cases had suffered adverse childhood experiences such as abuse, domestic violence, parental substance misuse or being taken into care. Training has led to the introduction of reflective supervision for staff and a more positive strength-based attitude towards young people facing homelessness. This has been beneficial for staff and young people accessing the service.

All these developments within housing will enable the YMCA to provide more opportunities to prevent homelessness and will give disadvantaged young people the stability and support they need to go into full time education or gain employment and thus move on to independence.

Providing quality accommodation is just the start of the journey for a young person who has suffered trauma. We also offer a range of other support to help young people belong, contribute and thrive. All our residents are encouraged to access YMCA services such as sport and fitness, counselling and Y Focus and over the last year, thanks to funding from the William Waites Memorial Fund we were able to offer bespoke volunteering opportunities for those young people who still need to boost their confidence and self-esteem before being ready to take on employment.

Many young people accessing our housing provision are affected by mental health difficulties and this is not an issue confined to those facing homelessness. Increased isolation, missed schooling, bereavement and economic difficulties are real issues for many and this has taken its toll on young people's mental health. To address this the YMCA has joined forces with 11 other charities and health partners to form an Alliance that will deliver early intervention and preventative activities for those facing emotional wellbeing or mental health difficulties. The new service aims to bring together NHS clinical expertise with local and national third sector organisations who have proven track records in supporting children and young people.

This new service starting April 1st 2021 will replace CAMHS (Children and Adolescent Mental Health Service). There will be a greater focus on providing support when mental health needs begin to emerge. YMCA East Surrey will be working with 2,300 young people and will be delivering 22,000 hours of counselling, group work and therapeutic services.

Another traditional area of YMCA provision that supports the emotional health of young people is youth work. National YMCA research has shown that over the last ten years local authority funding going into services for young people has been reduced by 69% and this has certainly been seen in Surrey where SCC have made the strategic decision to focus on targeted work only. To compensate for the loss of public funded youth work SCC have offered charities favourable leases on youth centres to encourage them to deliver positive activities for young people.

The YMCA has taken on this challenge at Horley where our new lease and service level agreement officially started on 13th January 2021. We are also hoping to take on a similar lease at the Phoenix in Tadworth. This initiative is even more important in the current crisis as open access youth work will be a vital tool to assist young people as they rebuild their lives following sustained periods of lockdown and gaps in education.

To support this work the YMCA has secured funding from the National Lottery who have awarded us a grant of £435,736 over 3 years to develop youth work provision across Reigate and Banstead. This will provide the essential resources to offer at least 12 weekly sessions of centre based activities and detached work in areas of deprivation in the Borough. The funding will enable us to employ professional youth workers who will also help us to work in partnership with other agencies such as the Community Development Team at the Borough, the Police and Social Services. This collaborative approach will help young people at risk to build the resilience and self-worth needed to avoid being drawn into dangerous and illegal activity such as sexual exploitation, gangs and county lines.

YMCA East Surrey

Report of the Chief Executive

Health and wellbeing services are a key part of what the YMCA offers and work in this area has been hit hard by the Covid lockdowns. Face to face gym activity and group exercise was closed down for two periods whilst the country was in national lockdown and many staff were furloughed. When the YMCA gym reopened in the summer of 2020 we reconfigured space within our Sports and Community Centre to expand the gym into the sports hall and maintain the necessary social distancing between machines. Thanks to grants from the Clothworkers Foundation and the Beatrice Laing Trust we were able to bring in new more accessible fitness machines for those with mobility problems and ill health. We also secured funding from the Community Foundation in Surrey and Surrey Heartlands CCG to move many of our successful exercise referral services online. This proved to be a huge success with many older adults referred by the Reigate and Banstead Wellbeing Service being able to access Zoom classes delivered by our Exercise Referral Coordinator. Most of these participants were shielding because of ongoing health issues such as strokes, COPD, MS or cardiac conditions and this service provided safe and effective controlled exercise, but also important social contact and peer support from others who were experiencing the same isolation caused by Covid.

Our new Health and Wellbeing Manager joined us in September 2020 and quickly set up an online fitness community through his new YMCA Active Facebook group to maintain contact with universal members. A number of regular complimentary classes were offered through this platform to YMCA members. This ongoing contact helped us to re-engage with members once the lockdowns ended and brought back an important income stream from monthly membership.

As a result of careful financial management throughout the pandemic we have seen surpluses in both 'Children and Young People' and 'Housing'. Health and Wellbeing was more of a challenge due to the major drop in income caused by the closure of our universal fitness activities at Princes Road.

Our fundraising activity has been very successful throughout the year, and we are extremely grateful to a number of charitable trusts who have provided important grants to enable us to respond to the needs of those most severely impacted by Covid. These vital contributions are listed elsewhere in this document but we are particularly grateful to the National Lottery Community Fund for their Coronavirus response funding of £95,000 which allowed us to deliver additional services for young people most in need at the beginning of the lockdown. Also, to Children in Need for their grant of £79,643 towards our Y Focus project to help young people at risk of homelessness to access employment. We are also thankful to the Community Foundation in Surrey for a grant of £23,783 to fund free places on our Y Kids out of school childcare and holiday playschemes for families impacted most heavily during Covid.

The YMCA is very fortunate to have some amazingly loyal supporters within the local community who traditionally participate in a thriving programme of community activities and sponsored events supported and led by our Challenge Committee. Much of this programme was postponed because of the lockdowns however we did manage to offer a number of more innovative online events including the Virtual Fun Run, Sleep Easy and a Quiz Night. We ran a successful Covid Fundraising Campaign and managed to raise £78,670 from these sources through the year.

Overall, our financial performance over the past year has allowed us to maintain sufficient free reserves to meet our policy of holding funds to cover three months of expenditure and gives us a strong platform to proceed with strategic plans to develop more housing projects to address the growing issue of youth homelessness.

The most effective way to deliver positive change is to collaborate with others and over the last year we have continued to work closely with some excellent statutory partners including Surrey County Council, Surrey Heartlands Clinical Commissioning Group, Homes England, the Department of Housing, Communities and Local Government (MHCLG), Reigate and Banstead Borough Council, other districts and boroughs and Surrey and Borders Partnership Trust.

Continued work has been carried out by the Governance Group to further strengthen the governance of the YMCA. A programme of structured training days for trustees has been devised and the first of these sessions on safeguarding was delivered at the beginning of 2021. Further training on finances and risk was delivered during the summer of 2021. A number of potential trustees have been co-opted onto committees and Advisory Groups and it is envisaged that at least one will be elected onto the Board at the AGM in November.

YMCA East Surrey

Report of the Chief Executive

During lockdown it became evident that the use of the latest technology was vital, not only to offer online support for vulnerable clients but also to enable staff to work remotely. Fortunately the YMCA had already begun a programme of IT transformation and this involved moving away from an internal network using servers to a Microsoft Office 365 cloud based system. Despite ongoing issues with the installation of leased lines, significant progress has been made and staff and trustees are now able to communicate and access relevant documents and data remotely from SharePoint through a variety of devices.

