

**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

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### 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:

Morrison's Solicitors  
Prospero  
73 London Road,  
Redhill  
RH1 1LQ

# YMCA East Surrey

## Report of the Chief Executive

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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

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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

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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

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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*

29<sup>th</sup> September 2021

# YMCA East Surrey

## Report of the Trustees (incorporating the strategic report)

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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)

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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)

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### 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)

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### **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)

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### **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)

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### **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)

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### **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

29<sup>th</sup> September 2021



## Independent Auditor's report to the members of YMCA East Surrey (Company No. 03716594)

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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.

**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](http://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.



Independent Auditor's report to the members of YMCA East Surrey (Company No. 03716594)

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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.

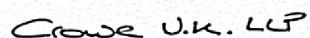
Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing 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](http://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

30 September 2021

# YMCA East Surrey

Statement of comprehensive income  
for the year ended 31 March 2021

|  | Notes | 2021<br>£   | 2020<br>£   |
|--|-------|-------------|-------------|
| Turnover   | 1     | 4,232,822   | 4,166,462   |
| Operating expenditure                                    | 1     | (3,797,991) | (4,210,480) |
| <b>Operating surplus/(deficit)</b>                       | 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    | 107,952     | (584)       |
| <b>Surplus/(deficit) for the year</b>                    |       | 522,996     | (69,225)    |
| Actuarial gains in respect of pension schemes            |       | -           | -           |
| <b>Total comprehensive income/(deficit) for the year</b> |       | 522,996     | (69,225)    |

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 | <b>Restricted<br/>reserves</b> | <b>Unrestricted<br/>reserves</b> | <b>Total</b>     |
|---|-------|--------------------------------|----------------------------------|------------------|
|   |       | <b>£</b>                       | <b>£</b>                         | <b>£</b>         |
| Balance at 1 April 2020                                     | 18    | 4,332,670                      | 1,250,999                        | 5,583,669        |
| Surplus/(deficit) from statement of<br>comprehensive income |       | (69,799)                       | 592,795                          | 522,996          |
| <b>Balance at 31 March 2021</b>                             | 18    | <b>4,262,871</b>               | <b>1,843,794</b>                 | <b>6,106,665</b> |
|   |       |                                |                                  |                  |
| Balance at 1 April 2019                                     | 18    | 4,395,673                      | 1,257,221                        | 5,652,894        |
| Deficit from statement of<br>comprehensive income           |       | (63,003)                       | (6,222)                          | (69,225)         |
| <b>Balance at 31 March 2020</b>                             | 18    | <b>4,332,670</b>               | <b>1,250,999</b>                 | <b>5,583,669</b> |

YMCA East Surrey  
Statement of financial position  
as at 31 March 2021

Company registration number: 03716594

|   | Notes | 2021<br>£        | 2020<br>£        |
|---|-------|------------------|------------------|
| <b>Fixed assets</b>                                     |       |                  |                  |
| 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          |
| <b>Total fixed assets</b>                               |       | <u>6,825,000</u> | <u>6,679,752</u> |
| <b>Current assets</b>                                   |       |                  |                  |
| Debtors   | 11    | 712,438          | 250,115          |
| Cash and cash equivalents                               | 12    | 1,619,086        | 1,015,505        |
| <b>Total current assets</b>                             |       | <u>2,331,524</u> | <u>1,265,620</u> |
| <b>Current liabilities</b>                              |       |                  |                  |
| Creditors: amounts falling due within one year          | 13    | (1,095,961)      | (690,592)        |
| <b>Net current assets</b>                               |       | <u>1,235,563</u> | <u>575,028</u>   |
| <b>Total assets less current liabilities</b>            |       | <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)      |
| <b>Total net assets</b>                                 |       | <u>6,106,665</u> | <u>5,583,669</u> |
| <b>Reserves</b>   |       |                  |                  |
| Restricted reserve                                      | 18    | 4,262,871        | 4,332,670        |
| Unrestricted reserve                                    | 18    | 1,843,794        | 1,250,999        |
| <b>Total reserves</b>                                   |       | <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 29<sup>th</sup> 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<br>£        | 2020<br>£        |
|--|-----------|------------------|------------------|
| <b>Cash flows from operating activities</b>                |           |                  |                  |
| 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)         |
| <b>Net cash generated from operating activities</b>        |           | <b>590,077</b>   | <b>330,994</b>   |
| <b>Cash flows from investing activities</b>                |           |                  |                  |
| 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            |
| <b>Net cash used in investing activities</b>               |           | <b>78,723</b>    | <b>(15,381)</b>  |
| <b>Cash flows from financing activities</b>                |           |                  |                  |
| Interest paid  |           | (20,830)         | (27,543)         |
| New secured loans  |           | -                | -                |
| Repayment of borrowings                                    |           | (44,389)         | (37,985)         |
| <b>Net cash used in/(provided by) financing activities</b> |           | <b>(65,219)</b>  | <b>(65,528)</b>  |
| <b>Net change in cash and cash equivalents</b>             |           | <b>603,581</b>   | <b>250,085</b>   |
| Cash and cash equivalents at beginning of the year         | 12        | 1,015,505        | 765,420          |
| <b>Cash and cash equivalents at end of the year</b>        | <b>12</b> | <b>1,619,086</b> | <b>1,015,505</b> |



