YMCA DOWNSLINK GROUP

England & Wales · Charity number 1079570

Details

Other names	HOVE YMCA, SUSSEX CENTRAL YMCA
Status	Registered
Legal form	Charitable company
Company number	03853734
Registered	2000-02-28
Register	View on the Charity Commission register

Contact

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Website	www.ymcadlg.org

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Activities

Objects: 2.1 THE OBJECTS OF THE ASSOCIATION ARISE FROM ITS ACCEPTANCE OF ITS FOUNDING CHRISTIAN PRINCIPLE, THE PARIS BASIS OF 1855 INCORPORATED INTO THE NATIONAL STATEMENT OF THE AIMS AND PURPOSES OF THE YMCA IN ENGLAND AS IT MAY BE AMENDED FROM TIME TO TIME. 2.1.1 CONSEQUENTLY THE ASSOCIATION IS PART OF THE WORLDWIDE YMCA, A CHRISTIAN MOVEMENT WHICH SEEKS TO UNITE THOSE WHO, REGARDING JESUS CHRIST AS THEIR GOD AND SAVIOUR ACCORDING TO THE HOLY SCRIPTURES, DESIRE TO BE HIS DISCIPLES IN THEIR FAITH AND IN THEIR LIFE, AND TO ASSOCIATE THEIR EFFORTS FOR THE EXTENSION OF HIS KINGDOM. ANY DIFFERENCE OF OPINION ON ANY OTHER MATTER SHALL NOT INTERFERE WITH THE HARMONIOUS RELATIONS OF THE YMCA MOVEMENT. 2.2 THE ASSOCIATION WELCOMES, SERVES AND WORKS WITH PERSONS OF ALL RELIGIOUS FAITHS AND OF NONE. 2.3 ACCORDINGLY THE OBJECTS OF THE ASSOCIATION ARE: 2.3.1 TO ADVANCE THE CHRISTIAN FAITH, INCLUDING BY: (A) PROMOTING A CHRISTIAN ENVIRONMENT INSPIRED AND MOTIVATED BY THE LIFE, EXAMPLE AND TEACHING OF JESUS CHRIST, WHERE PEOPLE OF FAITH AND PEOPLE OF NONE CAN WORK TOGETHER FOR THE TRANSFORMATION OF COMMUNITIES; AND (B) ENABLING PEOPLE OF ALL AGES AND IN PARTICULAR YOUNG PEOPLE, TO FLOURISH THROUGH EXPERIENCING AND RESPONDING TO THE LOVE OF GOD DEMONSTRATED BY THE LIFE, EXAMPLE AND TEACHING OF JESUS CHRIST;2.3.2 TO PROVIDE OR ASSIST IN THE PROVISION IN THE INTERESTS OF SOCIAL WELFARE OF FACILITIES FOR RECREATION AND OTHER LEISURE TIME OCCUPATION FOR MEN AND WOMEN WITH THE OBJECT OF IMPROVING THEIR CONDITIONS OF LIFE; 2.3.3 TO PROVIDE OR ASSIST IN THE PROVISION OF EDUCATION FOR PEOPLE OF ALL AGES AND IN PARTICULAR YOUNG PEOPLE, WITH THE OBJECT OF DEVELOPING THEIR PHYSICAL, MENTAL OR SPIRITUAL CAPACITIES; 2.3.4 TO RELIEVE OR ASSIST IN THE RELIEF OF PEOPLE OF ALL AGES AND IN PARTICULAR YOUNG PEOPLE, WHO ARE IN CONDITIONS OF NEED, HARDSHIP OR DISTRESS BY REASON OF THEIR SOCIAL, PHYSICAL, EMOTIONAL, SPIRITUAL OR ECONOMIC CIRCUMSTANCES; AND 2.3.5 TO PROVIDE RESIDENTIAL ACCOMMODATION, INCLUDING SOCIAL HOUSING, FOR PEOPLE OF ALL AGES AND IN PARTICULAR YOUNG PEOPLE, WHO ARE IN NEED, HARDSHIP OR DISTRESS BY REASON OF THEIR SOCIAL, PHYSICAL, EMOTIONAL, SPIRITUAL OR ECONOMIC CIRCUMSTANCES.

Activities: Primary objectives include the provision of accomodation, support, advice and therapeutic services, education and training, apprenticeships, leisure and recreational activities, particularly for young people and those who are disadvantaged.

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, Accommodation/housing, Religious Activities, Amateur Sport, Economic/community Development/employment
- **Who:** Children/young People, People With Disabilities

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Geography

- Brighton And Hove
- East Sussex
- Surrey
- West Sussex

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£16,274,138	£15,927,499	£5,830,604	321
2024-03-31	£18,455,371	£15,142,605	£5,752,637	369
2023-03-31	£16,768,318	£20,159,006	£6,360,509	362
2022-03-31	£16,251,944	£16,399,367	£9,754,060	381
2021-03-31	£16,203,951	£16,281,635	£9,900,606	391

Trustees

Name	Role	Appointed
Frances Mary Beckett	Chair	2020-10-16
Andrew Newell		2023-01-06
Catherine Holly Parkinson		2026-02-26
Damian Haley		2024-08-01
Gianluca Zucchelli		2023-11-02
Michael Chawatama		2019-10-18
NICHOLAS CLAUD LE QUESNE MOURANT		2023-02-03
Paul Anthony Roche		2026-02-26
Simone Button		2024-08-01
Tim David Michaelsen		2023-11-02

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YMCA DOWNSLINK GROUP

England & Wales - Charity number 1079570

Accounts

YMCA
DOWNSLINK GROUP

Annual Report and Financial Statements

For the year ended
31 March 2025

YMCA

Here for young people
Here for communities
Here for you

Year at a glance 2024/25 impact...

5,952
Number of children and young people using our services

896
Number of young people we provided with a safe home

4,186
Number of children we provided counselling services to

870
Number of children, young people and families who received specialist information, advice and support

Our mission

To help children and young people have a fair chance to be who they want to be.
We do this by providing a safe home, increasing life skills and self-confidence and improving emotional wellbeing and mental health.

Our values

- ► We do what's right
- ► We work with heart
- ► We build real connection

YMCA DownsLink Group is proud to be a member of the federation of YMCA England & Wales. We contribute to their vision and purpose: an inclusive Christian movement transforming communities so that all young people can belong, contribute and thrive.

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Chair and CEO statement

In 2024–25, YMCA DownsLink Group continued to implement our 2023–2026 strategy, focusing on strengthening our foundations and looking forward.

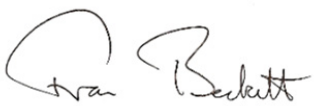
This was a challenging year for young people across England. The rising cost of living, homelessness, mental health needs and exploitation remained prominent and were reflected in the experiences of those we support.

We worked hard to ensure our services responded to these needs while meeting the highest legal and regulatory standards. A key milestone was securing Ofsted registration, allowing us to continue housing 16- and 17-year-old care-experienced young people.

We strengthened our housing offer by investing our Homes England Recycled Capital Grant in key properties in Brighton and Crawley, securing vital supported housing for young people. We also approved a new Youth Voice and Influence Strategy to embed young people's voices in our work and decision-making.

In March, we launched a new set of organisational values – shaped by staff, volunteers, trustees and young people – to reflect who we are and connect with our community. Despite ongoing financial pressures impacting our sector, we invested in our infrastructure, including improvements to our buildings and digital systems. An external governance review confirmed strong alignment with national best practice standards. Financially, we recorded a surplus of £283k, compared to a deficit of £426k the previous year, reflecting our progress in building resilience and sustainability.

We are proud to have supported 5,952 children and young people across Sussex and Surrey. The Board of Trustees and Executive team thank all staff, volunteers, partners and supporters for their continued dedication to our mission: giving every young person a fair chance to be who they want to be.



Fran Beckett
Chair of Board of Trustees
31 July 2025

Emily Brock
Chief Executive Officer
31 July 2025

1 Overview of Board of Trustees, officers and advisors

Trustees	Fran Beckett, Chair Erin Barnes, Chair of Impact and Services committee and safeguarding lead (until 1 August 2024) Simone Button, appointed 1 August 2024 and Chair of Impact and Services committee (from 1 August 2024) and member of Safeguarding Forum Michael Chawatama Maggie Gairdner, Complaints Lead and member of Safeguarding Forum Damien Haley (appointed 1 August 2024) John Holmstrom, Chair of Audit and Risk committee (until 1 August 2024) Tim-David Michaelsen Nick Mourant, Chair of Resources committee Andrew Newell, Chair of Audit and Risk committee (from 1 August 2024) Caroline Stearman, Chair of People and Remuneration committee Gianluca Zucchelli, Complaints Lead		
Independent Committee Members	Chris Fisher, Audit and Risk committee Zarina Switlyk, Audit and Risk committee Kameka Mclean, People and Remuneration committee Erin Barnes, Impact and Services committee Sarah Fulham, Impact and Services committee (appointed 8 August 2024) Helen Curr, Resources committee (appointed 27 February 2025)		
Executive team	Emily Brock, Chief Executive Officer Baldeep Dhol, Director of Finance and Risk Jayne Grier, Director of People and Programmes Lorri Holding, Director of Services	**Company Secretary**	Sian Stokes
Registered office	Reed House 47 Church Road Hove East Sussex BN3 2BE	**Registered charity**	1079570
		Registered company	3853734
Registered provider of social housing	4644	**Registered member of British Association for Counselling and Psychotherapy (BACP)**	00102752
Ofsted	Brighton & Hove 2767751 East Sussex 2766597 West Sussex and Surrey 2766609	**Principal solicitors**	Bate & Albon Solicitors 23/24 Marlborough Place Brighton BN1 1UB
Principal bankers	The Royal Bank of Scotland plc 36 St Andrew Square Edinburgh EH2 2YB	**External auditors**	Moore Kingston Smith 6th Floor 9 Appold Street London EC2A 2AP
Internal auditors	Forvis Mazars LLP 30 Old Bailey London EC4M 7AU		

2 Board Report 2024/25 (including strategic report)

The Board of Trustees of YMCA DownsLink Group presents its Annual Report and financial statements for the year ended 31 March 2025 which incorporate the requirements of the director's report and strategic report.

We are the largest regional charity in Sussex and Surrey working to prevent youth homelessness and support children and young people's emotional and mental health. We were incorporated in 1999 and the charity has evolved through several local YMCA mergers.

Our current strategy, launched in July 2023, emphasises our commitment to face the challenges of a post-pandemic world and the impact of post-economic uncertainty and aims to put children and young people at the heart of our thinking.

Principal activities

We support children and young people with multiple and complex needs up to the age of 25.

We offer support in three service areas:
- ► Housing provision and sustaining accommodation
- ► Specialist information, advice and support
- ► Emotional wellbeing and mental health

Our services are inclusive and we support children and young people who are LGBTQ+, Black and Racially Minoritised, neurodiverse, have experienced exploitation, are care experienced, young families, young carers, young refugees and unaccompanied asylum- seeking children.

Public benefit statement

The trustees place children and young people at the heart of its strategic planning and priority setting. In doing so, they confirm that due regard has been given to the Charity Commission's public benefit guidance when determining the charity's activities. Through its work across various service areas, the charity delivers clear public benefit, supporting a wide range of children and young people with multiple and complex needs.

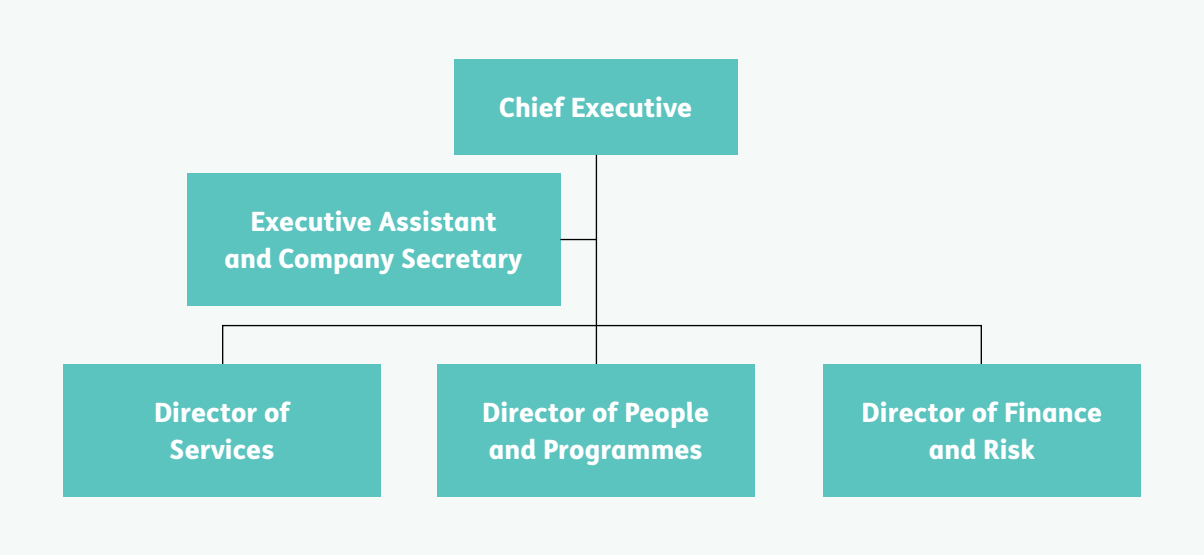
People

We place great value on our staff and volunteers and aim to create a psychologically informed environment where everyone feels they can bring their best selves to work. Every year we survey staff using the Great Place to Work © independent platform. In October 2024, 87% of staff said that their work had special meaning: it was not "just a job", whilst 77% felt they "make a difference" working for us.

In 2024, we finalised our new organisational values, shaped by the voices of staff, volunteers and young people. Getting these values right took time, and for good reason – we wanted them to truly reflect a culture we can all be proud of. We launched the values in March 2025 internally and externally and, from recruitment to leadership, these will now underpin how we work together and support children and young people.

We continue to prioritise access to high quality continuous professional development and, for frontline staff, access to regular reflective practice supervision and clinical supervision.

Our new values



Our People Strategy for the period 2023–2026 is monitored through the People and Remuneration Board committee.

Our executive team structure, which was new in 2024, remains unchanged (see diagram).

Our voluntary staff turnover for the whole year was 19%, 3.3% lower than in 2023/24. This is comparable to recruitment challenges in the NHS and social care sectors, but we are not complacent. Last year, we commissioned our internal auditor, Mazars LLP, to conduct an audit of our recruitment, retention and succession plans. We were pleased to receive a Moderate Opinion, with significant improvements noted in our recruitment practice.

Equity, diversity and inclusion

Our commitment to creating a more inclusive organisation is set out in a multi-year action plan. Implementation is monitored on behalf of the Board by the People and Remuneration Board committee. The plan was refreshed in 2024.

Achievements last year include:

- Approval of new values to underpin the behaviours we expect to see at work.
- Increased the capture of diversity data for staff, with 61% providing this information by 31 March 2025. This enabled the publication of our first Ethnicity Pay Gap report (see details below).
- Generated our first Equality Impact Assessments for selected services.
- Updated our Anti-Bullying and Harassment Policy to reflect the introduction of the Worker Protection Act 2023 coming into force in October 2024. We completed a risk assessment and training has been rolled out for all managers.
- Developed a new Reasonable Adjustments Policy.
- Launched two staff working groups on Anti-Racism and Neurodiversity.

We are committed to fair compensation practices to ensure that all staff, regardless of gender, receive equitable pay for similar roles and responsibilities. We use the Living Wage Foundation's Real Living Wage as a baseline for staff remuneration and job evaluation is used to ensure equity.

For the purposes of compliance with Gender Pay Gap reporting, staff are treated as 'male' or 'female' in line with HMRC guidance. We recognise this does not reflect the potential reality of gender identification within our staff cohort.

Our published Gender Pay Gap report for 2024 had a mean adjusted pay gap which was 8.1% higher for women than men, a 1.2% decrease from 2023. This reflects that 73% of our staff are women and compares to a UK charity mean gender pay gap which is 9.8% higher for men than women.

In 2025, we published our first Ethnicity Pay Gap report which had a mean adjusted pay gap of 8.92% lower for all employees from ethnically diverse groups than for the reference group of white employees. It is not possible to compare our result against a UK mean ethnicity pay gap as charities are not yet legally mandated to report.

Complaints

Our complaints policy is issued to all residents and is available to other clients via our website. The Impact and Services Board committee monitors compliance and learning from complaints and compliments.

We published our self-assessment against the Housing Ombudsman Complaints Code. In 2024/25, we received 33 complaints (down from 56 in 2023/24). 66% related to our supported housing services and 33% from counselling and advice services. 70% of all complaints were upheld. On one occasion we failed to meet the regulatory requirement to close stage 1 complaints within 10 days, but the complainant was kept informed of the reasons. Maggie Gairdner and Gianluca Zucchelli are the appointed Trustee Leads for complaints.

Safeguarding

The Board is aware of its responsibilities in ensuring that all children and young people accessing our services do so in a safe way. Our Impact and Services Board committee provides oversight of safeguarding and receive quarterly and annual reports.

Simone Button, Chair of the Impact and Services committee and Maggie Gairdner, member of the Impact and Services committee, also sit on our quarterly Safeguarding Forum, chaired by the Director of Services/Designated Safeguarding Lead and attended by all heads of service and our central Safeguarding Practice Managers.

There were 1,478 safeguarding concerns raised last year, compared to 2,725 in 2023/24. The reduction is due to reductions and contractions in services (most notably the closure of St Patrick's adult hostel in March 2024) as well as a change in the way we report safeguarding concerns. We now update new concerns and actions in a single open safeguarding report, rather than raising multiple reports relating to the original concern. As such, the 2024/25 figure provides a new baseline for reporting.

Most concerns (67%) were raised for a small proportion of residents in our supported housing who present with complex and high-risk situations. In 2024, we introduced a new threshold framework to guide referrals into our accommodation settings. This supports our staff to better manage the intrinsic risk and complexity in the lives of the young people who seek our help.

We recorded one critical incident in 2024/25 where tragically one resident died after colliding with a bus while riding their e-scooter. Fellow residents and staff were supported by debriefing sessions, the offer of counselling and chaplaincy support.

We commissioned an independent audit of our internal safeguarding arrangements. The audit report was received by the Impact and Services Board committee in July 2024 and the committee has continued to monitor progress against its recommendations.

Data governance

This year, we revised the frequency of mandatory data protection training for all staff, as well as invested in specialist training for our data protection officers. We also trialled specific training for our housing teams. We updated a key operational system to align with information security requirements, reinforcing our commitment to transparency, accountability and compliance.