The YMCA's greatest asset is its people and we are fortunate to have a strong team of managers, staff and volunteers who are continually looking for ways to improve and develop the services we offer. They are skilled and passionate about the work we do and go the extra mile to ensure that service users get the highest standards of support and care. We also have a dedicated and knowledgeable group of trustees led by our excellent Chair, Paul Byrne, who give their time freely and readily to provide sound governance for the charity. This year Penelope Horsfall and Freda Clark are both standing down from the Board following many years of dedicated service. Penelope will remain our President and Freda will continue to volunteer her time helping with events. I would like to thank all of these people for their fantastic contributions, through what has been an incredibly difficult period for our community. I am confident that we can build on what we have achieved to offer more opportunities for local people to overcome the challenges in their own lives, realise their potential and be the best they can be.



Ian Burks
Chief Executive

29th September 2021

YMCA East Surrey

Report of the Trustees (incorporating the strategic report)

The trustees present their report and the financial statements for the YMCA East Surrey for the year ended 31 March 2021.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, Housing Statement of Recommended Practice 2014, the Accounting Direction for Private Registered Providers of Social Housing (issued by the Regulator of Social Housing in September 2019), the Housing Regeneration Act 2008 and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Objects and activities

The objects of the YMCA East Surrey (the Charitable Company) are:

- ▶ To provide or assist in the provision, in the interest of social welfare, of facilities for recreation and other leisure time occupations for men and women with the object of improving their conditions of life
- ▶ To provide or assist in the provision of education for persons of all ages with the object of developing their physical, mental or spiritual capacities
- ▶ To relieve or assist in the relief of persons of all ages who are in conditions of need, hardship or distress by reason of their social, physical or economic circumstances
- ▶ To provide residential accommodation for persons of all ages who are in need, hardship or distress by reason of their social, physical or economic circumstances
- ▶ To provide Social Housing, houses or hostels and any associated amenities including a counselling service and services for persons in necessitous circumstances upon terms appropriate to their means. In this part "social housing" means—
 - a) low cost rental accommodation (defined by section 69 of the Housing and Regeneration Act 2008), and
 - b) low cost home ownership accommodation (defined by section 70 of the Housing and Regeneration Act 2008).

As can be seen in the Report of the Chief Executive, these objects are at the heart all of the services and activities we provide. The Charitable Company is divided into three distinct service areas in order to meet these objects, and these are Health and Wellbeing, Children and Young People and Housing. These are all supported by Central Services.

When implementing these objects the Trustees have due regard to the guidance on "public benefit" of the Charity Commission. Throughout these reports will be found numerous examples of the ways in which the Charitable Company seeks to broaden both the range of its activities and the groups within the community that are able to access them.

At the Sports & Community Centre in Princes Road, Redhill, YMCA East Surrey provides a wide range of services for local people of all ages and abilities, including out of school childcare, work with young people and extensive programmes in sports and physical activity.

The Charitable Company also offers a variety of activities for children and young people including a Family Centre that operates out of the Young People's Centre in Horley. At the YMCA Sovereign Centre and in the surrounding boroughs and districts, YMCA East Surrey provides a range of short break activities for children and young people with disabilities as well as recreational activities and a preschool. Coordination of the provision of youth work in East Surrey is also undertaken from this centre.

At Hillbrook House, Redhill, YMCA East Surrey runs a supported housing scheme for young people aged 16 to 30. The scheme was purchased from YMCA England on 15 November 2017 following YMCA East Surrey becoming a non-profit private registered provider of social housing on 1 August 2017. Prior to this, YMCA East Surrey managed the scheme on behalf of YMCA England. Hillbrook House is also the base for the YMCA's Next Step Rent Deposit Scheme and Heads Together counselling Service.

At Lynwood Road, Redhill, YMCA East Surrey's supported Move-on project, there are an additional seven units available for young people aged 18 to 30 providing less intensive housing support options for those in housing need. An additional supported Move-on scheme to house 6 young people was opened in November 2020 at a newly developed property on London Rd in Merstham.

YMCA East Surrey

Report of the Trustees (incorporating the strategic report)

In the Report of the Chief Executive, we set out the main achievements during the year. Within this report you can see that the Charitable Company continues to make a great difference to the lives of the people it helps and the reach of the Charitable Company's work is continuing to expand within the county.

Financial review

The Charitable Company's activities produced a total surplus of £522,996 (2020: deficit £69,225), which consisted of a surplus on unrestricted reserves of £592,795 (2020: deficit £6,222) and a deficit of £69,799 (2020 deficit £63,003) on restricted reserves. The deficit on restricted reserves is largely attributable to depreciation and amortisation charges on fixed assets funded by restricted grants and donations. The surplus on unrestricted reserves includes a surplus on revaluation of investments of £107,952 (2020: Loss £584).

The Charitable Company has total reserves of £6,106,665 at 31 March 2021 (2020: £5,583,669) as set out in the Statement of financial position on page 17. The majority of the restricted funds of £4,262,871 is attributable to the net book value of the freehold premises in Princes Road including the new Inclusive Sports Facility (ISF), Lynwood Road and London Road move on properties and the leasehold of the Sovereign Centre in Woodhatch. There are also designated funds totalling £563,751 (2020: £501,153) as mentioned above, leaving unrestricted general funds at 31 March 2021 of £1,280,043 (2020: £749,846).

Principal funding sources

The trustees gratefully acknowledge the support of all our donors and funders. More than half of the Charity's income is in the form of contracts and grants from local authorities and other bodies. Such funding enables the Charitable Company to carry on the work in all our lines of service, in turn supporting the objects of the Charitable Company.

Reserves policy

The long-term aim is to hold sufficient current asset unrestricted reserves to cover up to three months expenditure, so as to ensure as far as possible the continuation of the Charitable Company's activities in the event of significant fluctuations or shortfalls in anticipated income.

The Charitable Company has unrestricted reserves of £1,843,794 as at March 2021 (2020: £1,250,999). This represents just over 4 months expenditure budgeted for the forthcoming year, which is an increase on the previous year. Whilst the designated funds will be matched against the depreciation on the ISF in the coming years, it is anticipated that in subsequent years we will continue to return a net unrestricted surplus position.

Apart from the Unrestricted Reserves, the Charitable Company held £4,262,871 (2020: £4,332,670) in Restricted Funds, of which £3,952,121 (2020: £4,016,817) is represented by the freehold properties at Princes Road, Lynwood Road, London Road and the leasehold property at the Sovereign Centre.

The Reserves Policy is continuously monitored and reviewed by the Finance and Resources Committee of the Board of Management (the Board) which makes recommendations to the trustees if and when action is needed to maintain the policy or consideration needs to be given to its modification.

Value for money

The Board is committed to achieving value for money (VFM) in YMCA East Surrey's service planning and delivery in accordance with its five year strategy, the Value for money policy and RSH's Value for Money standard.

YMCA East Surrey aims to:

- ▶ Integrate VFM principles within all management, planning and review processes
- ▶ Adopt appropriate, recognised good practice
- ▶ Promote a culture of continuous improvement
- ▶ Demonstrate to both internal and external stakeholders that the achievement of VFM is sought in all activities undertaken
- ▶ Embed VFM principles within the culture of YMCA East Surrey so that all trustees, staff and volunteers recognise their continuing responsibility to seek VFM for the Charity as part of their routine activities

YMCA East Surrey

Report of the Trustees (incorporating the strategic report)

Financial review (continued)

Value for money (continued)

VFM is about achieving the right balance between the three 'E's'- Economy, Efficiency and Effectiveness. Essentially this requires YMCA East Surrey to assess the impact of all its costs, to best meet its stakeholder's needs.

