

YMCA East Surrey
(A charitable company limited by guarantee)

Report and Financial Statements

for the year ended

31 March 2023



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

YMCA East Surrey

Contents

	Page
Legal and administrative information	3
Report of the Chief Executive	4 - 6
Report of the Trustees (incorporating the Strategic Report)	7 - 15
Independent Auditor's report	16 - 18
Statement of comprehensive income	19
Statement of changes in reserves	20
Statement of financial position	21
Statement of cash flows	22
Accounting policies	23 - 25
Notes to the financial statements	26 - 35

Legal and administrative information

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

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

Chief Executive and
Company Secretary: Ian Burks

Registered Office: YMCA East Surrey
Princes Road
Redhill
Surrey
RH1 6JJ

Registered Charity Number: 1075028

Registered Company Number: 03716594 (England & Wales)

Social Housing Provider
Registration Number: 4854

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

Auditors: Crowe UK LLP
55 Ludgate Hill
London
EC4M 7JW

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

YMCA East Surrey

Report of the Chief Executive

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

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

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

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

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

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

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

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

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

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

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

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

YMCA East Surrey

Report of the Chief Executive

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

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

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

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

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

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

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

YMCA East Surrey

Report of the Chief Executive

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

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

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


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

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

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

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

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



Ian Burks
Chief Executive
27th September 2023

YMCA East Surrey

Report of the trustees (incorporating the strategic report)

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

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

Objectives and activities

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

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

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

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

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

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

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

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

YMCA East Surrey

Report of the trustees (incorporating the strategic report)

Objectives and activities (continued)

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

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

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

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

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

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

Achievements and Performance

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

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

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

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

Financial review

Income and Funding

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

YMCA East Surrey

Report of the trustees (incorporating the strategic report)

Financial review (continued)

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

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

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

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

Expenditure

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

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

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

Overall results for the financial year

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

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

YMCA East Surrey

Report of the trustees (incorporating the strategic report)

Financial review (continued)

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

Reserves policy

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

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

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

Value for money

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

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

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

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

The Charitable Company seeks to optimise by VFM by:

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

YMCA East Surrey

Report of the trustees (incorporating the strategic report)

Financial review (continued)

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

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

Structure, governance and management

Legal status

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

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

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

YMCA East Surrey

Report of the trustees (incorporating the strategic report)

Code of governance

Structure, governance and management (continued)

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

Annual review of governance and financial viability standard

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

Organisation

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

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

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

Appointment, induction and training of Trustees

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

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

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

Pay policy for senior staff

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

YMCA East Surrey

Report of the trustees (incorporating the strategic report)

Structure, governance and management (continued)

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

Investment policy

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

Risk management

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

This review has continued to identify the following key risks:

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

YMCA East Surrey

Report of the trustees (incorporating the strategic report)

Structure, governance and management (continued)

Fundraising

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

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

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

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

Plans for the future

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

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

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

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

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

Trustees’ responsibilities for the Report and Financial Statements

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

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

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

- ▶ Select suitable accounting policies and then apply them consistently
- ▶ Observe the methods and principles in the Housing Statement of Recommended Practice 2018 (SORP)
- ▶ Make judgements and estimates that are reasonable and prudent
- ▶ State whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and

YMCA East Surrey

Report of the trustees (incorporating the strategic report)

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

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

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

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

In so far as the Trustees are aware:

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

Auditors

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

By order of the board on



Paul Byrne

Chairman

27th September 2023

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

Opinion

We have audited the financial statements of YMCA East Surrey (the charitable company) for the year ended 31 March 2023 which comprise the Statement of comprehensive income, the Statement of changes in reserves, the Statement of financial position, the Statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of the income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing from April 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the Board

As explained more fully in the Board's responsibilities statement set out on page 13, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

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

Use of our report

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

Crowe U.K. LLP

Crowe U.K. LLP

Statutory Auditor

55 Ludgate Hill

London

EC4M 7JW

28th September 2023

YMCA East Surrey

Statement of comprehensive income
for the year ended 31 March 2023

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

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

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

YMCA East Surrey

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

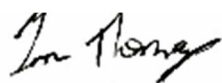
	Notes	Restricted reserves £	Unrestricted reserves £	Total £
Balance at 1 April 2022	18	4,268,129	2,314,507	6,582,636
Surplus (Deficit) from statement of comprehensive income		(6,727)	382,260	375,533
Balance at 31 March 2023	18	4,261,402	2,696,767	6,958,169
Balance at 1 April 2021	18	4,262,871	1,843,794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