We have continued to conduct data protection site audits throughout the year. This allows us to test and reflect on data practice with teams and make improvements where these are needed. One area where we have improved our practice is our CCTV procedures. We are registered with the Information Commissioners Office and report our performance around data protection to our Audit and Risk Board committee.

Information, communications and technology

Information, communications and technology remain a key focus for the organisation as we continue to invest in our infrastructure, capabilities and security, alongside training for our staff and volunteers. We were pleased to extend our Cyber Essentials accreditation to Cyber Essentials Plus and we will now explore further relevant certifications.

Over the past year, we have made significant investment in our firewalling capabilities, supported in part by a transition to a single internet services provider that also manages our networking and firewalls. This work has now been extended across our major sites.

We remain acutely aware of the growing cyber threats faced by our organisation and others. In response, we have implemented software to enable simulated phishing attacks and tailored cyber awareness training for staff. In addition, our monthly penetration testing programme helps identify and address potential vulnerabilities, supporting our proactive approach to cybersecurity.

Health and safety

The Board is aware of its responsibilities on all matters relating to health and safety. Alongside a detailed policy and training, the Board of Trustees monitors compliance through quarterly reporting to the Audit and Risk Board committee from which significant exceptions are escalated to the full Board of Trustees.

We ensure that we meet our legal obligations by undertaking routine risk assessments of our “big six” categories, namely fire safety, water hygiene, gas, electrical, LOLER (lifting operations and lifting equipment regulations), asbestos, as well as damp and mould.

As of end of March 2025, our overall compliance was as follows:

Overall compliance	Our responsibility	Landlord responsibility
Gas	**100%**	**100%**
Fire risk assessments	100%	N/A
Legionella	100%	100%
Asbestos	100%	100%
Electric conditions (EICR)	99.8%	**99.2%**
PAT	99.3%	N/A
Fire alarms	100%	100%
Emergency lighting	100%	**100%**
Average compliance	99.9%	99.9%

In addition to undertaking the necessary risk assessments, surveys and inspections in line with current legislation, we monitor associated remedial actions and ensure these are reported weekly to the Head of Asset Management, monthly to the Director of Services, and quarterly to our Audit and Risk Board committee and the main Board.

Pension scheme

We recognise our participation in the legacy defined benefits scheme run on behalf of YMCA England & Wales by an independent Board of Trustees. There have been no new members in this scheme since 2007 and any link to final salary ceased in 2011. The last three-yearly actuarial valuation was obtained in May 2023 showing the actuarial value of the assets represented 92% of the benefits accrued to members.

The liability in our accounts has reduced to £145k. We note that trustees of the legacy scheme are progressing well towards a sale of the underlying pensions portfolio that will finalise any liability on this scheme and we await updates towards this event. Most of our staff now are enrolled on the current defined contribution pensions scheme.

3 Achievements and performance 2024/25 and Annual Plan 2025/26

Key decisions taken by the Board during 2024/25 include:

- Review and approval of our Annual Plan 2024/25.
- Approval of the acquisition of two properties, Gochers Court and Ashdown Court, using our Recycled Capital Grant Fund (RCGF).
- Approval of our new values.
- Approval of our youth voice strategy.
- Approval of our asset management strategy.
- Approval of our updated standing financial instructions and delegated authorities.
- Approval of our rents strategy and rent setting policy.
- Approval of our risk management policy and business continuity policy framework.
- Approval of thresholds in our housing and therapeutic services.
- The appointment of Moore Kingston Smith as our new statutory auditors.
- The appointment of Good Governance Improvement to conduct a board effectiveness and governance review.

Progress against our strategic priorities	
Deliver psychologically informed services	• 5,927 people reached through our services (down from 7,146 in 23/24). The reduction is due to closures and contractions of commissioned services. • 33 complaints received (down from 56 in 23/24). 66% about our supported housing services. 70% of all complaints were upheld. On one occasion we failed to meet the regulatory requirement to close stage 1 complaints within 10 days. • 1,478 safeguarding concerns (a decrease from 2,725 in 23/24 due to a change in reporting methodology). The number of concerns is equal in housing and therapeutic and advice services, though the numbers of young people accessing services in each area are significantly different (900 vs 5,000). • 128 incidents reported (down from 150 from 22/23).
Amplify youth voice and leadership	• 81% of our residents told us that, taking everything into account, they were satisfied with the service we provided and 84% said they felt satisfied that we treated them fairly and with respect. • Our network of Wellbeing Youth Ambassadors, aged 11-25, met 18 times and 26 signed up to our Youth Volunteer Programme. • Our Youth Researchers (aged 13-25) continued to build evidence to address mental health concerns among young people in Brighton & Hove and West Sussex. • 220 students across 11 education settings engaged in our Mental Health Champions project and introduced peer-led sessions
Be a great place to work	• 19% voluntary staff turnover (down from 22.3% in 2023/24). • We continue to survey staff using the Great Place to Work © platform allowing us to benchmark against other organisations.

Annual Plan 2025/26

We have developed an Annual Plan to guide the final year of the implementation of our strategy for 2023-2026.

The plan identifies key actions in line with our three strategic priorities:

1. DELIVER PSYCHOLOGICALLY INFORMED SERVICES	2. AMPLIFY YOUTH VOICE	3. BE A GREAT PLACE TO WORK
► Develop our new organisational strategy 2026–2031		
► Refine our model of support with increased Passport to Independence engagement. ► Expand delivery of therapeutic services to new areas. ► Audit the long-term sustainability opportunities for youth advice and support services.	► Co-produce our youth involvement structure to influence decisions.	► Strengthening our leadership and management training. ► Embed our new values. ► Increase focus on staff engagement.

The Annual Plan was approved by the Board of Trustees in March 2025. A priority for this year is the development of a new long-term strategy, effective from April 2026.

4 Financial review

We are pleased to report on a small surplus position for the financial year 2024/25. Following a period of operating deficits, our objective was to transition to at least a break-even financial model – an outcome we have successfully achieved. The year concluded with an operating surplus of £283k and a net surplus of £90k.

Income

Total income for the year was £16,210k; a planned reduction compared to £18,455k in the previous year. This managed decline was primarily the result of our strategic withdrawal from the off-mission, high-needs adult social care hostel at the St Patrick's Church building in Hove. The closure of the hostel was a joint decision with Brighton & Hove City Council, and we worked in close collaboration with the Council and local partners to successfully rehouse all residents.

Expenses

We set out in April 2024 with a restructured organisational structure mainly at our Executive and Leadership team levels of the organisation with intent to remove over £700k of expense from our staff base. We are pleased to report this was achieved. Our operating expenses in 2024/25 were £15,927k compared to £18,891 in 2023/24. Other material expense saves also came from the same removal of the adult social care hostel that resulted in decline in our income. We are confident that our operating expense base has been reset for the future and we continually look for economies to manage further.

Liquidity and reserves

The charity maintains a cash management policy requiring a minimum cash balance of £1.5 million. This threshold has been consistently maintained throughout the financial year. In addition, an average of a further £1.5 million has been available for short-term deposits to leverage preferential interest rates. Overall, average cash holdings exceeded £3 million, surpassing our minimum threshold.

During the financial year we further strengthened our fixed assets through key property acquisitions. This included the purchase of Gochers Court in Brighton from Peabody and 37 units in Crawley from London & Quadrant. As a result, the value of our owned building assets increased to £24.2 million, up from £19.5 million in the previous year.

Our free reserves target remains set at £2 million. While we are pleased with the growth in our fixed asset base, we acknowledge that we do not have any free reserves at the financial year end. We are implementing a multi-year plan to reach our target by improving operating surpluses, liquidating off-mission assets, and reducing liabilities, particularly those associated with the £1.6m year-end liability on the Recycled Capital Grant Scheme.

Value for money

The Regulator of Social Housing has the Value for Money Standard as one of its economic standards and this includes setting targets and performance against seven metrics. For the financial year 2024/25 our Board of Trustees set out targets and they are listed below with progress reported against them.

Metric	Description	Target	Result
1	Reinvestment	5%	4%
2	New supply delivered	6%	2%
3	Gearing	30%	%
4	EBITDA MRI interest cover	150%	239%
5	Headline social housing cost per unit	£20,000	£17,778
6a	Operating margin, housing	10%	17%
6b	Operating margin, overall	3%	1%
7	Return on capital employed	2%	0%

We are pleased to report progress against our Value for Money metrics. We also recognise that we have significant headroom in our gearing position, providing us with the capacity to grow our housing stock. This positions us well to move from consolidation into our next phase of strategic growth.

Going concern

The Board of Trustees notes the successful delivery of a surplus financial performance in the 2024/25 financial year, following two consecutive years of significant losses. The organisation has taken steps to consolidate and has returned to a more stable financial position.

The trustees have reviewed financial forecasts for the 12 months following the publication of these accounts, including associated cash flow projections and the planned disposal of non-core assets to generate additional liquidity. On this basis, the Board is satisfied that the charity remains a going concern.

Post-balance sheet events

One post-balance sheet event occurred in April 2025, when Homes England approved the deployment of £647k from the Recycled Capital Grant Fund for essential fire safety works. This event has not been adjusted for in the financial statements. It results in the reclassification of a liability owed to Homes England into a grant allocated against specific housing assets where the fire safety works will be undertaken.

5 Energy and carbon report

Our charity meets the criteria as a large company for Streamlined Energy and Carbon Reporting compliance (SECR), as detailed below.

Emissions performance

		Direct emissions		Energy indirect	Other indirect	Total
		Gas (Scope 1	Fuel for transport (Scope 1)	Electricity (Scope 2)	Business travel (Scope 3)	
Current year 2024/25	Energy consumption – kWh	2,260,806	161,625	1,219,177	135,217	3,776,825
	Greenhouse gas emissions – tonnes of carbon dioxide equivalents (tCO2e)	414	38	252	33	736
	Intensity ratio tCO2e per unit/resident	905	-	462	-	-
	Intensity ratio tCO2e per FTE employee	-	0.21	-	0.18	-
Prior year 2023/24	Energy consumption – kWh	2,846,988	153,272	1,340,279	116,351	4,456,890
	Greenhouse gas emissions – tonnes of carbon dioxide equivalents (tCO2e)	520	36	278	28	861
	Intensity ratio tCO2e per unit/resident	1159	-	417	-	-
	Intensity ratio tCO2e per FTE employee	-	0.12	-	0.10	-
Change	Energy consumption – kWh	(21%)	5%	(9%)	16%	(15%)
	Greenhouse gas emissions – tonnes of carbon dioxide equivalents (tCO2e)	(21%)	5%	(9%)	16%	(15%)
	Intensity ratio tCO2e per unit/resident	(22%)	-	11%	-	-
	Intensity ratio tCO2e per FTE employee	-	71%	-	89%	-

Methodology and Data source

Energy consumption and greenhouse gas emissions data were compiled using information from 581 residential units. The data was collected through energy provider statements and corroborated by meter readings to ensure accuracy. Greenhouse gas emissions were calculated using the UK Government Conversion Factors for GHG Reporting. A location-based method has been used for calculating the emissions from purchased electricity (Scope 2), in accordance with SECR reporting guidelines. We stared reporting on SECR in March 2021.

Intensity ratios

Intensity ratios compare emissions data with an appropriate business metric or financial indicator. This allows comparison of energy efficiency performance over time and with other similar types of organisations. As most of our gas and electricity usage is within our residential properties, we are reporting tonnes of carbon dioxide equivalents (tCO2e)of gas and electricity per residential unit. The intensity ratios for transport fuel and staff mileage are based on a full time equivalent per head rate.

Energy efficiency

We remain committed to tackling the climate emergency while proactively addressing energy poverty and affordability. Our continued investment, both in capital and staff resource, focuses on improving the energy efficiency and environmental sustainability of our housing stock.

Over this period, we prioritised the energy performance of our properties. We are pleased to report that only a small number of Energy Performance Certificates (EPCs) remain outstanding. In addition, we replaced fluorescent bulkhead lights with low-energy alternatives.

We also took steps to promote greater accountability and awareness among residents around energy usage. This included sharing practical energy-saving guidance and preparing for trials of smart appliances, such as phone-controlled heating systems.

6 Risk management

We operate an organisational risk register as our central means of consolidating the management of risk across the organisation. This risk register has been discussed quarterly at all Board sub- committees as well as at Board meetings. Once a year, the Board reviews the organisation's risk appetite in order to reassess target risk levels. We began the year with eight core risks and ended with seven with the removal of our risk associated with the amount of Recycled Capital Grant Scheme.

At the start of the year the grant was £3,539k and we ended with £1,589k. In addition, we deployed another £647k in April 2025 reducing the balance further to £946k. We are pleased to have an ongoing relationship with Homes England in realising the grant deployment and now recognise this is no longer a material risk to the organisation.

Following are the remaining seven organisational risk items from the risk register.

Risk	Residual Risk Score	Target Risk Score	Gap	Change from last year
Safeguarding failure	20	12	8	No change
Organisational culture	12	6	6	No change
Recruitment and retention	12	9	3	No change
Security and certification of ICT	9	9	0	Improvement
Financial sustainability	9	4	5	No change
Non-compliance with regulations and legislation	9	6	3	No change
Organisational resilience and agility	9	6	3	No change

Following are key mitigations in each of these leading risk register items.

Risk	Mitigation and progress
Safeguarding failure	• 2024 independent safeguarding audit recommendations implemented. • Safeguarding policies updated. • Training on safeguarding management and suicide prevention. • Thresholds in place for housing and therapeutic services. • Pan Sussex statutory Section 11 audit completed with positive feedback.
Organisational culture	• People Strategy 2023–26. • New values launch in March. • Restructured senior team and development activity to support Charter and ways of working. • Manager Forum continues to meet; enhanced management training developed and delivered.
Recruitment and retention	• Moderate opinion in Mazar's audit on recruitment, retention and succession planning. Presented to People and Remuneration Board committee to provide assurance. • Pre-employment checks outsourced. • Housing services workforce plan implemented. • Induction and onboarding overhauled. • 2025/26 salary benchmarking implemented by April 2025.

Risk	Mitigation and progress
Recruitment and retention	• Moderate opinion in Mazar's audit on recruitment, retention and succession planning. Presented to People and Remuneration Board committee to provide assurance. • Pre-employment checks outsourced. • Housing services workforce plan implemented. • Induction and onboarding overhauled. • 2025/26 salary benchmarking implemented by April 2025.
Security and certification of ICT	• Cyber Essentials and Cyber Essentials Plus accredited. • Quarterly penetration testing implemented with remedial planning and actions facilitated. • Use of 'KnowBe4' platform to offer staff and volunteers training, advice and replicated phishing attacks. • Firewalling and networking complete across all major sites.
Financial sustainability	• Major organisational redesign completed 2023/24, mainly at senior levels, removed over £700k of salary expense. • Planned operating surplus in financial year 2025/26. However, to mitigate against rise in employer national insurance contributions from 1 April 2025, we remain with the same operating model. • In 2025/26, we start planning for profitable growth to increase our operating surplus.
Non-compliance with regulations and legislation	• Compliance team conduct timely inspections. • Comprehensive staff training on building safety and compliance. • Self-assessment for Consumer Standards completed and regularly monitored by senior management. • Mock Ofsted reviews, in preparation for possible inspections. • Compliance reports reviewed by senior management and trustees.
Organisational resilience and agility	• New senior management structure in place and updated ways to manage decisions effectively and to support transformation. • Clear prioritisation of change shared through Annual Plan 2024/25. • Internal communications increased to embed transformation. • Project management resource in place to support key change projects.

7 Fundraising

Our fundraising approach is to generate unrestricted funds that complement our contract and commercial income streams. We also generate restricted fundraising income from philanthropic trusts and foundations to support specific projects and services that align with our mission. Our fundraised income enables us to add value by providing enhanced support for young people.

We are registered with The Fundraising Regulator and abide by the Code of Fundraising Practice, which ensures we have a robust and ethical fundraising framework and practice. We do not employ any third-party fundraisers. We are deeply committed to protecting vulnerable individuals from pressure in the context of fundraising and all fundraising activities are carried out by our staff and volunteers, ensuring transparency and alignment with our values.

In compliance with the Data Protection Act 2018, we record consent from donors and supporters and always offer the option to opt out of receiving emails.

Most of our campaigns and marketing work is based around public relations, emails and social media, as opposed to postal or telephone campaigns; people have already opted in to receive information from us.

This year we received no complaints about our fundraising or marketing campaigns.

The trustees are grateful to all the organisations that have so generously supported us in 2024–2025.

Funders and supporters

Companies and community groups who supported us included:

Alphatrack Systems
Audio Note
Austin Rees
Balfour Beatty
Big Hug Brewing
Bupa UK
Castle Snooker and Sports Bar
C&C Cleaning Services
Cordek Ltd
Consort Frozen Food
DMH Stallard
GM Monk
Mayday Group
Plus Accounting
Pryer Construction
Right Check
ROCC Computers
Rotary Club of Eastbourne
Simon Dent Associates
The Caravan Club
TLF Investments
Trident
Oban International
The Lighting Centre
Waitrose

Trusts and foundations who supported us were:

BBC Children in Need
Hyde Charitable Trust
The Munro Charitable Trust
The OptiGene Foundation
The Pebble Trust
The Rosaz Charity
Ufi VocTech Trust
YMCA England & Wales

8 Governance

This section provides an overview of our governance.

Governance framework

We are governed by our Articles of Association which provide our constitutional framework. These were updated in April 2024 to reflect the YMCA England & Wales model articles. They are available for inspection on the Companies House website or from the Company Secretary. The trustees confirm that the investments made by the charity are made in accordance with the trustees' powers as provided in the Articles of Association.

We have adopted the National Housing Federation's Code of Governance (2015) and in doing so meet the Charity Commission's requirement for a Code of Governance. The Board reviews its compliance with this Code annually and confirms that we are compliant with it.

We are registered with the Charity Commission of England and Wales (1079570), a company limited by guarantee and incorporated in England and Wales (03853734), a registered provider of social housing (4644) and an accredited service with the British Association of Counselling Professionals (00102752).