- ▶ Economy - the price paid for what goes into providing a service
- ▶ Efficiency - a measure of productivity or how much is gained from what is put in
- ▶ Effectiveness - a measure of the impact achieved and can be both qualitative and quantitative

VFM is high when there is an optimum balance between all three 'E's': relatively low costs, high productivity and successful outcomes.

Since registration in August 2017 and the purchase of Hillbrook House in November 2017, we have ensured VFM in a number of ways:

- ▶ Occupancy levels at Hillbrook House and Lynwood Road have been 95% and 98% respectively. This is above the combined target of 95% for income less voids and bad debts. For Hillbrook House, the speed of resident turnover and referrals has a great impact upon the percentage, in addition the impact of COVID meant beds could not be filled as quickly. For Lynwood road, as this is a 7 bed scheme, a small void period has a proportionally bigger impact on the occupancy levels, however as a result of lockdowns we had a stable population of residents during the year. We work with local authorities to ensure that referrals are congruent to the location and population of these schemes whilst ensuring the maximum use of our accommodation. Occupancy levels at London Road were at 99.4% from opening in November 2020 to the end of the year.
- ▶ Continued use of Outcome Stars as a method of evaluating residents' progress whilst at YMCA East Surrey housing schemes in areas such as people and support, choices and behaviour.
- ▶ Participation in the Charity Finance Group 'Finance Count' as a way of benchmarking ourselves against a relevant peer group. The outcomes for key measures can then be used to drive VFM further, for example by improving processes or procedures
- ▶ Health and Wellbeing monitor attendance levels in the gym and at exercise classes. This enables them to determine what, if any, changes need to be made to ensure that their facilities and staff members are being used to their maximum potential
- ▶ Children's Services monitor attendance levels on their various schemes, classes, sessions and courses. This enables them to ensure that any levels set by funders are being met and to ensure that their facilities and staff members are being used to their maximum potential
- ▶ Youth Services monitor attendance levels at their sessions. Again, this enables them to be able to ensure that their facilities and staff members are being used to their maximum potential

Alongside compliance with the 2018 Value for Money Standard and associated Code of Practice, as a non-profit private registered provider of social housing, the Charitable Company is expected to report on certain value for money metrics to enable effective comparison across the sector. The metrics are included below:

- ▶ Metric 1 – Reinvestment %: This metric looks at the investment in properties (existing stock as well as new supply) as a percentage of the value of total properties held. The investment in properties was 6.2% (2020: 6.4%) representing the continued investment in a new Move on property at London Road, Merstham which led to a 6 bed scheme available for occupancy at the start of November 2020.
- ▶ Metric 2 – New supply delivered 10.5%: This metric sets out the number of new social housing and non-social housing units that have been acquired or developed in the year as a proportion of total social housing units and non-social housing units owned at period end. The completion of the works at London Road, Merstham to convert this into Social Housing delivered 6 new units in November 2020.
- ▶ Metric 3 – Gearing %: This metric assesses how much of the adjusted assets (housing properties) are made up of debt and the degree of dependence on debt finance. The ratio is -23% (2020: -6% which indicates the Charitable Company has a low reliance on debt finance and is in the lower quartile based on the Regulator of Social Housing's "Value for Money metrics – Summary report published in September 2018.

YMCA East Surrey

Report of the Trustees (incorporating the strategic report)

Financial review (continued)

Value for money (continued)

- ▶ Metric 4 – Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included (EBITDA MRI) Interest Cover %: The EBITDA MRI interest cover measure is a key indicator for liquidity and investment capacity. It seeks to measure the level of surplus that a registered provider generates compared to interest payable; the measure avoids any distortions stemming from the depreciation charge. The ratio is 3032% (2020: 534%) which again confirms the Charitable Company's low reliance on finance alongside metric 3 and is in the upper quartile of the above mentioned report.
- ▶ Metric 5 – Headline social housing cost per unit: The unit cost metric assesses the headline social housing cost per unit as defined by the regulator. The cost per unit is £10,909 (2020: £10,582). The level of expenditure is indicative of the small size of the Charitable Company.
- ▶ Metric 6 – Operating margin %: The Operating Margin demonstrates the profitability of operating assets before exceptional expenses are taken into account. The operating margin (social housing lettings only) was 14% (2020: 17%) and the operating margin (overall) was 10% (2020: -1%). The difference between the two measures is a result of the varied services provided by the Charitable Company achieving different margins.
- ▶ Metric 7 – Return on capital employed (ROCE) %: This metric compares the operating surplus to total assets less current liabilities and is a common measure in the commercial sector to assess the efficient investment of capital resources. The ratio is 5% (2020: -1%).

Structure, governance and management

Legal status

The YMCA East Surrey is an incorporated Association and is affiliated to the National Council of YMCAs in England (charity number 212810).

YMCA East Surrey is a company limited by guarantee, incorporated on 19 February 1999 and registered as a charity on 9 April 1999. The company and charity registration numbers are shown on page 1. The governing documents are the Memorandum and Articles of Association. On the 21 October 2014, the Charitable Company changed its name from Reigate and Redhill YMCA to YMCA East Surrey to reflect its expanding services across the local area. On 1 August 2017, the Charitable Company became a non-profit private registered provider of social housing (registered provider).

Code of governance

The Board is committed to delivering best practice in all aspects of governance and the Trustees have adopted the Charity Governance Code for Larger Charities. As an evolving organisation, YMCA East Surrey will continue to review and develop its governance in order to best serve its beneficiaries.

Annual review of governance and financial viability standard

As demonstrated by successfully gaining registered provider status in August 2017, YMCA East Surrey was able to demonstrate compliance with all RSH standards, including the governance and financial viability standard. The Finance and Resources Committee review the standard on an annual basis and ensure all necessary measures required to ensure compliance are put in place.

Organisation

The trustees are directors for the purpose of company law as well as trustees for the purpose of charity law. They are responsible for the governance of the Charitable Company and delegate the day to day management to the Chief Executive and his management team. The Board of Management meet on a quarterly basis, or more often if activity shall so require. There are a number of subcommittees that comprise of trustees and others which report back to the Board of Management for ratification. The Finance and Resources Committees meets 9 times a year whilst other committees meet quarterly.

Trustees, as corporate members, guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up.

YMCA East Surrey

Report of the Trustees (incorporating the strategic report)

Structure, governance and management (continued)

Appointment, induction and training of trustees

Trustees are appointed at the AGM to serve a period of 3 years. One third of the Trustees retire each year by rotation and are eligible for re-appointment at each AGM. If it is agreed that a Trustee will serve for more than nine years, then it is subject to a particularly rigorous review and takes into account the need for progressive refreshing of the Board, and their re-appointment is explained in that year's Report of the Trustees. The Board of Management has power to co-opt additional members and fill casual vacancies.

It is the aim of the Board of Management to attract new trustees with suitable skills who themselves are drawn from the various user groups. All trustees undertake inductions and on-going training to ensure that they quickly become effective and are aware of developments in corporate and charity governance. Every new trustee is issued with a personal copy of a comprehensive Trustees Handbook together with certain key documents listed within the Handbook, the Charitable Company's Memorandum and Articles and the latest audited Financial Statements among others. They are also offered induction opportunities with staff and other trustees and are briefed about the various services provided by YMCA East Surrey. Further, there is an annual Away Day where the trustees, the Chief Executive and senior members of his management team meet to discuss the future direction of the Charitable Company and to deliver any necessary training and updates. The long term aim is to have well-balanced and appropriately qualified trustees.