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

Company registration number: 03716594

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

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



Ian Thomas
Treasurer

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

YMCA East Surrey

Statement of cash flows
as at 31 March 2023

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

YMCA East Surrey

Accounting policies
for the year ended 31 March 2023

Legal status

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

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

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

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

Basis of preparation

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

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

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

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

Preparation of the accounts on a going concern basis

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

Principal Accounting Policies

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

a) Turnover

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

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

b) Donated services and facilities

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

c) Expenditure

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

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

YMCA East Surrey

Accounting policies
for the year ended 31 March 2023

Principal Accounting Policies (continued)

d) Freehold property and depreciation

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

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

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

e) Other tangible fixed assets and depreciation

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

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

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

f) Pension contributions

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

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

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

g) Operating leases

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

h) Fund Accounting

Funds held by the Charity are either:

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

YMCA East Surrey

Accounting policies
for the year ended 31 March 2023

Principal Accounting Policies (continued)

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

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

i) Investments

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

j) Financial Instruments

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

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

Derecognition of financial assets and liabilities

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

k) Debtors

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

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

l) Cash at bank

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

m) Creditors, provisions and borrowings

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

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

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

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

m) Judgements and key sources of estimation uncertainty

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

YMCA East Surrey

Accounting policies
for the year ended 31 March 2023

Principal Accounting Policies (continued)

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

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

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

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

YMCA East Surrey

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

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

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

Year ended 31 March 2022:

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

YMCA East Surrey

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

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

YMCA East Surrey

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

5. Staff costs (continued)

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

£80,000-£90,000	1	1
-----------------	---	---

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

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

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

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

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

6 Taxation

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

7 Pension costs

YMCA East Surrey participated in a contributory pension plan providing defined benefits based on final pensionable pay for employees of YMCAs in England, Scotland and Wales. The assets of the YMCA Pension Plan are held separately from those of YMCA East Surrey and at the year end these were invested in the Mercer Dynamic De-risking Solution, 40% matching portfolio and 60% in the growth portfolio and Schroder (property units only).

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

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

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

YMCA East Surrey

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

7. Pension costs (continued)

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

8 Tangible fixed assets – housing properties

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

All social housing properties are freehold.

Total amounts received for year ending 31 March

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

9 Tangible fixed assets – other

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

YMCA East Surrey

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

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

YMCA East Surrey

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

7. Bank and other loans (continued)

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

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

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

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

16 Deferred capital grants

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

17 Accrued pension deficit contributions

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

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

YMCA East Surrey

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

18 Analysis of reserves

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

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

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

YMCA East Surrey

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

19 **Restricted reserves**

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

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

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

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

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

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

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

Housing reserves includes bond balances totalling £84,907 (2022: £86,049) and equipment funding totalling £17,465 (2022: £17,465), for use in replacement equipment for Hillbrook House as required. There are also a further capital funding of £69,699 (2022: £71,663) in respect of funding for fixtures and fittings at Hillbrook House. The remaining balance is represented by donations and other income in relation to housing projects.

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

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

20 **Related party transactions**

The Trustees all give freely their time and expertise without any form of remuneration or other benefit in kind (2022: £nil). Further, the Trustees have received no reimbursement of expenses during the year (2022: £nil).

There was nil outstanding with related parties as at 31 March 2023 (2022: £nil).

21 **Operating lease commitments**

At 31 March 2023, the Charitable Company had total commitments under non-cancellable operating leases for land and buildings as follows:

	2023 £	2022 £
Within one year	36,869	37,530
Within two to five years	95,522	106,262
After five years	30,420	53,700
	<u>162,811</u>	<u>197,492</u>

22 **Capital commitments**

At the end of the year, the Charitable Company had £nil capital commitments (2022: £nil)

YMCA East Surrey

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

23 Net cash

	Current debt £	Non-current debt £	Cash and cash equivalents £	Net cash £
At 1 April 2022	(859,626)	(590,158)	1,925,983	476,199
Cash flow	802,095	(753,006)	588,816	637,906
Other movements				
At 31 March 2023	<u>(57,530)</u>	<u>(1,343,164)</u>	<u>2,514,799</u>	<u>1,114,105</u>
At 1 April 2021	£	£	£	£
Cash flow	(43,761)	(1,066,301)	1,619,086	509,024
Other movements	(815,865)	476,143	306,897	(32,825)
At 31 March 2022	<u>(859,626)</u>	<u>(590,158)</u>	<u>1,925,983</u>	<u>476,199</u>