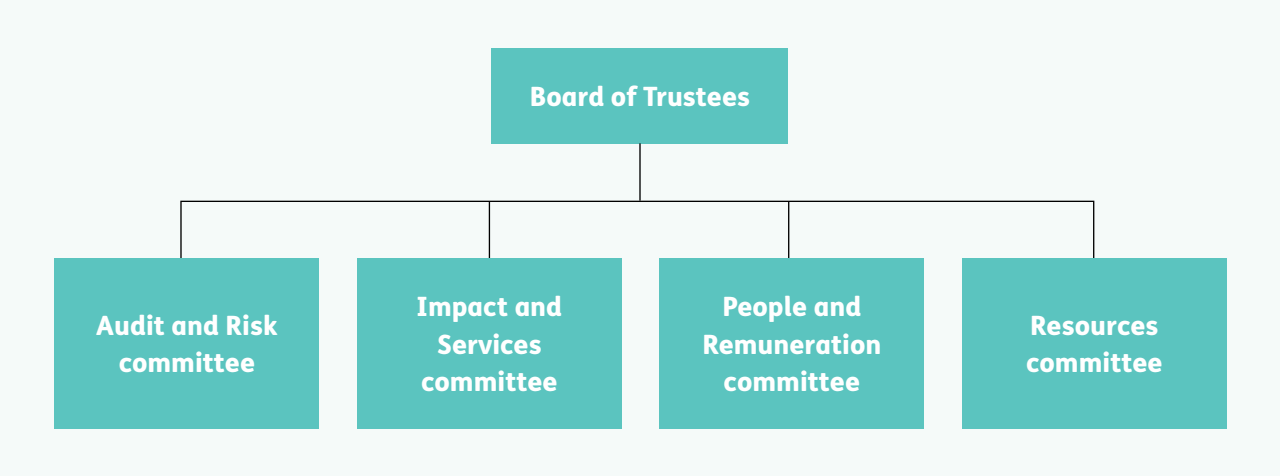
We comply with the Companies (Miscellaneous Reporting) Regulations 2018 regarding the requirements of section 172 (10) of the Companies Act 2006; it applies because we have more than 250 employees.

We are affiliated, via a membership agreement, to the National Council of YMCAs for England and Wales (otherwise known as YMCA England & Wales) and, through them, to the YMCA World Council.

Structure

The Board of Trustees is the central decision-making body of the company and comprises 10 trustees at the time of signing. The Board met on six occasions last year. This includes two strategic away days. Trustees also undertook site visits and engagement with children and young people. In addition to the six formal meetings of the Board, trustees participated in specialist Board training programmes across the financial year delivered by experts in a variety of fields.

The Board's committee structure consists of four sub-committees of the Board (see diagram).



These committees are made up of trustees and independent members who have specialist skills. Each committee has defined terms of reference and a responsibility to report to the Board through a formal report. All comply with necessary regulations and reporting requirements set out by the Charity Commission.

The trustees are committed to maintaining an effective board and committee board structure. After seven years' dedicated service, John Holmström stepped down as a trustee and Chair of the Audit and Risk committee. The Board would like to formally record its appreciation for John's significant contribution during his tenure.

After three years' service, Erin Barnes stood down as a trustee and Chair of the Impact and Services committee and trustees would like to record their appreciation to Erin for her service and for her agreement to remain involved as an independent committee member.

During the year, a recruitment process was undertaken, resulting in the appointment of two new trustees and three independent committee members. All appointees have undergone our safer recruitment process and are provided with a comprehensive induction programme, which includes training on governance, finance, risk and safeguarding, along with a briefing on our service delivery activities.

Trustee and committee member engagement remains strong, with an overall attendance rate of 91% over the year.

The Chief Executive Officer and members of the Executive team attend all Board meetings. Each Executive team member has responsibility for supporting one or more committees and maintains regular liaison with the respective trustee Chair. In addition, Heads of Service are invited to attend Board and committee meetings as required, to contribute subject matter expertise and operational insight.

Governance strategy and board effectiveness

During the year, the Board continued to develop the charity's governance arrangements. This included:

- Complying with the 2015 Code of Governance.
- Complying with the National Housing Federation 2022 Trustee Code of Conduct.
- Appointing Good Governance Improvement to undertake a comprehensive external governance review, with their findings recognising the significant strides we have made in governance and board effectiveness.
- Creating a focused development plan from the recommendations of the governance review to evolve into a high performing board.
- Continuing skills development around governance for our trustees and independent committee members.

How we meet Section 172 of the Companies Act 2006

Trustees must, in accordance with Section 172 of the Companies Act 2006, act in the way they consider, in good faith, would most likely promote YMCA DownsLink Group's success and in doing so have regard (amongst other matters) to the following:

- **The likely consequences of any decision in the long term**
  Trustees considered the likely long-term consequences of key decisions taken throughout the year, considering both the internal and external operating environment and the charity's key stakeholder groups.

- **The interests of employees**
  During the year, regular updates were provided by the CEO and Executive team to ensure colleagues were kept up to date with organisational performance and key strategic decisions. Updates were provided as written communications, articles on our intranet and at staff forums.

- **Our policy on the employment of disabled persons**
  Aligned with our commitment to Equity, Diversity and Inclusion (see section 2), we ensure fair recruitment for applicants who are disabled. Our 'reasonable adjustments passport' helps remove barriers to training and promotion for staff who are disabled.

- **The need to foster business relationships with suppliers, partners and others**
  We work closely with commissioners, local authorities, health services, suppliers and other charities. These partnerships are vital to delivering joined-up support for the young people in our services.

- **The impact of the charity's operations on the community and the environment**
  We are committed to reducing our environmental impact through sustainable practices – see section five of this report.

- **The desirability of maintaining a reputation for high standards of conduct**
  Trustees uphold high standards of governance and integrity. We are committed to transparency, safeguarding and continuous improvement, and regularly review our policies and procedures to ensure compliance and best practice.

- **The need to act fairly between members of the charity**
  As a charitable company limited by guarantee, we do not have shareholders, but we ensure that all stakeholders – especially young people – are treated fairly and with respect. The Board of Trustees remains committed to fairness and equality and ensuring that all decisions are made with due consideration of their long-term impact and in line with our charitable objectives.

Statement of trustees' responsibilities

As trustees, we are also directors of YMCA DownsLink Group for the purposes of company law. We are responsible for preparing this Annual Report and the financial statements; this is in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (UK GAAP), including FRS 102 & The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Company law requires us to prepare financial statements for each financial year which give a true and fair view of the situation 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, we are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the social housing SORP
- make judgments and estimates that are reasonable and prudent
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

We are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable us to ensure that the financial statements comply with the Companies Act 2006.

We are also responsible for safeguarding the assets of the charitable company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of internal controls

The trustees are responsible for ensuring that the charity has in place a system of internal controls and procedures that are appropriate to the various business environments in which it operates. These controls are designed to give reasonable assurance with respect to:

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

The Board has overall responsibility for establishing and maintaining the system and for reviewing their effectiveness, including:

- formal policies and procedures, including the documentation of the key systems and rules relating to delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the charity's assets
- experienced and suitably qualified staff take responsibility for important business functions with annual appraisal procedures in place to maintain standards of performance
- forecasts and budgets are prepared which allow the trustees and management to monitor the business risks and financial objectives and progress towards financial plans set for the year and the medium term
- regular management accounts are prepared promptly, providing relevant, reliable and up to date financial and other information and significant variances from budgets are investigated as appropriate.

- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through relevant sub-committees comprising trustees and others
- the Audit and Risk committee reviews the reports from management and from the external auditors to provide reasonable assurance that the control procedures are in place and are being followed
- a general review of the major risks facing the charity is undertaken by the Audit and Risk committee
- formal procedures have been established for instituting appropriate action to correct weaknesses in the above procedures
- the Audit and Risk committee considers reports on key areas of risk at each of its meetings with a formal report on risk management presented annually to the Board.Compliance with Regulator of Social Housing

In the financial year 2023/24 we reported an investigation on our social rent setting relative to the Rents Standard issued by the Regulator of Social Housing. For 13 properties and 250 units we were unable to find historic valuation evidence that substantiated core rents charged. After commissioning new valuations, £261k of provision originated in the 2023/24 accounts from which to pay back local authorities for overcharged rents. As at the end of financial year 2024/25 there is a remaining provision of £161k, meaning 38% has been paid back to local authorities. We are aspiring to close all liability in the financial year 2025/26 by working with local authorities on their precise needs in paying items allocated to each resident back. Updates on this matter have been relayed to the Regulator of Social Housing.

The Board has reviewed the charity's compliance with the Regulator's Governance and Financial Viability Standard and are satisfied the charity meets the requirements.

Compliance with Ofsted

In October 2023, we pre-registered with Ofsted so we can continue to provide a home to 16- and 17-year-old care-experienced young people and, following inspection visits in June 2024, our registration was approved in September 2024. During the process of registration, we have reviewed all policies and procedures to reflect the Ofsted guidance for supported accommodation for this age group. Staff have received additional training and support on the rights of care-experienced children and young people.

Compliance with other clinical and sector-based quality marks

Our counselling and therapeutic services successfully maintained their British Association of Counselling and Psychotherapist (BACP) accreditation.

Our support and advice services are Matrix Standard accredited, a quality mark for organisations providing information, advice and guidance services to young people.

In 2024, we completed our self-assessment for the NCVO Trusted Standard quality mark, a requirement of our membership of the Federation of YMCA England & Wales. We have continued to review our progress in 2025 and challenge ourselves to improve on all areas of quality.

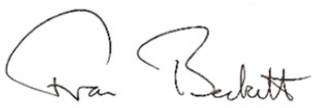
Statement as to disclosure of information to auditors

As far as we are aware, there is no relevant audit information (as identified by section 418 of the Companies Act 2006) of which the charity's auditors are unaware.

Each trustee has taken all the steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

A resolution to reappoint the auditors, Moore Kingston Smith LLP will be proposed at the forthcoming Annual General Meeting.



Fran Beckett
Chair of the Board of Trustees
31 July 2025

9 Auditor's opinion

We have audited the financial statements of YMCA Downlink for the year ended 31 March 2025 which comprise the Statement of Financial Activities, the Statement of Comprehensive Income, the Charitable Company Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 22, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.

- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.

- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.

- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP.

Jonathan Aikens (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP,
Statutory Auditor

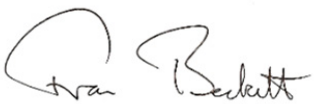
9 Appold Street
London
EC2A 2AP
19 August 2025

10 Financial accounts and statements

Statement of comprehensive income, for year ended 31 March 2025

	Notes	Social Housing Activities	Trading Activities	Charitable	31 March 2025	31 March 2024
		£	£	£	£	
Turnover from continuing operations						
Social housing lettings	2	12,510,522	-	-	12,510,522	13,806,369
Trading activities		-	-	-	-	-
Charitable activities and other income	4	-	-	3,699,490	3,699,490	4,619,509
		12,510,522	-	3,699,490	16,210,012	18,425,878
Operating costs						
Social housing lettings	3	(12,182,548)	-	-	(12,182,548)	(13,921,239)
Trading activities		-	-	-	-	-
Charitable activities and other costs	5	-	-	(3,744,952)	(3,744,952)	(4,942,312)
		(12,182,548)	-	(3,744,952)	(15,927,499)	(18,863,551)
Operating surplus/(deficit)		327,975	-	(45,462)	282,513	(435,596)
Interest receivable and other income		62,552	-	1,574	64,126	79,362
Interest payable and similar charges		(256,598)	-	-	(256,598)	(251,407)
Unrealised gain / (deficit)		-	-	-	-	(231)
Asset disposal		-	-	-	-	-
Surplus /(deficit) on ordinary activities before taxation		133,929		(43,887)	90,041	(609,949)

The consolidated income and expenditure of the charity and its subsidiary relate wholly to continuing operations. These financial statements were approved and authorised for issue by the directors on 31 July 2025 and signed on their behalf by:



Fran Beckett

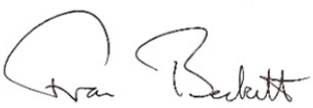
31 July 2025

Nick Mourant

31 July 2025

Statement of financial position as at 31 March 2025
Registered charity number: 3853734

FIXED ASSETS	Notes	2025 Charity	2024 Charity
		£	£
Social housing properties	9	24,187,045	19,516,884
Other properties	9	432,543	440,639
Other tangible assets	9	372,190	441,151
		24,991,778	**20,398,674**
Investments	10	2	2
		24,991,780	**20,398,676**
CURRENT ASSETS			
Debtors	12	668,522	1,490,109
Investments	11	10,815	32,365
Cash at bank and in hand		2,692,460	2,160,328
		3,371,798	**3,682,802**
CREDITORS			
Amounts falling due within one year	13	(2,048,470)	(2,753,467)
NET CURRENT ASSETS		**1,323,328**	**929,335**
TOTAL ASSETS LESS CURRENT LIABILITIES		26,315,107	21,328,011
CREDITORS			
Amounts falling due after one year	14	(20,484,503)	(15,587,451)
NET ASSETS		5,830,604	5,740,560
FUNDS			
Unrestricted funds:			
General	16	5,708,647	5,653,119
Restricted funds	15	121,957	87,441
		5,830,604	**5,740,560**



Fran Beckett
31 July 2025

Nick Mourant
31 July 2025

Statement of cash flows for year ended 31 March 2025

	Notes	2025		2024	
Net cash flow from operating activities		**£**	**£**	**£**	**£**
(Deficit) / surplus for the year			90,041		(607,872)
Adjustments for non-cash items:					
Depreciation	8	593,096		528,305	
(Increase) / decrease in debtors		821,587		30,502	
Increase / (decrease) in creditors		1,572,466		(850,286)	
(Profit)/ loss on disposal of property		-		6,004	
(Profit)/ loss on disposal of other assets		(970)		2,332	
Unrealised investment (gain) / loss		-		231	
Interest paid		256,598		251,407	
Interest received		**(64,126)**		**(79,362)**	
			3,178,651		(110,867)
Net cash inflow/(outflow) from operating activities			3,268,692		(718,739)
Cash flow from investing activities					
Purchase of tangible fixed assets	9	(5,187,619)		(400,133)	
Sale of tangible fixed assets		448		415	
Liquidated investments		21,550			
Grants received		-			
Interest received		**64,126**	**(5,101,494)**	**79,362**	**(320,356)**
Cash flow from financing activities					
Loan interest paid		(256,598)		(251,407)	
Repayment of borrowings					
New loan		2,619,305	2,362,707		(251,407)
Increase / (decrease) in cash in the year			**3,149,492**		**(1,290,502)**
Net cash funds at beginning of year			2,171,937		3,462,439
Net cash funds at end of the year			**2,701,842**		**2,171,937**
Reconciliation of net cash flow to movement in net cash funds		1 April 2024	Cash flows	Non cash changes	31 March 202
Cash		2,171,937	529,904		2,701,842
Debt due within one year		-	-		-
Debt due after one year		(3,469,305)	-		(3,469,305)
		(1,297,368)	**529,904**		**(767,463)**

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

1. ACCOUNTING POLICIES

a) Status
YMCA DownsLink Group Limited is incorporated under the Companies Act 2006 and registered with Companies House in England and Wales under number 3853734. Its registered office is Reed House, 47 Church Road, Hove, East Sussex BN3 2BE.

It is also registered as a charity with the Charity Commission in England and Wales, number 1079570 and as a Registered Provider of Social Housing with the Regulator of Social Housing in England, number 4644. The group meets the definition of a public benefit entity under Financial Reporting Standard 102 applicable in the UK and Republic of Ireland (FRS 102).

Basis of preparation

The financial statements of the group and association are prepared in accordance with applicable legislation UK Generally Accepted Accounting Practice (UK GAAP), including FRS 102 and the Housing Statement of Recommended Practice 2018 (SORP): for Registered Social Housing Providers (RSHP) and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022. A separate SORP for charities also exists. However, the RSHP SORP takes precedence over the Charities SORP as the former represents the more specialised guidance, but the trustees may have regard to the Charities SORP where its recommendations are not contrary to the Housing SORP.

Basis of accounting

Assets and liabilities are initially recognised at historical cost or transaction values unless otherwise stated in the relevant accounting policy notes. Those assets measured at fair value are remeasured at each balance sheet date. The main areas of estimation and judgment affecting the accounts:

Depreciation

Assets are depreciated over their expected useful economic lives as set out in note 1(h). These lives have been determined with reference to both internal experience and external comparisons but will be kept under review in future periods. It may be necessary to lengthen or shorten these lives depending on further actual experience.

Accrual for deficit contribution to the defined benefit pension scheme As set out in note 1(g), a liability is recognised in respect of the present value of the expected future contributions to alleviate the pension deficit arising from past service. The liability recognised is affected by the discount rate applied and the undiscounted underlying liability will also vary depending on the results of the triennial actuarial valuation of the pension scheme. The triennial valuation was completed as at 1 May 2023.

Provisions

Full provision is made for the value of all personal debts relating to former residents in YMCA DownsLink Group's accommodation projects. It is possible that amounts may be recovered or that amounts related to current residents and currently unprovided may prove to be irrecoverable.

Provisions are made for other items where is it considered probable that a liability has arisen and these are quantified based on the best available information. Such provisions are updated as more and better data become available.

In the opinion of the trustees none of the above items are likely to be subject to material estimation uncertainty but the largest area of uncertainly relates to the pension deficit contributions.
No complex financial instruments are held.

YMCA DownsLink Group is required by the Companies Act 2006 to prepare group accounts. The results, assets and liabilities of the subsidiary company YMCA DownsLink Group Services Limited is included on a line by line basis.

Basis of consolidation

The financial statements present the results of YMCA DownsLink Group registered provider of social housing. All financial statements are made up to 31 March 2025.

Going concern

Following an assessment of our financial position, future resources available and the cash flow position for the next 12 months to August 2026, the trustees believe the organisation can manage organisational risks and the forecasting of financials, concluding to a

reasonable expectation that YMCA DownsLink Group has adequate resources to continue operating for the foreseeable future. The trustees have concluded that material uncertainty does not exist and continue to adopt the going concern basis in the financial statements.

b) Turnover
Turnover represents trading income, rent and service charges income receivable in the year net of rent and service charge losses from voids, revenue grants, including those from local authorities and Homes England, contracts and charitable receipts, all net of VAT.

c) Cash accounting
The charity accepts cash donations, which are recognised upon receipt of the income.

d) Supporting People contract
The charity receives funding from Supporting People which is accounted for on an accrual basis, matching income and expenditure and disclosures are made in accordance with the relevant standards and legislation.

e) Donations and grants
Donations and grants other than Social Housing Grant are included when the criteria of entitlement, probability and measurability have been met. The associated Gift Aid tax recoverable is recognised on receipt.