Pay policy for senior staff

Key management personnel in charge of directing and controlling, running and operating the Charity are deemed to be the Board of Management and the Senior Management Team. The Senior Management Team comprises the Chief Executive and the three Heads of Service.

The trustees give their time and expertise freely and receive no reimbursement for expenses. The pay of the Senior Management Team is reviewed annually and salaries and wages increases will be recommended by the Chief Executive and approved by the Finance and Resources Committee. Pay for the Chief Executive is also set annually by the Finance and Resources Committee.

Details of related party transactions are set out in Note 20.

Investment policy

Aside from retaining a prudent amount in reserves each year most of the Charitable Company's funds are to be spent in the short term so there are few funds for long term investment. The Finance and Resources Committee continue to monitor the amounts invested with CCLA Investment Management Limited (CCLA) on a regular basis taking into account the expected unrestricted surplus funds. The level of funds invested with CCLA takes into account the level of expected future pension contributions of the Charitable Company together with a proportion of the unrestricted funds to be invested for the long term. The decision to continue to hold the funds in the CCLA is to ensure that we maximise the expected long term return on our assets within an acceptable degree of risk. This is deemed a low risk strategy.

Risk management

The Charitable Company has a risk management strategy which comprises:

- ▶ An annual review of the principal risks and uncertainties that the Charitable Company faces, and this is summarised in the annual Risk Management Report
- ▶ The establishment of policies, systems and procedures to mitigate those risks identified in the annual Risk Management Report, and
- ▶ The implementation of procedures designed to minimise or manage any potential impact on the Charitable Company should those risks materialise

This review has identified the following key risks:

- ▶ A sudden significant funding reduction. The Charitable Company works closely with our local authorities to understand their budgets, and ensure services continue to meet the needs of their priority client groups. We also actively seek new sources of funding in order to dilute this risk.

YMCA East Surrey

Report of the Trustees (incorporating the strategic report)

Structure, governance and management (continued)

Risk management (continued)

- ▶ Continuation of the pandemic. COVID-19 has impacted some areas of operation more than others which have still to return to pre-COVID-19 activity levels. The impact on areas where services could not be delivered has been mitigated by the support available from Government which has enabled the Charitable Company to retain staff and resources. Management has determined that there is no material uncertainty caused by the pandemic that casts doubt on the Charitable Company's ability to continue as a going concern.
- ▶ Accidental death. The Charitable Company has in place risk assessments and health & safety measures to reduce this risk and reviews accident and incident reports regularly to amend measures as necessary. The Housing teams have support staff in place and provides regular training and support for these staff.
- ▶ Abduction, loss or abuse of a child or vulnerable adult. The YMCA has robust safeguarding policies, procedures, regulatory checks and training in place to mitigate this risk.
- ▶ Capacity and capabilities of the Board and management. The Board reviews its performance through the Governance Committee and identifies skills required and aims to recruit new trustees to meet these needs. The management structure is kept under review to ensure Key management personnel have the necessary staffing and resources.
- ▶ Breach of GDPR requirements. The Charitable Company has a Data protection Officer in place who reviews and disseminates relevant policies and procedures to staff.
- ▶ Cyber attack. The Charitable Company outsources the IT function to ensure appropriate measures are in place to mitigate this risk.

Fundraising

The Charitable Company raises funds in a number of ways as set out below:

- ▶ Challenge events
- ▶ Corporate and individual donations via one-off or regular payments, Give As You Earn and legacies
- ▶ Provision of paid services
- ▶ Grant funding

The Charitable Company does not use any commercial participators/professional fundraisers and all monitoring of fundraising is carried out internally. Whilst the Charitable Company has currently not signed up to any recognised fundraising standards, it does have a full and detailed Fundraising Policy that can be found on the Charitable Company's website. This policy helps to ensure that the Charitable Company is protecting the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate and it specifically references:

- ▶ Personal information provided to the Charitable Company will be kept confidential and will not be sold, rented, or given to anyone without consent
- ▶ No cold calling or door to door solicitation of the public is allowed

Plans for the future

The need for YMCA charitable services has grown over the past year particularly amongst children and young people in East Surrey who have been impacted heavily by the effects of the Pandemic. The YMCA has responded by developing and expanding services. Income from activities has been forecasted to rise by 27% in 21/22 and this is in part due to three distinct new projects.

The first is the expansion of our work within Emotional Wellbeing and Mental Health where the YMCA has secured a new contract from the Surrey Wellbeing Partnership to support 2,300 children and young people with a range of counselling and other therapeutic services. This initiative will provide early intervention in a range of settings to help young people at risk to deal with emerging mental health difficulties.

The second key development for the future is the creation of a new housing scheme to meet the YMCA's strategic aims and to address growing homelessness within Horley. Support from Homes England, Reigate and Banstead Borough Council and the charity Landaid has enabled the YMCA to proceed with the purchase of a former Guest House in Massetts Road which will be transformed into a new 12 unit housing scheme for young people aged between 18 and 30 years.

YMCA East Surrey

Report of the Trustees (incorporating the strategic report)

Plans for the future (continued)

The third area of development is within youth work where the YMCA has secured three year funding from the National Lottery starting in April 2021 to expand open access youth work opportunities across the more deprived areas of Reigate and Banstead. To help achieve this aim the YMCA has taken on a five year lease with Surrey County Council (SCC) to manage the Children and Young People's Centre in Horley and will be taking on a lease for the Phoenix Centre, a similar facility owned by SCC in Tadworth.

Trustees and management are currently working on the new Strategic Plan which is scheduled to be approved by the Board of Trustees before the beginning of the next financial year in April 2022.

Trustees' responsibilities

The trustees (who are also the Board of directors of YMCA East Surrey for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law and registered social housing legislation requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the trustees are required to:

- ▶ Select suitable accounting policies and then apply them consistently
- ▶ Observe the methods and principles in the Housing SORP
- ▶ 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; and
- ▶ Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, The Housing Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2015. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- ▶ There is no relevant audit information of which the charitable company's auditor is unaware and
- ▶ The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Auditors

A resolution to reappoint Crowe UK LLP as auditor will be put to the members at the Annual General Meeting.

By order of the board on



Ian Burks

Secretary

29th September 2021

Independent Auditor's report to the members of YMCA East Surrey (Company No. 03716594)

We have audited the financial statements of YMCA East Surrey (the Charitable Company) for the year ended 31 March 2021 which comprise the Statement of comprehensive income, the Statement of changes in reserves, the Statement of financial position, Statement of cash flows and notes to the financial statements, including 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 2021 and of the income and expenditure for the year then ended;
- ▶ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ▶ have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing from April 2019.

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 Charitable Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Board with respect to going concern are described in the relevant sections of this report.

Other information

The Board is responsible for all the information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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 themselves. 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.

Independent Auditor's report to the members of YMCA East Surrey (Company No. 03716594)

Matters on which we are required to report by exception

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 Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- ▶ the 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.

Respective responsibilities of the Board

As explained more fully in the Board's responsibilities statement set out on page 12, the Board is 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 Board determines 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 Board is 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 Board either intends 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011, the Housing and Regeneration Act 2008, together with the Housing SORP. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within charitable company for fraud. The laws and regulations we considered in this context for the UK operations were requirements imposed by the Regulator of Social Housing and the Charity Commission, General Data Protection Regulations, health and safety legislation and employment legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, the Finance & Resources Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, analytical review and sample testing of income, reviewing accounting estimates for biases, reviewing regulatory correspondence with Social Housing Regulator and the Charity Commission and OFSTED inspection reports, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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.