# YMCA East Surrey

## Accounting policies

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### 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

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### 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.

### 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<br>£    | Operating<br>expenditure<br>£ | Operating<br>surplus /<br>(deficit)<br>£ |
|-------------------------------------|------------------|-------------------------------|--|
| <b>Social housing</b>               |                  |                               |  |
| 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)                                 |
| <b>Total social housing</b>         | <b>1,107,498</b> | <b>(974,128)</b>              | <b>133,370</b>                           |
| Non-social housing                  | 275,525          | (193,404)                     | 82,121                                   |
| <b>Total housing</b>                | <b>1,383,023</b> | <b>(1,167,532)</b>            | <b>215,491</b>                           |
| <b>Non-housing</b>                  |                  |                               |  |
| 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                                  |
| <b>Total non-housing</b>            | <b>2,849,799</b> | <b>(2,630,459)</b>            | <b>219,340</b>                           |
| <b>Total</b>                        | <b>4,232,822</b> | <b>(3,797,991)</b>            | <b>434,831</b>                           |

### Year ended 31 March 2020:

|                                     | Turnover<br>£    | Operating<br>expenditure<br>£ | Operating<br>surplus /<br>(deficit)<br>£ |
|-------------------------------------|------------------|-------------------------------|--|
| <b>Social housing</b>               |                  |                               |  |
| 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                                   |
| <b>Total social housing</b>         | <b>970,841</b>   | <b>(860,374)</b>              | <b>110,467</b>                           |
| Non-social housing                  | 222,978          | (171,353)                     | 51,625                                   |
| <b>Total housing</b>                | <b>1,193,819</b> | <b>(1,031,727)</b>            | <b>162,092</b>                           |
| <b>Non-housing</b>                  |                  |                               |  |
| 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                                   |
| <b>Total non-housing</b>            | <b>2,972,643</b> | <b>(3,178,753)</b>            | <b>(206,110)</b>                         |
| <b>Total</b>                        | <b>4,166,462</b> | <b>(4,210,480)</b>            | <b>(44,018)</b>                          |