Social Housing Grants (SHG) are recognised on the balance sheet as a liability and amortised over the life of the assets funded under the accrual model, with the exception of Social Housing Grant related to those assets that were revalued at their deemed cost at 1 April 2015 where the grant was recognised in full as an addition to reserves, referred to as the performance model. See note 16.

f) Investment income
Investments are included in the financial statements at market value.

g) Empty homes
The grant income is included on completion of the building work. If there are no associated development costs, a proportion of the grant income is released over the term of the lease and the balance on signing the lease.

h) Pension costs
YMCA DownsLink Group 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 DownsLink Group.

As described in note 19, YMCA DownsLink Group has a contractual obligation to make pension deficit payments over the period to April 2029. Accordingly, the present value of the liability is shown in note 19 to these accounts.

In addition, YMCA DownsLink Group is required to contribute £25,669 per annum, £23,355 in financial year 2023/24, to the operating expenses of the pension plan and these costs are charged to the Statement of Comprehensive Income as made.

i) Fixed assets
Housing properties
Definition and recognition
Housing properties are properties held for the provision of social housing or to otherwise provide social benefit. Housing properties are principally properties available for rent and are stated at cost except for those properties revalued at a deemed cost on adoption of FRS 102.

Depreciation
The major components of the properties are identified and depreciation is charged to write off the cost of each component over their expected useful economic lives.

Depreciation is charged on a straight-line basis over the following number of years:

Structure	50-100
Pitched roof	50-75
Flat roof, windows, external doors	25-30
Wiring, lift and heating systems	10-30
Bathrooms	5-25
Kitchens	20

Other fixed assets

Cost:

Individual fixed assets costing £1,000 or more and are of a capital nature for ongoing use by YMCA DownsLink Group are capitalised.

Depreciation:

Other fixed assets are depreciated to write off each asset over its estimated useful life at the following annual rates:

Freehold land	Not depreciated
Motor vehicles	25% on reducing balance basis
Fixtures, fittings and equipment	10 – 25% on cost
ICT equipment	25% on cost
Cycles	100% on cost

j) Volunteers

The value of services provided by volunteers is not incorporated into these financial statements. Further details of the contribution made by volunteers can be found in the trustees' Annual Report.

k) Irrecoverable Value Added Tax (VAT)

The financial statements include VAT to the extent that it is not recoverable from HM Revenue and Customs. Irrecoverable VAT is charged directly with the related cost where possible or apportioned as part of central costs.

l) Operating leases

The charity classifies the lease of printing, photocopy, laundry and catering equipment as operating leases. The title of the equipment remains with the lessor and the equipment is replaced every three to five years whilst the economic life of such equipment is normally more than this. Rental charges are charged on a straight-line basis over the term of the lease.

m) Commitments

Commitments which are legally binding are included as liabilities.

n) Taxation

The charity is exempt from tax on income and gains falling within Sections 466 to 493 of the Corporation Tax Act 2010 to the extent that these are applied to its charitable objects.

o) Funds and reserves

The charity has various types of funds for which it is responsible and require separate disclosure:
Restricted reserves: These are funds which are expendable as directed by the donor Revaluation reserves: These reserves arise when investments are revalued.

2. TURNOVER FROM HOUSING ACTIVITIES

Gross rents and service charges:	2025	2024
	£	£
Rent receivable	3,273,346	3,365,145
Service charge	5,705,280	6,300,675
Personal service charge receivable	267,316	291,665
Amortised government grant	139,314	122,577
	9,385,256	**10,080,063**
Other revenue:		
Supporting People	2,327,253	2,189,345
OLYP, Leaving Care and Step Down service contracts	399,049	950,185
HE grant income	221,602	299,074
More than a Room	368	6,360
Fundraising income	121,226	62,604
Other housing income	55,768	54,079
Pension revaluation		164,659
	12,510,522	**13,806,369**
Rents and service charges losses from voids	**(373,974)**	**(513,991)**

3. OPERATING COSTS FROM HOUSING ACTIVITIES

	2025	2024
	£	£
Housing accommodation, number of units	581	654
Managed housing, number of units included in above total	73	104
Services	5,146,714	7,473,642
Housing support	2,925,353	2,461,472
More than a Room costs	**23,989**	98,680
Share of central overheads	**2,007,186**	**2,022,116**
Repairs and maintenance	**1,415,302**	**1,205,444**
Rent losses from bad debts and provision	**155,565**	**161,082**
Depreciation of social housing properties	**403,836**	**345,783**
Depreciation of fixtures and fittings	**104,603**	**153,020**
	12,182,548	**13,921,239**

4. TURNOVER FROM CHARITABLE ACTIVITIES

	2025	2024
	£	£
Therapeutic services	2,485,558	2,935,890
Support services: children, young people and families	767,578	1,071,962
Fundraising income	421,783	494,177
Pension revaluation		52,784
Other income	**24,571**	64,697
	3,699,490	**4,619,509**

5. OPERATING COSTS CHARITABLE ACTIVITIES AND OTHER COSTS

	2025	2024
	£	£
Therapeutic services	2,413,981	3,164,777
Support services: children, young people and families	1,167,551	1,562,862
Horsham Football Club activities	61,823	75,229
Passport to Independence and other costs	100,546	109,941
Depreciation	1,826	29,502
	3,745,728	**4,942,313**

6. STAFF COSTS

The operating surplus is stated after charging:	2025	2024
	£	£
Salaries and wages	7,847,005	9,029,251
Social security	725,280	826,476
Pension costs	231,966	303,611
Apprentice tax	24,283	30,383
Life assurance	18,028	23,824
Healthcare	29,310	37,241
Redundancy and compensation	46,516	112,804
Agency costs	879,231	1,584,974
	9,801,618	11,948,564
The average number of employees paid during the year were:		
Full time and part time employees	311	365
Full time equivalent	180	293
The number of staff receiving remuneration more than £60,000:		
£60,000 - £69,999	1	2
£70,000 - £79,999	5	4
£80,000 - £89,999	0	2
£90,000-£99,999	1	2
£100,000-£109,999	2	2
£120,000-£129,999	1	0

7. EMOLUMENTS OF DIRECTORS AND LEADERSHIP TEAM

None of the directors received any remuneration in the current or prior year. Directors received £513 in reimbursed expenses in year 2024/25. This was £28 in financial year 2023/24. The charity has directors' and officers' liability insurance in place.

The aggregate emoluments of the Executive team were £417,675 for four full time equivalent staff (FTE). In financial year 2024/25 this was £565,775 for 5.3 FTE. The remuneration of the Chief Executive Officer (CEO) comprised basic salary of £100,000, employer national insurance of £12,545 and employer pension contributions of £8,000. In financial year 2024/25 this was £72,051, £9,002 and £5,764 respectively with the CEO commencing employment part of the year in July 2023.

8. OPERATING SURPLUS

The operating surplus is stated after charging:	2025	2024
	£	£
Losses from bad debts	155,565	163,300
Operating leases - equipment	32,575	21,753
Operating leases - land and buildings	1,197,230	1,394,324
Deficit on disposal of fixed assets	1,418	8,336
Deficit on disposal of The Bridge	-	2,118,378
Depreciation of equipment, fixtures and fittings, motor vehicles	178,022	168,509
Depreciation of properties and components	415,074	359,506
Auditor's remuneration: external audit	40,800	33,295

9. FIXED ASSETS

	Social Housing Properties	Other Properties	Total
Cost	**£**	**£**	**£**
1 April 2024	21,572,834	523,146	22,095,980
Additions	5,077,139	-	5,077,139
Disposals	-	-	-
31 March 2025	**26,649,973**	**523,146**	**27,173,119**
Depreciation			
1 April 2024	2,055,950	82,507	2,138,457
Charge for the year	406,977	8,097	415,074
Eliminated on disposals			
31 March 2025	2,462,927	90,604	2,553,531
Net book amount 31 March 2025	19,516,884	440,639	19,957,523
31 March 2024	24,187,046	432,543	24,619,588

	2025	2024
Properties at cost comprise:	**£**	**£**
Freeholds	24,057,488	19,002,249
Long leaseholds	3,115,635	3,093,732
Cost of properties	**27,173,119**	**22,095,981**

OTHER TANGIBLE FIXED ASSETS	Vehicles	Fixtures, Fittings and Equipment	Total
Cost	**£**	**£**	**£**
1 April 2024	65,481	1,039,776	1,105,256
Additions	15,662	94,817	110,478
Disposals	(13,261)	-	(13,261)
31 March 2025	**67,881**	**1,134,592**	**1,202,473.73**
Depreciation			
1 April 2024	53,351	610,755	664,106.14
Charge for the year	6,212	171,810	178,021.97
Eliminated on disposals	(11,843)	-	(11,842.53)
31 March 2025	**47,721**	**782,565**	**830,285.58**
Net book amount 31 March 2025	**12,129**	**429,021**	**441,150.27**
31 March 2024	**20,161**	**352,028**	**372,188**

10. INVESTMENTS IN SUBSIDIARIES

The wholly owned trading subsidiary, YMCA DownsLink Group Services Limited, which is incorporated in England and Wales, pays its profits chargeable to Corporation Tax to the charity by Gift Aid. The charity owns the entire issued share capital of two ordinary shares of £1 each. A summary of the trading results is shown below:

	2025 £	2024 £
Turnover		29,493
Cost of sales and administrative expenses	(150)	(27,416)
Net profit	**(150)**	**2,077**

11. INVESTMENTS

	2025		2024	
	Market Value	Cost	Market Value	Cost
	£	£	£	£
Blackrock Charinco Common Investment Acc Fund	8,010	8,426	8,010	8,426
Blackrock Charinco Common Investment Inc Fund	2,805	3,664	2,805	3,664
M & G Charifund	-	-	21,550	24,282
	10,815	**12,090**	**32,365**	**36,372**

12. DEBTORS

	2025 Charity £	2024 Charity £
Accommodation debtors	798,400	944,853
Bad debt provision	(710,590)	(791,383)
Trade debtors	390,227	593,275
Prepayments	101,997	346,278
Accrued income and other debtors	88,488	397,086
Amounts owed by subsidiary undertakings	-	-
	668,522	**1,490,109**

13. CREDITORS FALLING DUE WITHIN ONE YEAR

	2025 Charity £	2024 Charity £
Deferred income	607,496	882,207
Other creditors	785,463	1,029,540
Trade creditors	211,494	564,380
Employment taxes and pensions	223,776	72,191
Pension deficit	**80,539**	**82,101**
Housing grants	139,233	122,578
Amounts owed to subsidiary undertakings	-	470
	2,752,997	2,753,467

14. CREDITORS FALLING DUE AFTER ONE YEAR

	2025 Charity £	2024 Charity £
Loans, not repayable within five years	3,469,305	850,000
Deferred income, grants in advance	539,327	708,491
Dilapidations provision	428,138	397,738
Defined benefit pension deficit	64,131	144,670
Housing grants	**15,983,602**	**13,486,552**
	20,484,503	**15,587,451**
Loan maturity analysis		
In more than five years	3,353,452	850,000
	3,353,452	**850,000**

In November 2024, our revolving and undrawn credit line with Charity Bank was cancelled and our previous loan of £2,269,305 was redrawn to fund the acquisition of a property portfolio in Crawley, Sussex. The interest on this loan is at the Bank of England base rate plus 2.25%. Repayments have commenced since November 2025. Our Charity Bank loan facility is secured against two of our building assets, Crawley Foyer and Worthing Foyer. Both properties have been revalued in financial year 2024/25 to satisfy Charity Bank requirements.

We started financial year 2024/25 with a loan of £850,000 with The Rosaz Charity and during the financial year this was increased to £1,200,000. The interest on this loan is at the Bank of England base rate plus 1%. The capital on this loan is repayable no earlier than September 2044 and is unsecured.

Accrued income and other debtors	788,488	397,086
Amounts owed by subsidiary undertakings	-	-
	668,522	1,490,109

15. RESTRICTED FUNDS

The following funds have been restricted in their use only for the intended projects.

Fund Name	Description
Horsham Y Centre legacy	Activities or equipment that will benefit the young people of Horsham.
Chaplaincy	Provide pastoral care to residents and staff.
What is Sexual Exploitation? (WiSE?)	Support children and young people to stay safe in their relationships.
Youth Advice Centres	Advice, support and guidance to young people.
Housing fund	Provide resources for residents.
Horsham Football Club pitch upgrade	Funds towards building an artificial grass sports pitch in Horsham
Living our values award	Two annual awards for demonstrating our values.
Eastbourne Rotary Club funding	Fund to build an extra unit in Eastbourne Foyer.

	1 April 2024	Income	Expenditure	Transfers	31 March 2025
Funds	**£**	**£**	**£**	**£**	**£**
Horsham Y Centre legacy	26,847	-	(1,764)	-	25,083
Chaplaincy	3,333	5,000	(5000)	-	3,333
WiSE	2,838	-	(2,838)	-	-
Youth Advice Centres	49,823	-	(49,823)	-	-
Housing fund	1,700	-	(344)	-	1,336
Football club pitch upgrade	2,500	-	(2,500)	-	-
Living our values award	400	-	(400)	-	-
Eastbourne Rotary Club funding	-	100,000	(7,815)	-	92,185
	87,441	**105,000**	**(70,484)**	**-**	**121,957**

16. RESERVES

The transfer to the fixed asset reserve of £1,960,209 represents the net of additions of £659,096 and additional borrowings of £2,619,305. The transfer to the pension reserve is £82,101 of deficit contributions made during the year, see note 19

RESERVES – CHARITY	1 April 2024	Income	Expenditure	Transfers	31 March 2025
	£	£	£	£	£
Unrestricted funds:					
General reserve	(3,504,834)	15,874,261	(15,371,164)	1,878,108	(1,123,628)
Fixed asset reserve	9,388,731	139,314	(586,884)	(1,960,209)	6,980,952
Pension reserve	(226,771)	-	-	82,101	(144,670)
Investment revaluation reserve	(4,007)	-	-	-	(4,007)
Total unrestricted funds	5,653,119	16,013,575	(15,958,048)	-	5,708,647
Restricted funds	87,441	105,000	(70,484)	-	121,957
	5,740,561	**16,118,575**	**(16,028,532)**	**-**	**5,830,604**

17. GUARANTEES

As part of its direct charitable work, YMCA DownsLink Group provides letters of guarantee to landlords to provide limited cover against lost rent and or damage to property. The liability for guarantees in place at 31 March 2025 is under £1,000. This system enables more places to be facilitated with minimal exposure. There is no provision for guarantees which may be called upon within these financial statements.

18. MEMBERS

YMCA DownsLink Group is limited by guarantee having no share capital. In accordance with the Memorandum of Association every member is liable to contribute a sum of £1 in the event of the charity being wound up.

19. PENSION COMMITMENT

YMCA DownsLink Group 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 DownsLink Group and at the year-end these were invested in the Mercer Dynamic De-Risking Solution 65% matching portfolio and 35% in the growth portfolio and Schroder, property units only.

The most recent completed three-year valuation was as at 1 May 2023. The assumptions used which have the most significant effect on the results of the valuation are those relating to:

- the assumed rates of return on assets of 4.56%
- the increase in pensions in payment of 3.18% (for retail price index) capped at 5% per annum
- the average life expectancy from normal retirement age for a current male pensioner of 21.5 years, female 24 years and for those retiring in 20 years' time, 23.1 years for a male pensioner, female 25.7 years.

The result of the valuation showed that the actuarial value of the assets was £103m. This represented 92% of the benefits that had accrued to members.

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

The valuation prepared as at 1 May 2023 showed that the pension plan had a deficit of £9m. YMCA DownsLink Group has been advised that it will need to make monthly contributions of £6,712 from 1 May 2024. This amount is based on the current actuarial assumptions and may vary in the future because of actual performance of the pension plan. Agreed future deficit contributions have been discounted using a rate of 4.9%. The current recovery period is three years commencing 1 May 2024.

During the year deficit payment contributions of £99,046 were made.

The table below sets out the value of the liabilities included in the balance sheet.

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

Supplementary to the above scheme, employees starting with the then named Sussex Central YMCA, a former legal entity that merged to become YMCA DownsLink Group, after 1 April 2001 were eligible to join a stakeholder pension scheme, administered by Legal and General, which is a defined contribution scheme, into which the charity pays contributions. The employer's contribution is set at a maximum of 6% of gross pensionable salary. The employee contribution is a minimum of 1.6%. In addition, members of the Extended Leadership team can make contributions of 8% of salary to the stakeholder pension scheme with an employer's contribution of up to 15%.

During the period, a total of 32 employees benefited from the scheme at a cost of £153,313.

	Within one year	One to two years	Two to five years	After five years	After more than one year	TOTAL 2025	TOTAL 2024
As at 31 March 2025	80,539	73,190	2,052	-	75,243	155,781	-
As at 31 March 2024	82,101	73,190	71,480	-	144,670	-	226,771

In 2007 Guildford YMCA, a former legal entity, merged to become YMCA DownsLink Group commenced a scheme with Aviva. This is a group personal plan arrangement and the contributions are expressed as a percentage of the employee's salary. This scheme was to replace the now closed defined benefit scheme discussed above. The cost for the year was £1,609 and £1,539 for last year and this was in respect of one employee only.

With the introduction of auto enrolment, the organisation-wide scheme was closed to new entrants on 31 January 2014 and the charity now offers a stakeholder defined contribution pension scheme in line with legislative requirements administered by Legal and General.

At the end of the year there was a liability of £49,201 relating to all the schemes that was settled the following month.

20. OPERATING LEASE COMMITMENTS

The future minimum lease payments of leases are as set out below.

	2025 £	2024 £
Land and buildings:		
Within one year	875,831	972,503
Between one and five years	2,310,270	2,419,183
In more than five years	308,860	557,785
	3,494,960	**3,949,471**
Equipment:		
Within one year		16,279
Between one and five years	-	-
In more than five years	-	-
	-	**16,279**

21. GROUP AND RELATED UNDERTAKINGS

During the year ended 31 March 2025, YMCA DownsLink Group had the following related and associated undertakings:

	Relationship	Status	Regulated by Social Housing Regulator
YMCA DownsLink Services Limited	80,539	73,190	2,052

22. CONTINGENT LIABLITIES

At the 31 March 2025 there were contingent liabilities in respect of grants received in relation to the following properties:

	Social Housing grant	Local Authority Grant
Crawley Foyer	873,140	£1,500,226
Worthing Foyer	823,632	
Guildford Foyer	2,021,986	
Horsham Y Centre	4,057,690	
Eastbourne Y Centre	771,910	
Eastbourne Foyer	1,525,000	
Hastings Foyer	1,614,950	
The Bridge RCGF	1,495,420	
Buncton farm RCGF	93,927	
Gocher Court	1,190,000	
16 Burney Court	327,169	
2 Salvington Rd	221,940	
28 Shaws Rd	221,940	
10 Herschel Walk	257,016	
22 Forester Rd	178,967	
64 Beachy Rd	221,940	
33 Apsley Court	257,016	
9 Cheynell Walk	257,016	
Linchmere Place	559,139	
Ashdown Court	820,717	
	19,290,741	

There is potential for repayment or recycling of these grants in the event the sites are disposed of and or taken out of social housing use. The Bridge, Guildford, was sold in June 2022 to a non-registered provider and the associated grant has been retained by YMCA DownsLink Group to recycle. The grant is accruing interest at the Bank of England base rate daily until recycled. All other properties remain in social housing.