Crowe U.K. LLP

Crowe U.K. LLP
Statutory Auditor
55 Ludgate Hill
London
EC4M 7JW

30 September 2021

YMCA East Surrey

Statement of comprehensive income
for the year ended 31 March 2021

	Notes	2021 £	2020 £
Turnover	1	4,232,822	4,166,462
Operating expenditure	1	<u>(3,797,991)</u>	<u>(4,210,480)</u>
Operating surplus/(deficit)	2	434,831	(44,018)
Interest and dividends receivable	3	1,043	2,920
Interest and financing costs	4	(20,830)	(27,543)
Movement in fair value of financial instruments	10	<u>107,952</u>	<u>(584)</u>
Surplus/(deficit) for the year		522,996	(69,225)
Actuarial gains in respect of pension schemes		-	-
Total comprehensive income/(deficit) for the year		<u>522,996</u>	<u>(69,225)</u>

All income arises from continuing activities of the charitable company. The charitable company had no recognised gains or losses other than those dealt with in the Statement of comprehensive income.

The notes on pages 20 to 31 form an integral part of these accounts.

YMCA East Surrey

Statement of changes in reserves
for the year ended 31 March 2021

	Notes	Restricted reserves	Unrestricted reserves	Total
		£	£	£
Balance at 1 April 2020	18	4,332,670	1,250,999	5,583,669
Surplus/(deficit) from statement of comprehensive income		(69,799)	592,795	522,996
Balance at 31 March 2021	18	<u>4,262,871</u>	<u>1,843,794</u>	<u>6,106,665</u>
Balance at 1 April 2019	18	4,395,673	1,257,221	5,652,894
Deficit from statement of comprehensive income		(63,003)	(6,222)	(69,225)
Balance at 31 March 2020	18	<u>4,332,670</u>	<u>1,250,999</u>	<u>5,583,669</u>

YMCA East Surrey
Statement of financial position
as at 31 March 2021

Company registration number: 03716594

	Notes	2021 £	2020 £
Fixed assets			
Tangible fixed assets – housing properties	8	2,242,222	2,130,131
Tangible fixed assets – other	9	4,031,954	4,106,768
Investments	10	550,824	442,853
Total fixed assets		<u>6,825,000</u>	<u>6,679,752</u>
Current assets			
Debtors	11	712,438	250,115
Cash and cash equivalents	12	1,619,086	1,015,505
Total current assets		<u>2,331,524</u>	<u>1,265,620</u>
Current liabilities			
Creditors: amounts falling due within one year	13	(1,095,961)	(690,592)
Net current assets		<u>1,235,563</u>	<u>575,028</u>
Total assets less current liabilities		<u>8,060,563</u>	<u>7,254,780</u>
Creditors: amounts falling due after more than one year	14	(1,953,898)	(1,671,111)
Total net assets		<u>6,106,665</u>	<u>5,583,669</u>
Reserves			
Restricted reserve	18	4,262,871	4,332,670
Unrestricted reserve	18	1,843,794	1,250,999
Total reserves		<u>6,106,665</u>	<u>5,583,669</u>

The financial statements on pages 16 to 31 were approved by the Board of Management and authorised for issue on 29th September 2021 and are signed on its behalf by:


Ian Thomas
Treasurer

The notes on pages 20 to 31 form an integral part of these account

YMCA East Surrey

Statement of cash flows
for the year ended 31 March 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Surplus/(deficit) for the financial year		522,996	(69,225)
Movement in fair value of financial instrument		(107,971)	584
Depreciation charges		209,092	191,207
Loss on fixed asset disposals		4,325	-
Dividends and interest received		(1,043)	(2,920)
Interest paid		20,830	27,543
(Increase)/decrease in debtors		(462,323)	208,930
Increase/(decrease) in creditors		379,532	(12,246)
Increase/(decrease) in pension provision		24,639	(12,879)
Net cash generated from operating activities		<u>590,077</u>	<u>330,994</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(250,694)	(253,426)
Government grants received		328,374	235,125
Proceeds from sale of investments		-	-
Interest and dividends received		1,043	2,920
Net cash used in investing activities		<u>78,723</u>	<u>(15,381)</u>
Cash flows from financing activities			
Interest paid		(20,830)	(27,543)
New secured loans		-	-
Repayment of borrowings		(44,389)	(37,985)
Net cash used in/(provided by) financing activities		<u>(65,219)</u>	<u>(65,528)</u>
Net change in cash and cash equivalents		603,581	250,085
Cash and cash equivalents at beginning of the year	12	<u>1,015,505</u>	<u>765,420</u>
Cash and cash equivalents at end of the year	12	<u>1,619,086</u>	<u>1,015,505</u>

YMCA East Surrey

Accounting policies

Legal status

YMCA East Surrey is a company limited by guarantee and is an English registered social housing provider, charity and public benefit entity. The liability of its members is limited to £1 each in the event of a deficiency arising on the winding up of the Charity.

It is also registered as a charity and has received dispensation to omit the word "Limited" from its title.

The principal address is YMCA Sports and Community Centre, Princes Road, Redhill, Surrey, RH1 6JJ.

The Charitable Company's principal activities and nature of the Charitable Company's operations are included in the Report of the Trustees.

Basis of preparation

The financial statements have been prepared in accordance with the Housing Statement of Recommended Practice 2014, the Accounting Direction for Private Registered Providers of Social Housing (issued by the Regulator of Social Housing in September 2019), the Housing Regeneration Act 2008, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the requirements of Companies Act 2006.

The financial statements have been prepared on the historical cost basis of accounting and on the going concern basis.

Judgements and keys sources of estimation uncertainty are set out within note n) of the Accounting Policies.

The Charitable Company meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

Preparation of the accounts on a going concern basis

The Charitable Company's financial activities, its current financial position and factors likely to affect its future development are set out within the Report of the Chief Executive and the Report of the Trustees. On this basis, the Board of Management has a reasonable expectation that the Charitable Company has adequate resources to continue in operational existence for the foreseeable future, being a period of twelve months after the date on which the Report and Financial Statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

Principal Accounting Policies

A summary of the principal accounting policies is set out below.

a) Turnover

Turnover, excluding VAT, is recognised in the Statement of comprehensive income as follows:

- ▶ Donations are accounted for when received
- ▶ Government grants are accounted for on an accruals basis, being credited to the Statement of comprehensive income in the same period as the expenditure to which they relate
- ▶ Grants from non-government sources are recognised using the performance model. Grants are recognised as and when the associated performance conditions are met.
- ▶ Fees and subscriptions are accounted for on an accruals basis
- ▶ Hillbrook House and Lynwood Road income is accounted for on an accruals basis
- ▶ Income from remaining trading activities is accounted for on an accruals basis
- ▶ Investment income is accounted for when receivable

b) Donated services and facilities

Volunteer time is not recognised, please refer to the Report of the Chief Executive for more information about their contribution.

c) Expenditure

Expenditure is included in the Statement of comprehensive income on an accruals basis, inclusive of any VAT if it cannot be recovered. Liabilities are included as provisions once the Charity has a legal or constructive obligation to make future payments.

Expenditure has been classified under the heading that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Support and other central costs have been apportioned to each activity on the basis of turnover.