# YMCA East Surrey

Notes to the financial statements  
for the year ended 31 March 2021

|   |  |             |             |
|---|--|-------------|-------------|
| 1 | <b>Turnover, operating expenditure and operating surplus (continued)</b> | <b>2021</b> | <b>2020</b> |
|   |  | <b>£</b>    | <b>£</b>    |
|   | Void losses: notional calculation of income lost from vacant rooms       | 14,592      | 33,286      |
|   | Number of registered accommodation units – supported housing             | 57          | 55          |
| 2 | <b>Operating surplus</b>   | <b>2021</b> | <b>2020</b> |
|   |  | <b>£</b>    | <b>£</b>    |
|   | 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   | 37,149      | 29,770      |
| 3 | <b>Interest and dividends receivable</b>                                 | <b>2021</b> | <b>2020</b> |
|   |  | <b>£</b>    | <b>£</b>    |
|   | Dividends on listed investments  | -           | 23          |
|   | Bank deposit interest  | 1,043       | 2,897       |
|   |  | 1,043       | 2,920       |
| 4 | <b>Interest and financing costs</b>                                      | <b>2021</b> | <b>2020</b> |
|   |  | <b>£</b>    | <b>£</b>    |
|   | Loan interest payable  | 20,830      | 27,543      |
| 5 | <b>Staff costs</b>   | <b>2021</b> | <b>2020</b> |
|   |  | <b>£</b>    | <b>£</b>    |
|   | Wages and salaries   | 2,430,077   | 2,553,353   |
|   | Social security costs  | 159,381     | 168,168     |
|   | Pension costs  | 89,869      | 103,052     |
|   |  | 2,679,327   | 2,824,573   |

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: | <b>2021</b> | <b>2020</b> |
|  | <b>No.</b>  | <b>No.</b>  |
| Health and wellbeing   | 10          | 12          |
| Children's services  | 46          | 51          |
| Housing  | 20          | 18          |
| Support  | 14          | 15          |
| Total  | 90          | 96          |

The average head count during the year was as follows:

|       |     |     |
|-------|-----|-----|
| Total | 176 | 222 |
|-------|-----|-----|

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

|                 |          |          |
|-----------------|----------|----------|
| £70,000-£80,000 | <u>1</u> | <u>1</u> |
|-----------------|----------|----------|

# 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> | <b>Total</b>     |
|------------------|---|------------------|
|                  | £   | £                |
| 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

|                | <b>2021</b>    | <b>2020</b>    |
|----------------|----------------|----------------|
|                | £              | £              |
| Capital grants | 328,374        | 313,000        |
| Revenue grants | -              | 50,000         |
|                | <u>328,374</u> | <u>363,000</u> |

## 9 Tangible fixed assets - other

|                  | <b>Freehold land and buildings</b> | <b>Leasehold land and buildings</b> | <b>Sports Equipment</b> | <b>Other Equipment</b> | <b>Total</b>     |
|------------------|------------------------------------|-------------------------------------|-------------------------|------------------------|------------------|
|                  | £                                  | £                                   | £                       | £                      | £                |
| 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 | <b>Investments</b>   |             |             |
|    | <b>Movement in fixed asset listed investments</b>              | <b>2021</b> | <b>2020</b> |
|    |  | <b>£</b>    | <b>£</b>    |
|    | 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                                  | 550,824     | 442,853     |
| 11 | <b>Debtors</b>   | <b>2021</b> | <b>2020</b> |
|    |  | <b>£</b>    | <b>£</b>    |
|    | Rent arrears   | 68,821      | 57,115      |
|    | Less: provision for doubtful debt                              | (4,806)     | -           |
|    |  | 64,015      | 57,115      |
|    | Prepayments  | 263,284     | 52,177      |
|    | Project funding debtors  | 357,007     | 137,752     |
|    | Other debtors  | 28,132      | 3,071       |
|    |  | 712,438     | 250,115     |
| 12 | <b>Cash at bank and in hand</b>                                | <b>2021</b> | <b>2020</b> |
|    |  | <b>£</b>    | <b>£</b>    |
|    | Deposit accounts   | 1,457,582   | 932,919     |
|    | Current account  | 150,681     | 72,618      |
|    | Cash   | 10,823      | 9,968       |
|    |  | 1,619,086   | 1,015,505   |
| 13 | <b>Creditors: amounts falling due within one year</b>          | <b>2021</b> | <b>2020</b> |
|    |  | <b>£</b>    | <b>£</b>    |
|    | 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      |
|    |  | 1,095,961   | 690,592     |
| 14 | <b>Creditors: amounts falling due after more than one year</b> | <b>2021</b> | <b>2020</b> |
|    |  | <b>£</b>    | <b>£</b>    |
|    | 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     |
|    |  | 1,953,898   | 1,671,111   |

# 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<br>2020 | Income    | Expenditure | At 31 March<br>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<br>2019 | Income    | Expenditure | At 31 March<br>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  
for the year ended 31 March 2021

## 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> |