On the purchase of Horsham Y Centre and Eastbourne Y Centre from YMCA England & Wales, grants were received for £873,000 and £247,500, respectively. If YMCA DownsLink Group were to either resign as a member of YMCA England & Wales Federation, disassociate itself from the organisation, or cease to participate in any of its operations, the grants will become refundable. There are no plans for any of these events to occur.

Of the £19,290, 741 housing grants liability, £16,122,851 is within creditors. On implementation of FRS 102 in the 2016 financial statements the trustees elected to treat the grants held at the time for Crawley Foyer under the performance model and recognise them in reserves. On the sale of The Bridge, Guildford, the grant associated with it has been retained to be recycled and at 31 March 2025 the value of the grant has decreased to £1,589,347. All other grants are treated under the accruals model and amortised over the life of the related structure. To date £1,244,524 has been transferred to reserves.

	Social Housing grant obligations	Recognised in reserves	Amortisation to date	Net Book Value	Creditors due less than one year	Creditors due greater than one year
Crawley Foyer	873,140	(423,140)	(126,000)	324,000	18,000	306,000
Crawley Foyer	1,500,226	(1,500,226)				
Worthing Foyer	823,632		(83,736)	739,896	8,236	731,660
Guildford Foyer	2,021,986		(478,095)	1,543,891	16,646	1,527,245
Horsham Y Centre	4,057,690		(324,615)	3,733,075	40,577	3,692,498
Eastbourne Y Centre	771,910		(62,397)	709,513	7,719	701,794
Eastbourne Foyer	1,525,000		(99,127)	1,425,873	15,250	1,410,623
Hastings Foyer	1,614,950		(53,832)	1,561,118	16,150	1,544,969
The Bridge RCGF	1,495,420			1,495,420		1,495,420
Buncton farm RCGF	93,927			93,927		93,927
Gocher Court	1,190,000		(8,429)	1,181,571	11,900	1,169,671
16 Burney Court	327,169		(818)	326,351	3,272	323,079
2 Salvington Rd	221,940		(555)	221,385	2,219	219,166
28 Shaws Rd	221,940		(555)	221,385	2,219	219,166
10 Herschel Walk	257,016		(643)	256,373	2,570	253,803
22 Forester Rd	178,967		(446)	178,521	1,790	176,731
64 Beachy Rd	221,940		(553)	221,387	2,219	219,168
33 Apsley Court	257,016		(641)	256,375	2,570	253,805
9 Cheynell Walk	257,016		(641)	256,375	2,570	253,805
Linchmere Place	559,139		(1,394)	557,745	5,591	552,154
Ashdown Court	820,717		(2,047)	818,670	8,207	810,463
	19,290,741		**(1,244,524)**	**16,122,851**	**167,706**	**15,955,145**

23. CAPITAL COMMITMENTS

At the year-end there were no prior year capital commitments.

YMCA
DOWNSLINK GROUP

Registered company:	03853734
Registered charity:	1079570
Registered social housing provider:	4644
Registered BACP accreditation:	00102752
Registered Ofsted:	Brighton & Hove 2767751 East Sussex 2766597 West Sussex and Surrey 2766609

YMCA DOWNSLINK GROUP

England & Wales - Charity number 1079570

Accounts

YMCA
DOWNSLINK GROUP

Annual Report and Financial Statements

for the year ended
31 March 2024

Here for young people
Here for communities
Here for you

YEAR AT A GLANCE

Number of children and young people using our services	Number of young people we provided with a safe home	Number of children we provided counselling services to	Number of children, young people and families who received specialist information, advice and support
7,146	**1,094**	**5,000**	**1,632**

Our mission

To help children and young people have a fair chance to be who they want to be.
We do this by providing a safe home, increasing life skills and self-confidence, and improving emotional wellbeing and mental health.

Our values

- **We welcome all** who need space to feel secure, respected, heard and valued
- **We inspire** people to realise their full potential
- **We support** people to maximise opportunity and choice
- **We speak out** on the issues that are important to children and young people and help them find their own voice

YMCA DownsLink Group is proud to be a member of the federation of YMCA England and Wales. We contribute to their vision and purpose: an inclusive Christian movement transforming communities so that all young people can belong, contribute and thrive.

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Chair and CEO statement

This year, our goal was to continue to put children and young people at the heart of everything we do – from supporting our Youth Council members to providing feedback on our housing services to coordinating our vibrant network of Wellbeing Youth Ambassadors to promote youth mental health.

In July 2023, we launched a new strategy, setting out our ambitions over the strategic period 2023-2026. This Annual Report details progress on the first year of implementation and covers one of the most challenging periods for children, young people, parents and carers we have seen in decades.

Notwithstanding the challenges created by a post-COVID legacy impact on education, mental health and economic uncertainty, we are proud to have continued to deliver vital services that met the emotional and psychological needs of 7,146 children and young people across Sussex and Surrey. We have continued to be on the frontline supporting children and young people struggling with anxiety, mental health issues and without permanent housing.

Despite the financial constraints and the challenging market conditions, we have continued to invest in much-needed organisational infrastructure around our information, communication and digital systems and our buildings, ensuring we are compliant with legal and regulatory standards. We are committed to making sure our systems and the homes we provide are fit for the future.

Results reflect our progress with a 50% improvement in our budgeted operating deficit against the previous year and the positive development of an approved break-even budget as we move into 2024/25. Strengthening our foundations so that we have a robust base for growth is key to our ongoing sustainability.

The Board of Trustees extends its thanks to all staff, volunteers, partners, supporters and our community for helping us deliver our mission to help children and young people have a fair chance to be who they want to be.

Fran Beckett
Chair of Board of Trustees

26 September 2024

Emily Brock
Chief Executive Officer

26 September 2024

1 Overview of board of trustees, officers and advisors

List of Trustees and Advisers

Trustees
Fran Beckett, Chair
Erin Barnes, Chair of Impact and Services committee (until 9 July 2024)
Michael Chawatama
Maggie Gairdner, Complaints Lead (appointed 5 February 2024)
Michael Gercke (until 3 November 2023)
John Holmstrom, Chair of Audit and Risk committee (until 18 July 2024)
Tim-David Michaelsen (appointed 2 November 2023)
Nick Mourant, Chair of Resources committee
Andrew Newell, Chair of Audit and Risk committee (appointed 1 August 2024)
Caroline Stearman, Chair of People and Remuneration committee
Gianluca Zucchelli (appointed 2 November 2023)
Simone Button, Chair of Impact and Services committee (appointed 1 August 2024)
Damian Haley (appointed 1 August 2024)

Independent Committee Members
Chris Fisher, Audit and Risk committee
Zarina Switlyk, Audit and Risk committee
Kameka Mclean, People and Remuneration committee (appointed 2 November 2023)
Simone Button, Impact and Services committee (appointed 28 November 2023 until 1 August 2024)
Erin Barnes (appointed 1 August 2024)

Executive Team
Emily Brock, Chief Executive Officer (appointed 12 July 2023)
Rachel Brett, Director of Children and Young People (until 31 March 2024)
Baldeep Dhol, Director of Finance, ICT and Risk
Jayne Grier, Director of People and Programmes (appointed interim CEO 17 April 2023 until end of August 2023)
Lorri Holding, Director of Services (from 13 May 2024)
Satnam Kaur, Director of Housing and Community Services (until 28 February 2024)
Nikki Mason, Director of Fundraising and Communications (until 31 December 2023)

Company Secretary
Sian Stokes (from 2 November 2023)
Baldeep Dhol (until 2 November 2023)

Registered office
Reed House, 47 Church Road Hove, East Sussex BN3 2BE

Registered charity
1079570

Registered company
3853734

Registered provider of social housing
4644

Registered member of BACP
0010275

Ofsted
Registered September 2024

Principal solicitors
Bate & Albon Solicitors, 23/24 Marlborough Place, Brighton BN1 1UB

Principal bankers
The Royal Bank of Scotland plc, 36 St Andrew Square, Edinburgh EH2 2YB

External auditors
Haysmacintyre LLP, 10 Queen Street Place, London EC4R 1AG

Internal auditors
Forvis Mazars LLP, Tower Bridge House, St Katharine's Way, London E1W 1DD

2 Board report 2023/24

The Board of Trustees of YMCA DownsLink Group presents its Annual Report and Financial Statements for the year ended 31 March 2024.

We are the largest regional charity in Sussex and Surrey working to prevent youth homelessness and support children and young people's emotional and mental health. We were incorporated in 1999 and the charity has evolved through several local YMCA mergers.

In July 2023, we launched a new strategy reflecting our ambitions over the next three years.

Our strategy re-energises our commitment to face the challenges of a post-pandemic world and the impact of post-economic uncertainty and aims to put children and young people at the heart of our thinking.

Principal activities

We support children and young people with multiple and complex needs up to the age of 25. We offer support in three service areas:

- Housing provision and sustaining accommodation
- Specialist information, advice and support
- Emotional wellbeing and mental health.

Our services are inclusive and we support children and young people who are LGBTQ+, Black and Racially Minoritised, neurodiverse, have experienced exploitation, are care-experienced, young families, young carers, young refugees and unaccompanied asylum-seeking children.

Public benefit statement

The trustees put children and young people at the heart of its approach to formulating its strategy and associated priorities. In doing so, the trustees confirm that they have given due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the charity. Through the work that the charity undertakes in its service areas, it delivers public benefit and serves a wide range of children and young people, many of whom have multiple and complex needs.

People

We place great value on our staff and volunteers and aim to create a psychologically informed environment where everyone feels they can bring their best selves to work.

Every year we survey staff using the Great Place to Work© independent platform. In 2023, 79% of staff believed they could be themselves at work in our staff survey. We continue to work hard to create a culture of trust and inclusion that is free from harassment and abuse and offers access to continuous professional development and, for frontline staff, regular reflective practice supervision and clinical supervision.

In July 2023, the Board approved a People Strategy for the period 2023-2026 which is monitored through the People and Remuneration Board committee.

Last year we completed a significant restructure of our Extended Leadership team and Central Services teams to reduce salary costs and increase efficiency. This involved a reduction in the size of the Executive team from six to four (see below) and a reduction in the size of the Leadership team from 13 'Heads of' to 10. We also reduced the size of our Central Services team. A total of £0.7M of savings have been realised for financial year 2024/25.

Our voluntary staff turnover for the whole year was 22.3%, 6.7% higher than in 2022/23. Whilst this is comparative with wider challenges in the NHS and social care sectors, we are not complacent. In this year, we reviewed our recruitment policy and processes and launched a new onboarding plan for all staff.

In 2023/24, staff received a 4% cost of living increase, and we made a commitment to become a real living wage employer. The pay ratio between the highest and lowest paid staff member was 4.2 to 1.

Equity, diversity and inclusion

Our commitment to creating a more inclusive organisation is set out in a multi-year action plan. Implementation is monitored on behalf of the Board by the People and Remuneration Board committee. The plan was refreshed in 2023. Achievements last year included development of a behaviour framework to bring to life our values (to be completed in 2024), increased diversity in our governance and leadership, a review of core policies to ensure they reflect our inclusive approach and a new human resources software system that will improve the capture of staff diversity data.

We are committed to fair compensation practices to ensure that all staff, regardless of gender, receive equitable pay for similar roles and responsibilities. We use the Living Wage Foundation's Real Living Wage as a baseline for staff remuneration and job evaluation is used to ensure fairness.

For the purposes of compliance with Gender Pay Gap reporting, staff are treated as 'male' or 'female' in line with HMRC guidance. We recognise this does not reflect the potential reality of gender identification within our staff cohort. Our published Gender Pay Gap report for 2023 had a mean adjusted pay gap which was 9.3% higher for women than men (a 2.3% increase on 2022).

Complaints

Our complaints policy is issued to all residents and is available to other service users via our website. The Impact and Services Board committee monitors compliance and learning from complaints and compliments.

We published our self-assessment against the Housing Ombudsman Complaints Code. In 2023/24, we received 56 complaints (up from 48 in 2022/23). 86% related to our supported housing services. 64% of all complaints were upheld. On two occasions we failed to meet the regulatory requirement to close stage 1 complaints within 10 days, but the complainant was kept informed of the reasons. Trustee Maggie Gairdner was appointed the Complaints Lead.

Safeguarding

The Board is aware of its responsibilities in ensuring that all children and young people accessing our services do so in a safe way. Our Impact and Services Board committee provides oversight of safeguarding and receives quarterly and annual reports.

There were 2,725 safeguarding concerns raised last year, compared to 2,709 in 2022/23. Most concerns were raised for a small proportion of residents in our supported housing who presented with complex and high-risk situations. Over half were raised in just six of our services. One of these services, St Patrick's adult homeless hostel in Hove, raised 150 concerns but has since closed following our decision to focus our work on children and young people up to the age of 25 years. We recorded one critical incident in 2023/24 which was a young person living in our supported accommodation in West Sussex who died by suicide whilst visiting a family member.

In 2023, as part of a wider restructure of our Central Services team, we made some structural changes to our specialist safeguarding team and have continued to invest in staff training. In February 2024, trustees requested we commission an independent audit of our internal safeguarding arrangements. The audit report was received by the Impact and Services Board committee in July 2024.

Information security and technology

The Board is aware of its responsibilities to ensure information security and the organisation continues to promote good and appropriate collection and use of data and information.

We are registered with the Information Commissioner's Office (ICO) and comply with the Data Protection Act 2018. In 2023/24 we had three reportable data breaches to the ICO. In all cases we identified relevant learning and improvements needed. We received no formal reprimands, but advice on how to prevent further breaches. We continue to retain a nominated Data Protection Officer to aid our compliance and provide assurance in this area.

During the year we prioritised £200k investment for a new central firewall to better secure our networks complemented with an overhaul of infrastructure. Investment has also continued in replacement of end user devices, notably laptops and mobile phones, ensuring our equipment adheres to the latest security capabilities. Within this financial year two significant digital platforms were replaced, our human resources and finance software systems. The completion of these two transformation projects has improved our digital capabilities and will allow us to further develop in a cost-effective and more efficient way.

Homes England

We continue to be qualified as an Investment Partner with Homes England for the Affordable Homes Programme (AHP) 2021-26.

Health and safety

The Board of Trustees is aware of its responsibilities on all matters relating to health and safety. Alongside a detailed policy and training, the Board of Trustees monitors compliance through quarterly reporting to the Audit and Risk Board committee, from which significant exceptions are escalated to the full Board of Trustees.

We ensure that we meet our legal obligations by undertaking routine risk assessments of our 'big six' categories, namely fire safety, water hygiene, gas, electrical, LOLER (lifting operations and lifting equipment regulations), asbestos, as well as damp and mould.

As of end of March 2024, our overall compliance was as follows:

Overall compliance	Our responsibility (%)	Landlord responsibility (%)
Gas	100	92
Fire risk assessments	97	N/A
Legionella	94	100
Asbestos	100	80
Electric conditions	100	95
PAT	99	N/A
Fire alarms	100	63
Emergency Lighting	100	88
Average compliance	**99**	**86**

In addition to undertaking the necessary risk assessments, surveys and inspections, in line with current legislation we monitor associated remedial actions and ensure these are reported weekly to the Head of Asset Management and Director of Services and quarterly to our Audit and Risk Board committee and the main Board.

Statement on investment powers

The trustees confirm that the investments made by the charity are made in accordance with the trustees' powers as provided in the Articles of Association.

Pension scheme

We recognise the risks associated with our participation in the defined benefits scheme run on behalf of YMCA England and Wales by an independent Board of Trustees with representation through the Principal Employer, the National Council of YMCAs. An actuarial valuation is obtained every three years and implications to our finance are considered at that time. The most recent valuation completed was on 1 May 2023 showing the actuarial value of the assets represented 92% of the benefits accrued to members. The liability in our accounts has reduced to £227k.

The scheme has been closed to new members since 2007 and the link to final salary ceased in 2011. We continue to make additional contributions to reduce the deficit. With this latest valuation, the annual payment and the period over which we expect to contribute have reduced. Note 19 in the accounts provides further details.

3 Achievements and performance 2023/24 and annual plan 2024/25

Key decisions taken by the Board during 2023/24 include:

- Approval of new organisational strategy 2023-2026 and theory of change.
- Consolidation of our services in line with our strategy, financial principles and decision to focus on supporting children and young people up to 25 years.
- Withdrawal from provision of supported accommodation services for adults, specifically, the closure of St Patrick's, a 29-bed adult hostel in Hove.
- Approval of a new asset management strategy to guide the efficient and effective management of our property portfolio as a core requirement of meeting our landlord services function as a small, registered housing provider.
- Review and approval of new Articles of Association which govern the charity.
- Application of our financial principles leading to a major restructure of leadership and central services with savings of £0.7M.
- Deliver development plan to spend our Recycled Capital Grant Fund.
- Approval of the updated standing financial instructions and delegated authorities.
- Development and approval of the rents strategy and rent setting policy.

Progress against our strategy 2023-26

1 Deliver psychologically informed services	▶ 7,146 people reached through our services (down from 8,239 in 22/23). The reduction is due to contractions in commissioned services and closures of others. ▶ 56 complaints received (up from 48 in 22/23). 86% about our supported housing services; 64% of all complaints were upheld. ▶ 2,725 safeguarding concerns (a slight increase from 2,709 in 22/23) with an equal balance between housing services (650 residents) and therapeutic and advice services (6,500 clients). ▶ 35 incidents reported (down by 16% from 22/23). Around 30% occurred in St Patrick's adult hostel, which closed on 31 March 2024.
2 Amplify youth voice and leadership	▶ Overall, 73% of our residents told us that, taking everything into account, they were satisfied with the service we provided. ▶ Our Youth Council (residents in our supported housing) met four times in 23/24, including a session with our Board of Trustees in March 2024. ▶ Our vibrant network of Wellbeing Youth Ambassadors, aged 11-25, continued to share their voice to promote youth mental health. ▶ Our new Youth Researchers are building evidence to address mental health concerns among young people in Brighton & Hove.
3 Be a great place to work	▶ 22.3% voluntary turnover (up from 15.6% in 22/23). ▶ We continue to survey staff using the Great Place to Work© platform allowing us the opportunity to benchmark against other organisations.