YMCA East Surrey

Accounting policies

Principal Accounting Policies (continued)

d) Freehold property and depreciation

The Charity separately identifies the major components that comprise its freehold properties, and charges depreciation, so as to write down the cost of each component to its residual value, on a straight line basis, over its estimated useful economic life.

The Charity depreciates the major components of its housing properties at the following annual rates:

<u>Component</u>	<u>Useful economic life</u>
Land	Infinite
Structure	100 years
Roof	70 years
Windows and doors	30 years
Boilers	15 years
Kitchens	20 years
Bathrooms	30 years
Mechanical systems	30 years
Electrics	40 years
Lifts	20 years

e) Other tangible fixed assets and depreciation

Unless purchased from grant funding or specific donations, other tangible assets with a value greater than £1,000 are capitalised at cost, being their purchase cost, together with any incidental expenses at acquisition, in the Statement of financial position. Assets below this level are treated as expenditure and are included in the Statement of comprehensive income in the year the expenditure is incurred.

Depreciation is provided on all other tangible fixed assets, so as to write down the cost of each component to its residual value, on a straight line basis, over its estimated useful economic life at the following rates:

<u>Component</u>	<u>Useful economic life</u>
Leasehold buildings	Over the term of the lease
Sports equipment	4 years
Other equipment	3 to 4 years

f) Pension contributions

YMCA East Surrey participated in a multi-employer defined benefit pension plan for employees of YMCAs in England, Scotland and Wales, which was closed to new members and accruals on 30 April 2007. Due to insufficient information, the plan's actuary has advised that it is not possible to separately identify the assets and liabilities relating to YMCA East Surrey.

As described in note 7, YMCA East Surrey has a contractual obligation to make pension deficit payments of £20,271 per annum (starting in May 2021, increasing 3% per annum) over the period to April 2027, accordingly this is shown as a liability in note 17 to these accounts. In addition, YMCA East Surrey is required to contribute £4,797 pa to the operating expenses of the Pension Plan and these costs are charged to the Statement of comprehensive income as made.

YMCA East Surrey also operates two defined contribution pension schemes, The Scottish Widows Scheme for Managers and The People's Pension Scheme which is available to all current staff. The amount charged to the Statement of comprehensive income represents contributions payable in the period.

YMCA East Surrey also contributes to the Local Government Scheme Pension Scheme for employees who were subject to a TUPE transfer from Surrey County Council. This is a defined benefit scheme, the employer's contribution rate is still to be assessed by the scheme's actuary. Provision has been made for estimated contribution levels during the year.

g) Operating leases

Rentals applicable to operating leases are charged to the Statement of comprehensive income over the period in which the cost is incurred on a straight line basis.

YMCA East Surrey

Accounting policies

Principal Accounting Policies (continued)

h) Fund Accounting

Funds held by the Charity are either:

Unrestricted general funds - are available for use at the discretion of the trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes

Unrestricted designated funds - have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements

Restricted funds - are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charitable Company for specific purposes. The cost of raising and administering such funds are charged against the specific fund and set out in the notes to the financial statements.

i) Investments

All investments are carried at their fair value. Investments are all traded in quoted public markets. The basis of the fair value for quoted investments is equivalent to the market value, using their bid price. Asset purchases are recognised at the date of trade at cost (that is their transaction value).

j) Financial Instruments

The Charitable Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Charitable Company becomes a party to the contractual provisions of the instrument, and are offset only when the Charitable Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

k) Debtors

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

A provision for impairment of trade debtors is established when there is evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in the Statement of comprehensive income.

l) Cash at bank

Cash at bank includes cash and short term highly liquid investments with short maturity of three months or less.

m) Creditors, provisions and borrowings

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Public benefit concessionary loans are recognised at the amount received by the Charity.

Deferred income represents Government grants at the value received which are then released to the Statement of comprehensive income in the same period as the expenditure to which they relate.

Principal Accounting Policies (continued)

n) Judgements and key sources of estimation uncertainty

In the application of the Charitable Company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision of accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The following are deemed to be the key judgements within the financial statements:

- ▶ Tangible fixed assets – depreciation is charged on tangible fixed asset components over their estimated useful economic lives, taking into account any residual value if appropriate. The actual lives of the assets and their residual values are assessed annually and may vary depending on a number of assumptions
- ▶ Pension benefits – the cost of defined benefit pension plans and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty
- ▶ Impairment of fixed assets – the carrying amounts of property, plant and equipment are reviewed at each reporting date or whenever events or changes in circumstances indicate that the carrying amount of an asset may be impaired. The recoverable amount of an asset is estimated as the higher of fair value less cost of disposal and the value in use, with an impairment charge being recognised whenever the carrying amount exceeds the recoverable amount.

YMCA East Surrey

Notes to the financial statements
for the year ended 31 March 2021

1 Turnover, operating expenditure and operating surplus

The turnover, operating expenditure and operating surplus recognised can be analysed as follows:

Year ended 31 March 2021:

	Turnover £	Operating expenditure £	Operating surplus / (deficit) £
Social housing			
Rent	238,449	(205,390)	33,059
Service charges	483,448	(416,422)	67,026
Supported housing grants	375,367	(326,772)	48,595
Social housing grants	10,234	(25,544)	(15,310)
Total social housing	1,107,498	(974,128)	133,370
Non-social housing	275,525	(193,404)	82,121
Total housing	1,383,023	(1,167,532)	215,491
Non-housing			
Health and wellbeing	415,034	(455,056)	(40,022)
Childcare and children's activities	467,095	(552,781)	(85,686)
Family and youth services	465,603	(446,748)	18,855
Inclusive services	807,155	(728,520)	78,635
Emotional wellbeing	475,906	(442,386)	33,520
Other activities	219,006	(4,968)	214,038
Total non-housing	2,849,799	(2,630,459)	219,340
Total	4,232,822	(3,797,991)	434,831

Year ended 31 March 2020:

	Turnover £	Operating expenditure £	Operating surplus / (deficit) £
Social housing			
Rent	231,319	(192,125)	39,194
Service charges	469,440	(389,900)	79,540
Supported housing grants	218,825	(268,956)	(50,131)
Social housing grant	51,257	(9,393)	41,864
Total social housing	970,841	(860,374)	110,467
Non-social housing	222,978	(171,353)	51,625
Total housing	1,193,819	(1,031,727)	162,092
Non-housing			
Health and wellbeing	573,628	(628,198)	(54,570)
Childcare and children's activities	623,913	(701,174)	(77,261)
Family and youth services	362,676	(379,095)	(16,419)
Inclusive services	902,575	(967,772)	(65,197)
Emotional wellbeing	347,238	(389,900)	(42,662)
Other activities	162,613	(112,614)	49,999
Total non-housing	2,972,643	(3,178,753)	(206,110)
Total	4,166,462	(4,210,480)	(44,018)

YMCA East Surrey

Notes to the financial statements
for the year ended 31 March 2021

1	Turnover, operating expenditure and operating surplus (continued)	2021	2020
		£	£
	Void losses: notional calculation of income lost from vacant rooms	<u>14,592</u>	<u>33,286</u>
	Number of registered accommodation units – supported housing	<u>57</u>	<u>55</u>
2	Operating surplus	2021	2020
		£	£
	The operating surplus is arrived at after charging:		
	Depreciation of owned assets	162,075	144,190
	Depreciation of leasehold assets	47,017	47,017
	Auditor's Remuneration – Audit fees:	19,000	18,000
	Operating leases	<u>37,149</u>	<u>29,770</u>
3	Interest and dividends receivable	2021	2020
		£	£
	Dividends on listed investments	-	23
	Bank deposit interest	1,043	2,897
		<u>1,043</u>	<u>2,920</u>
4	Interest and financing costs	2021	2020
		£	£
	Loan interest payable	<u>20,830</u>	<u>27,543</u>
5	Staff costs	2021	2020
		£	£
	Wages and salaries	2,430,077	2,553,353
	Social security costs	159,381	168,168
	Pension costs	89,869	103,052
		<u>2,679,327</u>	<u>2,824,573</u>

During the year the charity spent £11,374 on termination payments (2020: nil).

The trustees received no remuneration or reimbursement of expenses during the year.

The full time equivalent number of staff during the year was as follows:	2021	2020
	No.	No.
Health and wellbeing	10	12
Children's services	46	51
Housing	20	18
Support	14	15
Total	<u>90</u>	<u>96</u>

The average head count during the year was as follows:

Total	<u>176</u>	<u>222</u>
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The number of higher paid employees who received emoluments in the following bands was:

£70,000-£80,000	<u>1</u>	<u>1</u>
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YMCA East Surrey

Notes to the financial statements
for the year ended 31 March 2021

5 Staff costs (continued)

Key management personnel in charge of directing and controlling, running and operating the Charity are deemed to be the Board of Management and the Senior Management Team. The Senior Management Team comprises the Chief Executive and the three (2020: four) Heads of Service. The total employee benefits of the key management personnel of the Charitable Company were:

	2021	2020
	£	£
Salaries and pension costs	242,909	278,406
Social security costs	26,311	28,748
	<u>269,220</u>	<u>307,154</u>

The salary received by the highest paid executive staff member (the Chief Executive) was:

	2021	2020
	£	£
Salary	<u>78,675</u>	<u>77,871</u>

Contributions to the Scottish Widows defined contribution pension scheme on behalf of the Chief Executive were £5,507 (2020 £5,451).

6 Taxation

The Charitable Company is a registered charity and, as such, its income and gains falling within Sections 471 to 489 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 are exempt from corporation tax to the extent that they are applied to its charitable objectives.

7 Pension costs

YMCA East Surrey 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 East Surrey and at the year end these were invested in the Mercer Dynamic De-risking Solution, 40% matching portfolio and 60% in the growth portfolio and Schroder (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 £36 million across all participating YMCAs. YMCA East Surrey has been advised that, it will need to make monthly contributions of £1,689 from 1 May 2021. This amount is based on the current actuarial assumptions (as outlined above), number of participants and may vary in the future as a result of actual performance of the Pension Plan. The current recovery period is 8 years commencing 1st May 2021.

In addition, YMCA East Surrey may over time have 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 East Surrey may be called upon to pay in the future.

YMCA East Surrey

Notes to the financial statements
for the year ended 31 March 2021

8 Tangible fixed assets – housing properties

	<i>Social housing properties held for letting</i>	Total
	£	£
Cost:		
At 1 April 2020	2,201,100	2,201,100
Additions	146,070	146,070
Disposals	(4,697)	(4,697)
At 31 March 2021	<u>2,342,473</u>	<u>2,342,473</u>
Depreciation:		
At 1 April 2020	70,969	70,969
Charge	29,654	29,654
Disposals	(372)	(372)
At 31 March 2021	<u>100,251</u>	<u>100,251</u>
Net book value:		
At 31 March 2021	<u>2,242,222</u>	<u>2,242,222</u>
At 31 March 2020	<u>2,130,131</u>	<u>2,130,131</u>

All social housing properties are freehold.

Total cumulative amounts received or receivable at 31 March

	2021	2020
	£	£
Capital grants	328,374	313,000
Revenue grants	-	50,000
	<u>328,374</u>	<u>363,000</u>

9 Tangible fixed assets - other

	Freehold land and buildings	Leasehold land and buildings	Sports Equipment	Other Equipment	Total
	£	£	£	£	£
Cost:					
At 1 April 2020	3,668,436	904,777	290,552	766,486	5,630,251
Additions	8,230	-	31,406	64,988	104,624
Disposals	-	-	-	(61,882)	(61,882)
At 31 March 2021	<u>3,676,666</u>	<u>904,777</u>	<u>321,958</u>	<u>769,592</u>	<u>5,672,993</u>
Depreciation:					
At 1 April 2020	269,645	399,346	257,040	597,452	1,523,483
Charge	55,858	47,017	16,830	59,733	179,438
Disposals	-	-	-	(61,882)	(61,882)
At 31 March 2021	<u>325,503</u>	<u>446,363</u>	<u>273,870</u>	<u>595,303</u>	<u>1,641,039</u>
Net book value:					
At 31 March 2021	<u>3,351,163</u>	<u>458,414</u>	<u>48,088</u>	<u>174,289</u>	<u>4,031,954</u>
At 31 March 2020	<u>3,398,791</u>	<u>505,431</u>	<u>33,512</u>	<u>169,034</u>	<u>4,106,768</u>

YMCA East Surrey

Notes to the financial statements
for the year ended 31 March 2021

10	Investments		
	Movement in fixed asset listed investments	2021	2020
		£	£
	Market value at 1 April 2020	442,853	443,437
	Additions to investments at cost	19	-
	Disposal of investments at cost	-	-
	Net gain on investment	107,952	(584)
	Market value at 31 March 2021	<u>550,824</u>	<u>442,853</u>
11	Debtors	2021	2020
		£	£
	Rent arrears	68,821	57,115
	Less: provision for doubtful debt	(4,806)	-
		<u>64,015</u>	<u>57,115</u>
	Prepayments	263,284	52,177
	Project funding debtors	357,007	137,752
	Other debtors	28,132	3,071
		<u>712,438</u>	<u>250,115</u>
12	Cash at bank and in hand	2021	2020
		£	£
	Deposit accounts	1,457,582	932,919
	Current account	150,681	72,618
	Cash	10,823	9,968
		<u>1,619,086</u>	<u>1,015,505</u>
13	Creditors: amounts falling due within one year	2021	2020
		£	£
	Bank loans (Note 15)	43,761	39,446
	Trade creditors	198,480	141,138
	Accruals	81,057	65,749
	Income received in advance	569,583	217,541
	Taxation and social security	58,595	61,161
	Other creditors	112,807	142,077
	Deferred capital grants (Note 16)	13,801	5,354
	Accrued pension deficit contributions (Note 17)	17,877	18,126
		<u>1,095,961</u>	<u>690,592</u>
14	Creditors: amounts falling due after more than one year	2021	2020
		£	£
	Bank and other loans (Note 15)	1,066,301	1,115,005
	Deferred capital grants (Note 16)	734,803	428,201
	Accrued pension deficit contributions (Note 17)	152,794	127,905
		<u>1,953,898</u>	<u>1,671,111</u>

YMCA East Surrey

Notes to the financial statements
for the year ended 31 March 2021

15 Bank and other loans

	2021	2020
	£	£
Secured:		
In one year or less	43,761	39,446
In more than one year, but not more than two years	838,758	40,704
In more than two years, but not more than five years	35,202	867,386
In more than five years	192,341	206,915
	<u>1,111,062</u>	<u>1,154,451</u>

£152,250 was borrowed from Barclays in 2014 at a fixed rate of 5.73% until 30 June 2021 and thereafter at a variable rate of 3.25% over the bank's base rate and is repayable over a 15 year term. This loan is secured by a legal charge over the property at 57 Lynwood Road, Redhill.