Annual Plan 2024/25

We have developed an Annual Plan to guide the second year of the implementation of our strategy for 2023-26.

The plan identifies actions in line with our three strategic priorities:

1 Deliver psychologically informed services

- Become Ofsted registered and embed new practices
- Strengthen thresholds for all services to manage risk
- Develop and implement our new services workforce plan
- Comply with new Regulator of Social Housing Consumer Standards
- Implement our strategy for managing owned and leased buildings.

2 Amplify youth voice

- Strengthen our approach to youth engagement and produce our youth voice strategy.

3 Be a great place to work

- Develop new organisational values to support our culture
- Implement leadership and management development
- Improve our internal communications.

The annual plan was approved by the Board of Trustees in April 2024.

4 Financial review

We realised our goal to end financial year 2023/24 with a planned deficit of £608k

Summary

Income and expenditure summary	2023-24 £'000	2022-23 £'000	Movement (%)
Income	18,238	16,727	9
Operating costs	(18,891)	(17,867)	(6)
Underlying operating deficit	**(653)**	**(1,140)**	**43**
Pension revaluation / rebasing	217	-	100
Disposal of The Bridge	-	(2,118)	100
Operating deficit	**(436)**	**(3,258)**	**87**
Net interest and unrealised gain on investments	(172)	(136)	(26)
Deficit for the year	**(608)**	**(3,394)**	**82**

Income

Our income of £18,238k increased by 9% (2023 - £16,727k). Most of the income growth is within our social housing lettings, with an 8% growth. This is in line with the Consumer Price Index (CPI) measure of inflation that forms part of the allowable rental inflation in line with the Rent Standard issued by the Regulator of Social Housing.

Expenses

Our operating costs increased by 6% to £18,891k (2023 - £17,867k). The increase in utility costs continued to impact the first six months of the year after which we benefited by an improved renewal of our energy contracts. In line with our pay policy, we conducted our annual salary benchmarking exercise using external consultancy, Croner, and a cost of living pay increase of 4% was awarded in April 2023. This equated to an increase in salary costs of £639k in financial year 2023/24.

Reserves and liquidity

The charity has accumulated reserves of £5,753k including restricted reserves of £87k. Most of the reserves are invested in property to meet our strategic objective to provide a safe home to young people with multiple and complex needs. As a registered social housing provider, as well as a charity, our financial viability is managed by means of a rolling five-year business plan, which considers cash flows, borrowings, bank covenant compliance and the repairs and maintenance of our existing properties, together with the acquisition and development of new projects. With the current external financial situation, business planning has taken on an even greater importance as we model and assess different proposals to ensure the financial viability of the charity during these unprecedented times.

The free reserves within the organisation have reduced to £313k because of our planned deficit. The trustees have set a target to increase free reserves to £2,000k that we will continue to work towards. Free reserves represent unrestricted funds less the pension reserve and amount invested in property, net of grants and loans from The Rosaz Charity. As a part of our financial sustainability programme, 2023/24 concluded with £700k of savings from staff costs following a reorganisation that has contributed to a break-even budget for 2024/25. The process to return the charity to creating operating surpluses will continue and over time contribute to achieving the free reserves target.

The charity has a cash management policy to hold a minimum of £1,500k in cash. At the end of the financial year the charity had cash of £2,172k. We have a £850k loan from The Rosaz Charity repayable no earlier than September 2044. In addition, we have an accessible credit facility of £2,500k with Charity Bank with the ability to draw down and pay back funds at short notice. During the financial year we did not draw any funds from this facility.

Value for money

The most significant value for money exercise completed in 2023/24 was assessing different organisational models and this has concluded in a new staffing structure that was implemented by April 2024. The financial year also saw the completion of a new asset management strategy. This strategy, approved by the Board of Trustees, gives a refreshed view on all owned, leased and managed properties for future decisions including expenditure required to maintain quality.

Digital transformation has also been a focus with both the human resources and finance software systems being replaced within the financial year. In both cases this has resulted in improved capability, efficiency and enhanced security, all at lower cost.

The management of our electricity and gas costs are an important part of our expense base and we continue working with our utility brokers. Within the financial year electricity prices have been recontracted from October 2023 and gas from April 2024. Both contracts have benefited from improvement in market conditions and extend through to March 2025.

The Regulator of Social Housing has issued its Value for Money Standard including seven metrics. Our performance is shown below:

Metric	Description	2023/24	2022/23
1	Reinvestment	0.6%	0.5%
2	New supply delivered	0%	0%
3	Gearing	0%	0%
4	EBITDA MRI interest cover	(27%)	(453%)
5	Headline social housing cost per unit	£20,292	£18,632
6a	Operating margin, housing	(0.8%)	(4.8%)
6b	Operating margin, overall	(2.3%)	(6.8%)
7	Return on capital employed	(2.0%)	(5.1%)

Going concern

The Board of Trustees has completed an assessment of our financial position including the cash flow position for the next two financial years, 2024/25 and 2025/26. The trustees believe that we can manage our financial forecasts, cash flow, financial sensitivity and manage our business risks to continue operating on a going concern basis. We have reached this conclusion in consideration of the following points:

- The cash flow analysis for the next 20 months is sufficient to demonstrate we will have cash reserves above our minimum cash holding requirement of £1,500k.
- There are two under-utilised assets within our property portfolio that are currently being disposed of and we estimate will realise £1,000k of cash into the organisation. These are included in the cash flow forecasts.
- Financial sustainability planning has concluded and become operational as from April 2024, the most material being £700k of staff cost savings. This has contributed towards the break-even budget for FY2024/25 allowing a period of consolidation from which to better generate surpluses from FY2025/26 onwards.
- We have £3,500k of Recycled Capital Grant Scheme (RCGF), partnering with Homes England, resulting from a building sale in June 2022. £500k has already been consumed in relation to the purchase of an eight-unit accommodation in central Brighton. Homes England has confirmed the recycling of a further £1,600k in relation to further acquisitions currently in negotiation.
- At present our gearing ratio is 0%, a result of having more cash than we have in loans. We have £2,275k of credit available with Charity Bank and this will allow us to continue to realise our RCGF funding and acquire property assets. This credit facility is currently undrawn and ready to deploy.

5 Energy and carbon report

We are committed to reducing our carbon footprint and have an Environment Policy in support of this work.

For Streamlined Energy and Carbon Reporting (SECR) compliance, we are considered a large company as we have more than 250 employees, balance sheet assets of more than £18m and an energy consumption in the UK above 40,000kWh. As such we are required to report:

- UK energy use, to include as a minimum purchased electricity, gas and transport
- associated annual global greenhouse gas (GHG) emissions
- at least one emissions intensity ratio
- previous year's figures for energy use and GHG emissions
- a narrative on energy efficiency measures
- details of the methodology used in calculation of disclosures.

The footprint is calculated in accordance with the Greenhouse Gas (GHG) Protocol and Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance. Emissions are defined under three different scopes by the GHG Protocol:

- Scope 1 emissions from activities owned or controlled by the organisation that release greenhouse gas into the atmosphere, for example gas from onsite boilers and fuel used by fleet vehicles
- Scope 2 emissions created elsewhere but consumed on site such as purchased electricity
- Scope 3 indirect emissions that are a consequence of the charity's actions, but the source is not owned or controlled and are not classed as scope 2, for example staff mileage.

The activity data has been converted into greenhouse gas emissions using the UK Government GHG Conversion Factors for Company Reporting.

Intensity ratios

Intensity ratios compare emissions data with an appropriate business metric or financial indicator. This allows comparison of energy efficiency performance over time and with other similar types of organisations. As most of our gas and electricity usage is within our residential properties, we are reporting kWh of gas and electricity per unit. The intensity ratios for transport fuel and staff mileage are based on a full time equivalent per head rate.

Energy efficiency action

Examples of activity include:

- replacing gas boiler and storage heaters at hostels
- converting to LED lighting in our headquarters in Hove
- tendering for our vehicle fleet to move to more efficient vehicles
- tendering for printer and copier fleet to more environmentally efficient devices with energy saving and paper saving software.

Emissions performance

		Direct emissions		Energy indirect	Other indirect	Total
		Gas (Scope 1)	Fuel for transport (Scope 1)	Electricity (Scope 2)	Business travel (Scope 3)	
Current year 2023/24	Energy consumption – kWh	2,846,988	153,272	1,340,279	116,351	4,456,890
	Greenhouse gas emissions – tonnes of carbon dioxide	520	36	278	28	862
	Intensity ratio kWh per unit/resident	6,335	0	2,020	0	0
	Intensity ratio kWh per FTE employee	0	523	0	397	0
Prior year 2022/23	Energy consumption – kWh	2,867,313	122,992	1,424,699	111,916	4,526,920
	Greenhouse gas emissions – tonnes of carbon dioxide	523	29	276	28	856
	Intensity ratio kWh per unit/resident	6,081	0	2,280	0	0
	Intensity ratio kWh per FTE employee	0	424	0	386	0
Change	Energy consumption – kWh	(1%)	25%	(6%)	4%	(2%)
	Greenhouse gas emissions – tonnes of carbon dioxide	(1%)	24%	1%	1%	1%
	Intensity ratio kWh per unit/resident	4%	0%	(11%)	0%	0%
	Intensity ratio kWh per FTE employee	0%	23%	0%	3%	0%

6 Risk management

We have a well-developed approach to strategic risk management and our organisational risk register details the top eight material risks and mitigations.

The Executive team discuss the register monthly and each Board committee receives quarterly reports on relevant risks related to their remit. They each report to the Audit and Risk Board committee and the main Board.

Once a year, the Board reviews the organisation's risk appetite in order to reassess target risk levels.

Below are the eight risks appearing on the organisational risk register and their mitigation.

Risk	Description	Mitigation
Safeguarding failure	Failure to deliver effective children and young people's services to fulfil statutory obligations in safeguarding and protect those at risk of significant harm or death.	▶ Central safeguarding function redesigned to support practice. ▶ Independent safeguarding audit commissioned. Safeguarding policies updated. ▶ Comprehensive staff training on safeguarding management, trauma informed practice and suicide prevention. Thresholds in place for counselling and therapeutic services.
Organisational culture	Failure to foster a culture of 'critical thinking' and commitment to learning aligned to values due to poor psychological safety and lack of accountability.	▶ Approved People Strategy 2023 to 2026. ▶ Development of new values and behaviours to be delivered by December 2024. ▶ Development activity for extended leadership team. ▶ Newly structured senior meetings, new Terms of Reference and ways of working. ▶ Manager Forum continues, enhanced management training under way.
Recruitment and retention	Inability to deliver contracts due to challenges attracting and retaining suitably qualified and experienced staff; critical skills shortage, challenges around pay.	▶ 'Deep dive' report for People and Remuneration Board committee to provide assurance. ▶ Safer Recruitment Policy and training updated. ▶ Housing services workforce plan developed. ▶ Induction and onboarding audit. ▶ 2024/25 salary benchmarking implemented by April 2024.
The recycled capital grant scheme (RCGF)	Failure to reinvest the £3,500k RCGF originating from June 2022. Current balance of £3,000k. Failure to have an agreement with Homes England on deployment.	▶ £500k deployed July 2024 on Brighton asset purchase. £1,600k of deployment agreed with Homes England on potential acquisition of Sussex properties expected to conclude by December 2024.
Security and certification of information, communications and technology (ICT)	Security and certification of ICT.	▶ Significant progress in networking, firewalling and core hardware replenishment. ▶ Foyer buildings completed with live new firewall. ▶ Microsoft security score at 75%. ▶ Penetration and vulnerability scanning now live and tested quarterly.

Risk	Description	▶ Mitigation
Financial sustainability	Financial sustainability of the organisation.	▶ 2024/25 budget approved at break-even. ▶ Multi-year financial planning in place, including associated cash flow related to deployment of Homes England RCGF. ▶ Financial principles agreed including commitment to move towards a £2,000k free reserves target.
Non-compliance with regulations and legislation	Non-compliance with and/or changes to regulation, legislation, quality standards, codes of governance, i.e. Charity Commission, Charities Act, Ofsted and NHF standards.	▶ More awareness raising and training for Extended Leadership team and managers in services. ▶ Plan for cascading information and ensure all areas of the organisation are up to date with regulations – Regulator of Social Housing, Ofsted, building safety, health and safety.
Organisational transformation	Pace of change does not allow new structure and ways of working to embed. Staff not retained due to too much change and/or poorly managed or communicated. Change in resources and continuous change could cause detrimental effect on the health and wellbeing of our staff and even burnout, and/or lead to resistance to change. Risk of not being transformative enough.	▶ New Extended Leadership team structure in place and updated ways to manage decisions effectively. ▶ Increase effectiveness of Extended Leadership team and Managers' Forum to support transformation. ▶ Clear prioritisation of change shared through Annual Plan 2024/25. ▶ Internal communications increased to embed transformation. ▶ Project management resource increasing to support key change projects.

Over this financial year, we also took the opportunity to develop our assurance framework. We undertook a significant review of our Business Continuity, making provision for unforeseen incidents that could occur. The extensive review has concluded in a refresh of all our plans and now also includes elements that enabled us to achieve our Ofsted registration.

7 Fundraising

Our fundraising approach is to support the generation of unrestricted funding to complement our contract and commercial income streams. We also generate restricted fundraising income to support projects and services to advance our mission, mainly from philanthropic trusts and foundations.

We are registered with The Fundraising Regulator and have adopted and abide by the Code of Fundraising Practice, which ensures we have a strong fundraising framework and practice.

We are compliant with the Data Protection Act 2018 in all our fundraising activity; for example, we always record consent from donors and supporters and always offer the option to opt out of receiving emails.

Our campaigns and marketing work is based around public relations and social media, as opposed to postal or telephone campaigns; people have already opted in to receive information from us.

This year we received no complaints about our fundraising or marketing campaigns.

Funders and supporters

BBC Children in Need
Garfield Weston
Golders Green Foundation
Goodnews Evangelical Mission (GEM)
Hyde Charitable Trust
Nationwide Foundation
OptiGene Foundation
PE Lennard Trust
The Albert Hunt Trust
The Blagrave Trust
The Gledswood Charitable Trust
The Ludlow Trust
The Pebble Trust
The Rosaz Charity
The Three Oaks Trust
Ufi VocTech Trust

Audio Note
Burt Brill & Cardens Solicitors
Bupa
Dynamo Mortgages
Kier Group
Mayday Group
Mott MacDonald
Oban International
Service Master Clean
Waitrose

The trustees are grateful to all the organisations that have so generously supported us in 2023-2024.

8 Governance

Governance framework

We are governed by our Articles of Association which provide our constitutional framework. These were updated in April 2024 to reflect the YMCA England and Wales model articles. They are available for inspection on the Companies House website or from the Company Secretary.

We have adopted the National Housing Federation's Code of Governance (2015) and in doing so meet the Charity Commission's requirement for a Code of Governance. The Board reviews its compliance with this Code annually and confirms that we are compliant with it.

We are registered with the Charity Commission of England and Wales (1079570), a company limited by guarantee and incorporated in England and Wales (03853734), a registered provider of social housing (4644) and an accredited service with the British Association of Counselling Professionals (00102752).

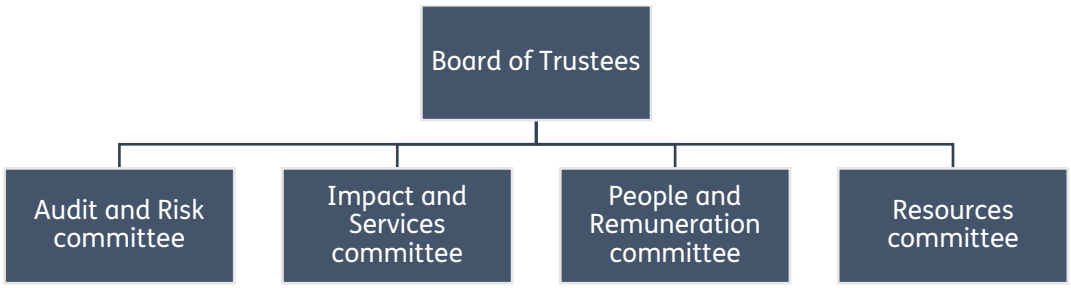
We comply with the Companies (Miscellaneous Reporting) Regulations 2018 regarding the requirements of section 172 (10) of the Companies Act 2006; it applies because we have more than 250 employees.

We are affiliated, via a membership agreement, to the National Council of YMCAs for England and Wales (known as YMCA England and Wales) and, through them, to the YMCA World Council.

Structure

The Board of Trustees is the central decision-making body of the company and comprises 10 trustees at the time of signing. The Board met on six occasions last year. This includes two strategic away days. Trustees also undertook site visits and engagement with children and young people. In addition to the six formal meetings of the Board, trustees participated in specialist Board training programmes across the financial year delivered by experts in a variety of fields.

We expanded our effectiveness by deploying a new board committee structure to gain further assurance and access specialist skills. There are four sub-committees of the Board, including a new Impact and Services committee which met for the first time in May 2023.



These Board committees are made up of trustees and independent members who have specialist skills. The committees have defined terms of reference and a responsibility to report to the Board through a formal report. All comply with necessary regulations and reporting requirements set out by the Charity Commission.

After four years of service Michael Gercke stood down as trustee and member of the Resources Board committee and trustees would like to record their appreciation to him for his service. Trustees also wish to extend their deepest sympathy to the family of Andrew Taylor, former trustee, who recently passed away. Andrew was a generous trustee who will be missed; he shared nearly 30 years' experience in housing, working with local authorities, housing associations and tenant-led organisations to the benefit of our work.

During the year we recruited three new trustees and two independent committee members. All successful candidates are subject to our safer recruitment checks and receive induction training covering governance, finance, risk and safeguarding along with a briefing on our service delivery activity. Trustee and committee member engagement remains strong with an attendance rate of 91% over the year. Executive team members are invited to attend all Board meetings. Each Executive team member is responsible for one or more committee and liaises with the respective Trustee Chair. Heads of Services are also invited to attend committee and Board meetings where required.

Governance strategy and Board effectiveness

During the year, the Board continued to develop the charity's governance arrangements. These included:

- complying with the 2015 Code of Governance
- adopting the National Housing Federation 2022 Trustee Code of Conduct (from March 2023)
- delivery of the Board effectiveness action plan, including a trustee skills analysis and the recruitment of new trustees
- undertaking skills development around governance responsibilities including the new Consumer Standards by the Regulator of Social Housing which came into force on 1 April 2024.

Statement of Trustees' responsibilities

As trustees, we are also directors of YMCA DownsLink Group for the purposes of company law. We are responsible for preparing this Annual Report and the Financial Statements; this is in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (UK GAAP), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Company law requires us to prepare financial statements for each financial year that give a true and fair view of the situation 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, we are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Social Housing SORP
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

We are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable us to ensure that the financial statements comply with the Companies Act 2006. We 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.

Statement of internal controls

The trustees are responsible for ensuring that the charity has in place a system of internal controls and procedures that are appropriate to the various business environments in which it operates. These controls are designed to give reasonable assurance with respect to:

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

The Board has overall responsibility for establishing and maintaining the system and for reviewing their effectiveness, including:

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

Compliance with Regulator of Social Housing

In the last financial year, we reported an investigation on our social rent setting relative to the Rents Standard issued by the Regulator of Social Housing. For 13 properties and 250 units we were unable to find historic valuation evidence that substantiated core rents charged. After commissioning new valuations, £261k of provision was included in last year's accounts from which to pay back local authorities for overcharged rents. We agreed no historical action for any undercharged rents. In working with the Regulator of Social Housing we have had our action plans agreed with no further follow up. We are in discussions with all eight of the local authorities who are due funds. 30% of the total provision in value has been repaid and we continue to provide the local authorities with the detailed tenant information they require to reimburse the remaining 70%.

The Board has reviewed the charity's compliance with the Regulator's Governance and Financial Viability Standard and are satisfied that the charity meets the requirements.

Statement as to disclosure of information to auditors

As far as we are aware, there is no relevant audit information (as identified by section 418 of the Companies Act 2006) of which the charity's auditors are unaware.

Each trustee has taken all the steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

A resolution to reappoint auditors Haysmacintyre LLP will be proposed at the forthcoming Annual General Meeting.

Fran Beckett
Chair of the Board of Trustees

26 September 2024

9 Independent auditors' report

Opinion
We have audited the financial statements of YMCA DownsLink Group for the year ended 31 March 2024, which comprise the consolidated and company statements of comprehensive income, the consolidated and company balance sheets, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2024 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing from January 2019
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information
The trustees are responsible for the other information. The other information comprises the information included on pages 3 to 23. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report (contained within pages 3 to 5) and the Directors' Report (contained within pages 6 to 23) prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements
- the Directors' Report included within the Report of the Board, the Operating and Financial Review and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Board, the Operating and Financial Review or the Strategic Report.

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

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

Trustees' responsibilities for the financial statements
As explained more fully in the Statement of Responsibilities of the Trustee Board set out on page 21, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error and to issue an auditors' 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 based on these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures can detect irregularities, including fraud is detailed below:

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

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

- inspecting correspondence with regulators and tax authorities
- discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud
- evaluating management's controls designed to prevent and detect irregularities
- identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions
- challenging assumptions and judgements made by management in their critical accounting estimates.

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

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

Adam Halsey (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditor

26 September 2024

10 Queen Street Place
London
EC4R 1AG

10 Financial accounts and statements

Consolidated Statement of Comprehensive Income for Year Ended 31 March 2024

	Notes	Social Housing Activities	Trading Activities	Charitable Activities and Other Income	2024 Total	2023 Total
		£	£	£	£	£
Turnover from continuing operations						
Social housing lettings	2	**13,806,369**	**-**	**-**	**13,806,369**	12,667,218
Trading activities	10	**-**	**29,493**	**-**	**29,493**	34,409
Charitable activities and other income	4	**-**	**-**	**4,619,509**	**4,619,509**	4,026,002
		13,806,369	**29,493**	**4,619,509**	**18,455,371**	16,727,629
Operating costs						
Social housing lettings	3	**(13,921,239)**	**-**	**-**	**(13,921,239)**	(13,271,369)
Trading activities	10	**-**	**(27,416)**	**-**	**(27,416)**	(33,656)
Charitable activities and other costs	5	**-**	**-**	**(4,942,312)**	**(4,942,312)**	(4,562,029)
		(13,921,239)	**(27,416)**	**(4,942,312)**	**(18,890,967)**	(17,867,054)
Operating (deficit)/ surplus		**(114,870)**	**2,077**	**(322,803)**	**(435,596)**	(1,139,425)
Interest receivable and other income		**77,974**	**-**	**1,388**	**79,362**	40,690
Interest payable and similar charges		**(251,407)**	**-**	**-**	**(251,407)**	(173,574)
Unrealised gain on investments		**-**	**-**	**(231)**	**(231)**	(2,864)
Asset disposal		**-**	**-**	**-**	**-**	(2,118,378)
(Deficit)/ Surplus on ordinary activities		**(288,303)**	**2,077**	**(321,646)**	**(607,872)**	(3,393,551)
Net movement in funds		**(288,303)**	**2,077**	**(321,646)**	**(607,872)**	(3,393,551)

The consolidated income and expenditure of the charity and its subsidiary relate wholly to continuing operations.
These financial statements were approved and authorised for issue by the directors on 1 August 2024 and signed on their behalf by:

Fran Beckett
26 September 2024

Nick Mourant
26 September 2024

The notes set out on pages 31 to 43 form part of these financial statements

Consolidated Statement of Financial Position as at 31 March 2024

Registered number: 3853734

	Notes	2024 Group	2024 Charity	2023 Group	2023 Charity
		£	£	£	£
FIXED ASSETS					
Social housing properties	9	**19,516,884**	**19,516,884**	19,746,483	19,746,483
Other properties	9	**440,639**	**440,639**	448,736	448,736
Other tangible assets	9	**441,151**	**441,151**	340,377	340,377
		20,398,674	**20,398,674**	20,535,596	20,535,596
Investment in subsidiary	10	**-**	**2**	-	2
		20,398,674	**20,398,676**	20,535,596	20,535,598
CURRENT ASSETS					
Debtors	12	**1,490,109**	**1,490,109**	1,520,611	1,522,368
Investments	11	**32,365**	**32,365**	32,596	32,596
Cash at bank and in hand		**2,171,937**	**2,160,328**	3,462,439	3,449,927
		3,694,411	**3,682,802**	5,015,646	5,004,891
CREDITORS					
Amounts falling due within one year	13	**(2,752,997)**	**(2,753,467)**	(3,018,768)	(3,018,768)
NET CURRENT ASSETS		**941,414**	**929,335**	1,996,878	1,986,123
TOTAL ASSETS LESS CURRENT LIABILITIES		**21,340,088**	**21,328,011**	22,532,474	22,521,721
CREDITORS					
Amounts falling due after one year	14	**(15,587,451)**	**(15,587,451)**	(16,171,965)	(16,171,965)
NET ASSETS		**5,752,637**	**5,740,560**	6,360,509	6,349,756
FUNDS					
Unrestricted funds	16	**5,665,196**	**5,653,119**	6,191,237	6,180,484
Restricted funds	15	**87,441**	**87,441**	169,272	169,272
		5,752,637	**5,740,560**	6,360,509	6,349,756

These financial statements were approved and authorised for issue by the directors on 1 August 2024 and signed on their behalf by:

Fran Beckett
26 September 2024

Nick Mourant
26 September 2024

The notes set out on pages 31 to 43 form part of these financial statements

Consolidated Statement of Cash Flows for Year Ended 31 March 2024

	Notes	2024		2023	
		£	£	£	£
Cash flow from operating activities					
Deficit for the year			**(607,872)**		(3,393,551)
Adjustments for non-cash items:					
Depreciation	8	**528,305**		528,015	
Decrease in debtors		**30,502**		92,970	
Decrease in creditors		**(850,286)**		(411,448)	
Reinstated Homes England grant		**-**		3,279,676	
Deficit / (Gain) on disposal of property		**6,004**		(1,334,694)	
Deficit on disposal of other assets		**2,332**		-	
Unrealised investment loss		**231**		2,864	
Interest payable		**251,407**		173,574	
Interest receivable		**(79,362)**		(40,690)	
			(110,867)		2,290,267
Net cash outflow from operating activities			**(718,739)**		(1,103,284)
Cash flow from investing activities:					
Purchase of tangible fixed assets	9	**(400,133)**		(315,402)	
Sale of tangible fixed assets		**415**		4,125,000	
Interest received		**79,362**		40,690	
			(320,356)		3,850,288
Cash flow from financing activities:					
Loan interest paid		**(251,407)**		(173,574)	
Repayment of loan		**-**		(2,335,468)	
			(251,407)		(2,509,042)
(Decrease) / increase in cash in the year			**(1,290,502)**		237,962
Net cash funds at beginning of year			**3,462,439**		3,224,477
Net cash funds at end of the year			**2,171,937**		3,462,439

Reconciliation of net cash flow to movement in (net debt)/net funds

	1 Apr 2023	Cash flows	Non cash changes	31 Mar 2024
Cash	3,462,439	(1,290,502)	-	2,171,937
Debt due within one year	**-**	**-**	-	**-**
Debt due after one year	(850,000)	-	-	(850,000)
	2,612,439	(1,290,502)	-	1,321,937

The notes set out on pages 31 to 43 form part of these financial statements

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

1. ACCOUNTING POLICIES

a) Status

YMCA DownsLink Group (YMCA DLG) Limited is incorporated under the Companies Act 2006 and registered with Companies House in England and Wales under number 3853734. Its registered office is Reed House, 47 Church Road, Hove, East Sussex BN3 2BE. It is also registered as a charity with the Charity Commission in England and Wales, number 1079570 and as a Registered Provider of Social Housing with the Homes and Communities Agency in England, number 4644.

The charity meets the definition of a public benefit entity under Financial Reporting Standard 102 applicable in the UK and Republic of Ireland (FRS 102).

Basis of Preparation

The financial statements of the group and association are prepared in accordance with applicable legislation UK Generally Accepted Accounting Practice (UK GAAP) including FRS 102 and the Housing Statement of Recommended Practice 2014 (SORP): for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2015. A separate SORP for charities also exists. However, the RSHP SORP takes precedence over the Charities SORP as the former represents the more specialised guidance, but the trustees may have regard to the Charities SORP where its recommendations are not contrary to the Housing SORP.

Basis of Accounting

Assets and liabilities are initially recognised at historical cost or transaction values unless otherwise stated in the relevant accounting policy notes. Those assets measured at fair value are remeasured at each balance sheet date.

The main areas of estimation and judgement affecting the accounts:

Depreciation

Assets are depreciated over their expected useful economic lives as set out in note 1(h). These lives have been determined with reference to both internal experience and external comparisons but will be kept under review in future periods. It may be necessary to lengthen or shorten these lives depending on further actual experience.

Accrual for deficit contribution to the defined benefit pension scheme

As set out in note 1(g) a liability is recognised in respect of the present value of the expected future contributions to alleviate the pension deficit arising from past service. The liability recognised is affected by the discount rate applied and the undiscounted underlying liability will also vary depending on the results of the triennial actuarial valuation of the pension scheme. The triennial valuation was completed as at 1 May 2023 and the resulting changes to the schedule of contributions are included in YMCA DLG's financial statements for the year ended 31 March 2024.

Provisions

Full provision is made for the value of all personal debts relating to former residents in YMCA DLG's accommodation projects. It is possible that some of these amounts may be recovered or that amounts related to current residents and currently unprovided may prove to be irrecoverable.

Provisions are made for other items where is it considered probable that a liability has arisen and these are quantified based on the best available information. Such provisions are updated as more and better data become available.

In the opinion of the trustees none of the above items are likely to be subject to material estimation uncertainty but the largest area of uncertainly relates to the pension deficit contributions.

No complex financial instruments are held.

YMCA DLG is required by the Companies Act 2006 to prepare group accounts. The results, assets and liabilities of the subsidiary company YMCA DLG Services Limited is included on a line by line basis.

Basis of Consolidation

The consolidated financial statements present the results of YMCA DLG registered provider of social housing and its subsidiary YMCA DownsLink Group Services Ltd as if they formed a single entity. All financial statements are made up to 31 March 2024.

The charity has taken advantage of the exemption under Section 408 of the Companies Act 2006 from presenting its own statement of comprehensive income. The deficit of the charity for the financial year was £609,949 (2023: deficit of £3,394,304)

Going Concern

Following an assessment of our financial position, the resources available going forwards and the cash flow position for the next 12 months to August 2025, the trustees believe the organisation can manage organisational risks and the forecasting of financials, concluding to a reasonable expectation that YMCA DLG has adequate resources to continue operating for the foreseeable future. Trustees have concluded that material uncertainty does not exist and continue to adopt the going concern basis in the financial statements.

b) Turnover

Turnover represents trading income, rent and service charges income receivable in the year net of rent and service charge losses from voids, revenue grants, including those from local authorities and Homes England, contracts and charitable receipts, all net of VAT.

c) Supporting People Contract

The charity receives funding from Supporting People which is accounted for on an accruals basis, matching income and expenditure and disclosures are made in accordance with the relevant standards and legislation.

d) Donations and Grants

Donations and grants other than Social Housing Grant are included when the criteria of entitlement, probability and measurability have been met. The associated Gift Aid tax recoverable is recognised on receipt.

Social Housing Grants (SHG) are recognised on the balance sheet as a liability and amortised over the life of the assets funded (accrual model) with the exception of SHGs related to those assets that were revalued at their deemed cost at 1 April 2015 where the grant was recognised in full as an addition to reserves (performance model).

e) Investment Income

Investments are included in the financial statements at market value.

f) Empty Homes

The grant income is included on completion of the building work. If there are no associated development costs, a proportion of the grant income is released over the term of the lease and the balance on signing the lease.

g) Pension Costs

YMCA DLG 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 DLG.

As described in note 19, YMCA DLG has a contractual obligation to make pension deficit payments over the period to April 2029. Accordingly, the present value of the liability is shown in note 19 to these accounts.

In addition, YMCA DLG is required to contribute £23,355 p.a. (2023: £21,578 p.a.) to the operating expenses of the pension plan and these costs are charged to the Statement of Comprehensive Income as made.

h) Fixed Assets

i) Housing Properties

Definition and Recognition

Housing properties are properties held for the provision of social housing or to otherwise provide social benefit.

Housing properties are principally properties available for rent and are stated at cost with the exception of those properties revalued at a deemed cost on adoption of FRS 102.

Depreciation:

The major components of the properties are identified and depreciation is charged to write off the cost of each component over their expected useful economic lives.

Depreciation is charged on a straight-line basis over the following number of years:

Structure	50-100	Wiring, lift and heating systems	10-30
Pitched roof	50-75	Bathrooms	5-25
Flat roof, windows, external doors	25-30	Kitchens	20

ii) Other Fixed Assets

Cost:

Individual fixed assets costing £1,000 or more and are of a capital nature for ongoing use by YMCA DLG are capitalised.

Depreciation:

Other fixed assets are depreciated to write off each asset over its estimated useful life at the following annual rates:

Freehold land	Not depreciated
Motor vehicles	25% on reducing balance basis
Fixtures, fittings and equipment	10–25% on cost
ICT equipment	25% on cost
Cycles	100% on cost

i) Volunteers

The value of services provided by volunteers is not incorporated into these financial statements. Further details of the contribution made by volunteers can be found in the trustees' Annual Report.

j) Irrecoverable VAT

The financial statements include VAT to the extent that it is not recoverable from HM Revenue and Customs. Irrecoverable VAT is charged directly with the related cost where possible or apportioned as part of central costs.

k) Operating Leases

The charity classifies the lease of printing, photocopy, laundry and catering equipment as operating leases. The title of the equipment remains with the lessor and the equipment is replaced every three to five years whilst the economic life of such equipment is normally in excess of this. Rental charges are charged on a straight line basis over the term of the lease.

l) Commitments

Commitments which are legally binding are included as liabilities.

m) Taxation

The charity is exempt from tax on income and gains falling within Sections 466 to 493 of the Corporation Tax Act 2010 to the extent that these are applied to its charitable objects.

n) Funds and Reserves

The charity has various types of funds for which it is responsible and require separate disclosure:

Unrestricted Reserves

Unrestricted reserves are reserves which are expendable at the discretion of the trustees in the furtherance of the objects of the charity.

Restricted Reserves

Restricted reserves are funds which are expendable as directed by the donor.

Revaluation Reserves

Revaluation reserves arise when investments are revalued.

2. TURNOVER FROM HOUSING ACTIVITIES

	2024	2023
	£	£
Rent and Service charges:		
Rent receivable	**3,365,145**	3,067,437
Service charge receivable	**6,300,675**	5,513,269
Personal service charge receivable	**291,665**	263,225
Amortised government grant	**122,577**	122,578
	10,080,062	8,966,509
Other revenue:		
Supporting people	**2,189,346**	2,036,274
OLAC, leaving care and step down service	**950,185**	1,018,894
Homes England grant income	**299,074**	375,546
More than a room activity	**6,360**	43,318
Fundraising income	**62,604**	105,015
Other social housing income	**54,079**	109,394
Pension revaluation	**164,659**	12,268
	13,806,369	12,667,218
Rent and service charge losses from voids	**(513,991)**	(546,236)

3. OPERATING COSTS FROM HOUSING ACTIVITIES

	2024	2023
Housing accommodation – number of units	**654**	672
Managed housing – number of units included in above total	**104**	108
	£	£
Housing services	**7,473,642**	6,813,240
Housing support	**2,461,472**	2,292,260
More than a room project	**98,680**	187,905
Share of central overheads	**2,022,116**	2,290,849
Repairs and maintenance	**1,205,444**	1,061,449
Rent losses from bad debts and provision	**161,082**	126,245
Depreciation of housing properties	**345,783**	359,506
Depreciation of equipment, fixtures and fittings, motor vehicles	**153,020**	139,915
	13,921,239	13,271,369

4. TURNOVER FROM CHARITABLE ACTIVITIES AND OTHER INCOME

	2024	2023
	£	£
Therapeutic services	**2,935,890**	2,571,115
Support services: children, young people and families	**1,071,961**	936,366
Horsham YMCA Football Club	**64,279**	49,404
Fundraising income	**494,177**	398,583
Pension revaluation	**52,784**	3,874
Other income	**418**	66,660
	4,619,509	4,026,002

5. OPERATING COSTS - CHARITABLE ACTIVITIES AND OTHER COSTS

	2024	2023
	£	£
Therapeutic services	**3,164,777**	2,855,359
Support services: children, young people and families	**1,562,862**	1,257,234
Horsham YMCA Football Club	**75,229**	84,233
Passport to Independence and other costs	**109,942**	336,609
Depreciation	**29,502**	28,594
	4,942,312	4,562,029

6. STAFF COSTS

	2024	2023
	£	£
Salaries and wages	**9,029,251**	8,450,243
Social security	**826,476**	785,963
Pension costs	**303,611**	287,230
Apprentice tax	**30,383**	27,439
Life assurance	**23,824**	29,730
Healthcare	**37,241**	35,852
Redundancy and compensation	**112,804**	50,195
Agency costs	**1,584,974**	1,429,764
	11,948,564	11,096,416
The average number of employees paid during the year was:		
Full time and part time employees	**365**	362
Full time equivalent	**293**	290
The number of staff receiving remuneration in excess of £60,000:		
£60,000 – £69,999	**3**	4
£70,000 – £79,999	**3**	3
£80,000 – £89,999	**2**	1

7. EMOLUMENTS OF DIRECTORS AND LEADERSHIP TEAM

None of the directors received any remuneration in the current or prior year. One director received reimbursed expenses of £28 (2023: £43). The charity has directors' and officers' liability insurance in place.