£989,340 was borrowed from Barclays in 2017 at a rate of 1.6% over the bank's base rate. The loan has a 25 year repayment profile with a break after 5 years at which point the loan will be renegotiated. This loan is secured by a legal charge over the property on Brighton Road, Redhill.

£150,000 was borrowed from the Methodist Church in March 2019, this is a public benefit concessionary loan and is interest free and repayable at the end of the 15 year term. The loan is secured by a legal charge over the property at 200 London Road, Merstham

16 Deferred capital grants

	Grant at cost	Amortisation	Total net grant
	£	£	£
As at 1 April 2020	437,161	(3,606)	433,555
Grants received in year	328,374	-	328,374
Amortisation	-	(13,325)	(13,325)
As at 31 March 2021	<u>765,535</u>	<u>(16,931)</u>	<u>748,604</u>

17 Accrued pension deficit contributions

	Pension deficit
	£
As at 1 April 2020	146,031
Charged to statement of comprehensive income	44,272
Payments made	(19,633)
As at 31 March 2021	<u>170,670</u>
Payable by instalments:	£
Within one year	17,877
One to two years	18,729
Two to five years	61,604
After five years	72,460
Total	<u>170,670</u>

YMCA East Surrey has been notified by the YMCA Pension Plan of their allocation of the overall deficit on the YMCA Pension Plan (see Note 7). The initial allocation was provided for in full in the 31 March 2007 financial statements in accordance with FRS102. Subsequent notification following updated actuarial valuations of the Plan increased the amount and further provisions were made in the 31 March 2009, 31 March 2012 and 31 March 2015 financial statements. Monthly payments of £1,689, increasing by 3% per annum, in respect of the deficit allocation are being made for 8 years from May 2021. The monthly payment amount also includes a contribution towards scheme expenses.

YMCA East Surrey

Notes to the financial statements
for the year ended 31 March 2021

18 Analysis of reserves

	At 1 April 2020	Income	Expenditure	At 31 March 2021
	£	£	£	£
Development capital	1,023,242	-	(11,045)	1,012,197
Sovereign capital	505,430	-	(47,017)	458,413
Sovereign centre	123,295	-	-	123,295
Lynwood Road Move-on	294,868	-	(4,041)	290,827
Inclusive sports facility	1,822,695	44,646	(40,777)	1,826,564
London Road Move-on	296,229	11,444	(15,216)	292,457
Hillbrook capital	74,353	(728)	(1,962)	71,663
Health and wellbeing	23,582	94,853	(94,294)	24,141
Housing	109,050	270,592	(258,369)	121,273
Children's services	50,704	66,397	(82,251)	34,850
Youth services	-	203,488	(203,488)	-
Inclusive services	9,222	64,934	(66,965)	7,191
Emotional wellbeing	-	219,416	(219,416)	-
Total restricted reserves	4,332,670	975,042	(1,044,841)	4,262,871
Unrestricted reserves:				
- General	749,846	3,295,983	(2,765,786)	1,280,043
- Designated	501,153	70,792	(8,194)	563,751
Total reserves	5,583,669	4,341,817	(3,818,821)	6,106,665

	At 1 April 2019	Income	Expenditure	At 31 March 2020
	£	£	£	£
Development capital	1,032,309	-	(9,067)	1,023,242
Sovereign capital	552,447	-	(47,017)	505,430
Sovereign centre	123,295	-	-	123,295
Lynwood Road Move-on	298,910	-	(4,042)	294,868
Inclusive sports facility	1,860,421	1,879	(39,605)	1,822,695
London Road Move-on	300,000	1,257	(5,028)	296,229
Hillbrook capital	24,676	50,000	(323)	74,353
Health and wellbeing	30,684	80,009	(87,111)	23,582
Housing	117,694	441,671	(450,315)	109,050
Children's services	47,152	629,872	(617,098)	59,926
Youth services	8,085	603,364	(611,449)	-
Total restricted reserves	4,395,673	1,808,052	(1,871,055)	4,332,670
Unrestricted reserves:				
- General	773,303	2,272,911	(2,296,368)	749,846
- Designated	483,918	88,419	(71,184)	501,153
Total reserves	5,652,894	4,169,382	(4,238,607)	5,583,669

General reserves are the 'free reserves' after allowing for all designated reserves.

The designated reserves have arisen from Challenge events and represents monies received in relation to the capital costs of the new facility completed in December 2018 at the Princes Road site and supports the work of other projects within the charity.

19 Restricted reserves

The Development capital reserve is held on trust to provide premises for the YMCA East Surrey. It is invested in the freehold land and buildings at Princes Road occupied by YMCA and it does not generate income.

The Sovereign capital reserve holds the leasehold premises at The Sovereign Centre and does not generate income.

The Sovereign centre reserve represents funds held to maintain and enhance the facilities at the Sovereign centre and to support the YMCA's work with children and young people with disabilities.

YMCA East Surrey

Notes to the financial statements
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19 Restricted reserves (continued)

The Lynwood Move-on holds the freehold premises at Lynwood Road and does not generate income.

The London Road Move-on holds the freehold premises at London Road and does not generate income.

The Inclusive sport facility reserve represents monies received in relation to the capital costs of the new facility completed in December 2018 at the Princes Road site.

Housing reserves includes bond balances totalling £86,049 (2020: £87,862) and equipment funding totalling £17,465 (2020: £17,465), for use in replacement equipment for Hillbrook House as required. The remaining balance is represented by donations and other income in relation to housing projects, still to be matched against the appropriate costs.

Donations and other income received in respect Health and wellbeing, Children's services and Youth services are shown as other restricted reserves and matched with appropriate costs.

20 Related party transactions

The Trustees all give freely their time and expertise without any form of remuneration or other benefit in kind (2020: £nil). Further, the Trustees have received no reimbursement of expenses during the year (2020: £nil).

During the year purchase of goods totalling nil (2020: £250) were made from Furnistore of which one of the trustees is also a trustee. The purchases were made on normal commercial terms.

There was nil outstanding with related parties as at 31 March 2021 (2020: £nil).

21 Operating lease commitments

At 31 March, the Charitable Company had total commitments under non-cancellable operating leases for land and buildings as follows:

	2021	2020
	£	£
Within one year	26,818	11,153
Within two to five years	25,679	17,539
After five years	19,380	23,460
	<u>71,877</u>	<u>52,152</u>

22 Capital commitments

At the end of the year, the Charitable Company had capital commitments in respect of housing properties of £1,341,091 (2020: £124,730)

23 Net cash

	Current debt	Non-current debt	Cash and cash equivalents	Net cash
	£	£	£	£
At 1 April 2020	(39,446)	(1,115,005)	1,015,505	(138,946)
Cash flow	(4,315)	48,704	603,581	647,970
Other movements	-	-	-	-
At 31 March 2021	<u>(43,761)</u>	<u>(1,066,301)</u>	<u>1,619,086</u>	<u>509,024</u>
At 1 April 2019	(38,231)	(1,154,205)	765,420	(427,016)
Cash flow	(1,215)	39,200	250,085	288,070
Other movements	-	-	-	-
At 31 March 2020	<u>(39,446)</u>	<u>(1,115,005)</u>	<u>1,015,505</u>	<u>(138,946)</u>