The aggregate emoluments of the Executive team were £565,775 for 5.3 full time equivalent staff (FTE), (2023: £606,402 for 5.8 FTE). The remuneration of the Chief Executive comprised salary of £72,051, employer National Insurance of £9,002 and pension contributions of £5,764 (2023: £87,240, £11,822 and £9,644). The Chief Executive was a member of the current stakeholder pension scheme with no special terms or rights to enhanced benefits.

8. OPERATING SURPLUS

The operating surplus is stated after charging:	**2024**	2023
	£	£
Losses from bad debts	**163,300**	126,875
Operating leases – equipment	**21,753**	19,533
– land and buildings	**1,394,324**	1,322,951
Deficit on disposal of fixed assets	**8,336**	8,837
Deficit on disposal of The Bridge	**-**	2,118,378
Depreciation of equipment, fixtures and fittings, motor vehicles	**171,284**	168,509
Depreciation of properties and components	**357,021**	359,506
Auditors' remuneration: external audit	**36,195**	33,295

9. FIXED ASSETS

	Social Housing Properties	Other Properties	Total
	£	£	£
Cost			
1 April 2023	**21,458,505**	**523,147**	**21,981,652**
Additions	**125,329**	**-**	**125,329**
Disposals	**(11,000)**	**-**	**(11,000)**
31 March 2024	**21,572,834**	**523,147**	**22,095,981**
Depreciation			
1 April 2023	**1,712,022**	**74,411**	**1,786,433**
Charge for the year	**348,924**	**8,097**	**357,021**
Eliminated on disposal	**(4,996)**	**-**	**(4,996)**
31 March 2024	**2,055,950**	**82,508**	**2,138,458**
Net book amount			
31 March 2024	**19,516,884**	**440,639**	**19,957,523**
31 March 2023	19,746,483	448,736	20,195,219

	2024	2023
Properties at cost comprise:	£	£
Freeholds	**19,002,249**	18,887,920
Long leaseholds	**3,093,732**	3,093,732
Cost of properties	**22,095,981**	21,981,652

OTHER TANGIBLE FIXED ASSETS

	Vehicles	Fixtures, Fittings and Equipment	Total
	£	£	£
Cost			
1 April 2023	**89,612**	**1,001,196**	**1,090,808**
Additions	**3,378**	**271,426**	**274,804**
Disposals	**(27,510)**	**(232,846)**	**(260,356)**
31 March 2024	**65,480**	**1,039,776**	**1,105,256**
Depreciation			
1 April 2023	**74,274**	**676,157**	**750,431**
Charge for the year	**5,591**	**165,693**	**171,284**
Eliminated on disposals	**(26,514)**	**(231,096)**	**(257,610)**
31 March 2024	**53,351**	**610,754**	**664,105**
Net book amount			
31 March 2024	**12,129**	**429,022**	**441,151**
31 March 2023	15,338	325,039	340,377

10. INVESTMENTS IN SUBSIDIARIES

The wholly owned trading subsidiary, YMCA DLG Services Limited, which is incorporated in England and Wales, pays its profits chargeable to Corporation Tax to the charity by Gift Aid. The charity owns the entire issued share capital of two ordinary shares of £1 each. A summary of the trading results is shown below:

	2024	2023
	£	£
Turnover	**29,493**	34,409
Cost of sales and administrative expenses	**(27,416)**	(33,656)
Net profit	**2,077**	753

11. INVESTMENTS

	2024		2023	
	Market Value	**Cost**	Market Value	Cost
	£	**£**	£	£
Blackrock Charinco Common Investment Acc Fund	**8,010**	**8,426**	7,797	8,426
Blackrock Charinco Common Investment Inc Fund	**2,805**	**3,664**	2,848	3,664
M & G Charifund	**21,550**	**24,282**	21,951	24,282
	32,365	**36,372**	32,596	36,372

12. DEBTORS

	2024		2023	
	Group	**Charity**	Group	Charity
	£	**£**	£	£
Accommodation debtors	**944,853**	**944,853**	1,001,463	1,001,463
Bad debt provision	**(791,383)**	**(791,383)**	(626,860)	(626,860)
Trade debtors	**593,275**	**593,275**	666,728	666,728
Prepayments	**346,278**	**346,278**	174,176	174,176
Accrued income and other debtors	**397,086**	**397,086**	305,104	305,104
Amounts owed by subsidiary undertakings	**-**	**-**	-	1,757
	1,490,109	**1,490,109**	1,520,611	1,522,368

13. CREDITORS FALLING DUE WITHIN ONE YEAR

	2024		2023	
	Group	**Charity**	Group	Charity
	£	**£**	£	£
Deferred income	**882,207**	**882,207**	1,049,434	1,049,434
Other creditors	**1,029,540**	**1,029,540**	839,933	839,933
Trade creditors	**564,380**	**564,380**	659,585	659,585
Employment taxes and pensions	**72,191**	**72,191**	248,192	248,192
Pension deficit	**82,101**	**82,101**	99,046	99,046
Housing grants	**122,578**	**122,578**	122,578	122,578
Amounts owed to subsidiary undertakings	**-**	**470**	-	-
	2,752,997	**2,753,467**	3,018,768	3,018,768

14. CREDITORS FALLING DUE AFTER ONE YEAR

	2024		2023	
	Group	**Charity**	Group	Charity
	£	**£**	£	£
Loans, not wholly repayable within five years	**850,000**	**850,000**	850,000	850,000
Deferred income, grants in advance	**708,491**	**708,491**	1,015,094	1,015,094
Dilapidations provision	**397,738**	**397,738**	423,038	423,038
Defined benefit pension deficit	**144,670**	**144,670**	444,214	444,214
Housing grants	**13,486,552**	**13,486,552**	13,439,619	13,439,619
	15,587,451	**15,587,451**	16,171,965	16,171,965
Loan maturity analysis in more than five years	**850,000**	**850,000**	850,000	850,000
	850,000	**850,000**	850,000	850,000

During the previous financial year, the loan with the Charity Bank was repaid and configured into a revolving credit facility for £2,274,599 for a three-year term as a means to mitigating interest costs when cash is not required. There is a commitment fee of 0.28% per quarter to hold the credit line open for future use.

There are additional loans of £850,000 with The Rosaz Charity with an interest rate of 0.5% over the Bank of England's base rate. These are repayable no earlier than September 2044 and are unsecured.

15. RESTRICTED FUNDS – GROUP AND CHARITY

The following funds have been restricted in their use only for the intended projects.

Fund Name	Description
Special needs reserve	To fund exceptional requirements for those in supported housing in Guildford
Horsham Y Centre legacy	Activities or equipment that will benefit the young people of Horsham
Youth mental health	Deliver workshops in secondary schools
Chaplaincy	Provide pastoral care to residents and staff
Passport to Independence	Development of innovative e-learning platform for young people
Youth engagement	Delivers open access youth clubs
What is sexual exploitation? (WiSE?)	Support children and young people to stay safe in their relationships
Youth advice centres	Advice, support and guidance to young people
Girls' mentoring programme	An early and effective mentoring initiative that matches trained volunteer mentors with female identifying young people to support them to overcome challenges and achieve their fullest potential in life
Housing fund	Provide resources for residents
Football club pitch upgrade	Funds towards an artificial grass sports pitch in Horsham
Living our values award	Two annual awards for demonstrating our values

Funds	1 April 2023	Income	Expenditure	Transfers	31 March 2024
	£	£	£	£	£
Special needs reserve	890	-	(890)	-	-
Horsham Y Centre legacy	29,734	-	(2,887)	-	26,847
Youth mental health	9,955		(9,955)	-	-
Chaplaincy	3,500	28,000	(28,167)	-	3,333
Passport to Independence	11,439	100,000	(111,439)	-	-
Youth engagement	2,167	-	(2,167)	-	-
WiSE?	2,777	33,392	(33,331)	-	2,838
Youth advice centres	97,500	93,500	(141,177)	-	49,823
Girls' mentoring programme	7,500		(7,500)	-	-
Housing fund	710	2,700	(1,710)	-	1,700
Football club pitch upgrade	2,500	-	-	-	2,500
Living our values award	600	-	(200)	-	400
	169,272	257,592	(339,423)	-	87,441

16. RESERVES – GROUP

	1 April 2023	Income	Expenditure	Transfers	31 March 2024
	£	£	£	£	£
Unrestricted funds:					
General reserve	(2,664,802)	17,937,120	(18,274,646)	(490,429)	(3,492,757)
Fixed asset reserve	9,403,075	122,578	(528,305)	391,383	9,388,731
Pension reserve	(543,260)	217,443	-	99,046	(226,771)
Investment revaluation reserve	(3,776)	-	(231)	-	(4,007)
Total unrestricted funds	6,191,237	18,277,141	(18,803,182)	-	5,665,196
Restricted funds	169,272	257,592	(339,423)	-	87,441
	6,360,509	18,534,733	(19,142,605)	-	5,752,637

The transfer to the fixed asset reserve of £391,383 represents the net of additions of £400,133 and disposals of £8,750 (see note 9). The transfer to the pension reserve is £99,046 of deficit contributions made during the year (see note 19).

RESERVES – CHARITY

	1 April 2023	Income	Expenditure	Transfers	31 March 2024
	£	£	£	£	£
Unrestricted funds:					
General reserve	(2,675,555)	17,907,627	(18,247,231)	(489,675)	(3,504,834)
Fixed asset reserve	9,403,075	122,578	(528,305)	391,383	9,388,731
Pension reserve	(543,260)	217,443	-	99,046	(226,771)
Investment revaluation reserve	(3,776)	-	(231)	-	(4,007)
Total unrestricted funds	6,180,484	18,247,648	(18,775,767)	754	5,653,119
Restricted funds	169,272	257,592	(339,423)	-	87,441
	6,349,756	18,505,240	(19,115,190)	754	5,740,560

Within the fixed asset reserve is a revaluation amount of £1,859,020 relating to Crawley Foyer introduced on adoption of FRS 102 in April 2014. The transfer balance of £754 represents the gifting of YMCA DLG Services Ltd gifting of the prior year profits (see note 10).

17. GUARANTEES

As part of its direct charitable work, YMCA DLG provides letters of guarantee to landlords to provide limited cover against lost rent and/or damage to property. The likely liability for guarantees in place at 31 March 2024 is under £1,000. This system enables more places to be facilitated with minimal exposure. There is no provision for guarantees which may be called upon within these financial statements.

18. MEMBERS

YMCA DLG is limited by guarantee having no share capital. In accordance with the Memorandum of Association every member is liable to contribute a sum of £1 in the event of the charity being wound up.

19. PENSION COMMITMENT

YMCA DLG 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 DLG and at the year-end these were invested in the Mercer Dynamic De-risking Solution, 65% matching portfolio and 35% in the growth portfolio, and Schroder (property units only).

The most recent completed three-year valuation was as at 1 May 2023. The assumptions used which have the most significant effect on the results of the valuation are those relating to:

- the assumed rates of return on assets of 4.56%
- the increase in pensions in payment of 3.18% (for retail price index capped at 5% per annum
- the average life expectancy from normal retirement age for a current male pensioner of 21.5 years, female 24.0 years and for those retiring in 20 years' time, 23.1 years for a male pensioner, female 25.7 years.

The result of the valuation showed that the actuarial value of the assets was £103m. This represented 92% of the benefits that had accrued to members.

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

The valuation prepared as at 1 May 2023 showed that the YMCA Pension Plan had a deficit of £9m. YMCA DLG has been advised that it will need to make monthly contributions of £6,712 from 1 May 2024. This amount is based on the current actuarial assumptions and may vary in the future as a result of actual performance of the Pension Plan. Agreed future deficit contributions have been discounted using a rate of 4.9% (2023: 4.8%). The current recovery period is three years commencing 1 May 2024.

During the year deficit payment contributions of £99,046 were made.

The table below sets out the value of the liabilities included in the balance sheet

	Within one year	One to two years	Two to five years	After five years	After more than one year	TOTAL 2024	TOTAL 2023
As at 31 March 2024	82,101	73,190	71,480	-	144,670	226,771	-
As at 31 March 2023	99,046	92,887	269,196	82,131	444,214	-	543,260

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

Supplementary to the above scheme, employees starting with Sussex Central YMCA, the former legal entity merged to become YMCA DLG, after 1 April 2001, were eligible to join a stakeholder pension scheme, administered by Legal and General, which is a defined contribution scheme, into which the charity pays contributions. The employer's contribution is set at a maximum of 6% of gross pensionable salary. The employee contribution is a minimum of 1.6%. In addition, members of the Leadership team can make contributions of 8% of salary to the stakeholder pension scheme with an employer's contribution of up to 15%. During the period a total of 32 employees benefited from the scheme at a cost of £153,313.

In 2007 Guildford YMCA, a former legal entity that merged to become YMCA DLG commenced a scheme with Aviva. This is a group personal plan arrangement and the contributions are expressed as a percentage of the employee's salary. This scheme was to replace the now closed defined benefit scheme discussed above. The cost for the year was £1,609 (2023: £1,539) in respect of 1 employee (2023: 1).

With the introduction of auto enrolment, the organisation-wide scheme was closed to new entrants on 31 January 2014 and the charity now offers a stakeholder defined contribution pension scheme in line with legislative requirements administered by Legal and General.

At the end of the year there was a liability of £49,201 relating to all the schemes that was settled the following month.

20. OPERATING LEASE COMMITMENTS

The future minimum lease payments of leases are as set out below.

	2024	2023
	£	£
Land and buildings:		
Within one year	**972,503**	990,466
Between one and five years	**2,419,183**	1,976,931
In more than five years	**557,785**	709,371
	3,949,471	3,676,768
Equipment:		
Within one year	**16,279**	6,222
Between one and five years	**-**	2,166
In more than five years	**-**	-
	16,279	8,388

21. GROUP AND RELATED UNDERTAKINGS

During the year ended 31 March 2024, YMCA DLG had the following related and associated undertakings:

	Relationship	**Status**	**Regulated by Social Housing Regulator**
YMCA DownsLink Services Limited	100% subsidiary	Trading Company	Non-regulated

22. CONTINGENT LIABLITIES

At 31 March 2024 there were contingent liabilities in respect of grants received in relation to the following properties:

Building	Social housing grant	Local authority grant
Crawley Foyer	£873,140	£1,500,226
Worthing Foyer	£823,632	
Guildford Foyer	£2,021,986	
Horsham Y Centre	£4,057,690	
Eastbourne Y Centre	£771,910	
Eastbourne Foyer	£1,525,000	
Hastings Foyer	£1,614,950	
The Bridge, Guildford	£3,449,187	

There is potential for repayment or recycling of these grants in the event the sites are disposed of and/or taken out of social housing use. The Bridge, Guildford, was sold in June 2022 to a non-registered provider and the associated grant has been retained by YMCA DLG to recycle. The grant is accruing interest at the Bank of England base rate on a daily basis until recycled. All other properties remain in social housing.

On the purchase of Horsham Y Centre and Eastbourne Y Centre from YMCA England and Wales, grants were received for £873,000 and £247,500 respectively. If YMCA DLG were to either resign as a member of YMCA England and Wales Federation, disassociate itself from the organisation, or cease to participate in any of its operations, the grants will become refundable. There are no plans for any of these events to occur.

Of the £16,637,721 housing grants liability, £13,609,130 is within creditors. On implementation of FRS 102 in the 2016 financial statements, the trustees elected to treat the grants held at the time for Crawley Foyer under the performance model and recognise them in reserves. On the sale of The Bridge, the grant associated with it has been retained to be recycled and at 31 March 2024 the value of the grant has increased to £3,449,187. All other grants are treated under the accruals model and amortised over the life of the related structure. To date £1,105,225 has been transferred to reserves.

	Social housing grant obligations	Recognised in reserves	Amortisation to date	Net book value	Creditors due less than one year	Creditors due greater than one year
Crawley Foyer	873,140	(423,140)	(108,000)	342,000	18,000	324,000
Crawley Foyer	1,500,226	(1,500,226)	-	-	-	-
Worthing Foyer	823,632	-	(75,500)	748,132	8,236	739,896
Guildford Foyer	2,021,986	-	(461,450)	1,560,536	16,646	1,543,890
Horsham Y Centre	4,057,690	-	(284,038)	3,773,652	40,577	3,733,075
Eastbourne Y Centre	771,910	-	(54,678)	717,232	7,719	709,513
Eastbourne Foyer	1,525,000	-	(83,877)	1,441,123	15,250	1,425,873
Hastings Foyer	1,614,950	-	(37,682)	1,577,268	16,150	1,561,118
The Bridge RCGF	3,449,187	-	-	3,449,187	-	3,449,187
	16,637,721	(1,923,366)	(1,105,225)	13,609,130	122,578	13,486,552

23. CAPITAL COMMITMENTS

At the year-end there were no capital commitments.

YMCA
DOWNSLINK GROUP

YMCA DownsLink Group
Reed House
47 Church Road
Hove
BN3 2BE

Registered company: 03853734
Registered charity: 1079570
Registered social housing provider: 4644
Registered BACP accreditation: 00102752

YMCA DOWNSLINK GROUP

England & Wales - Charity number 1079570

Accounts

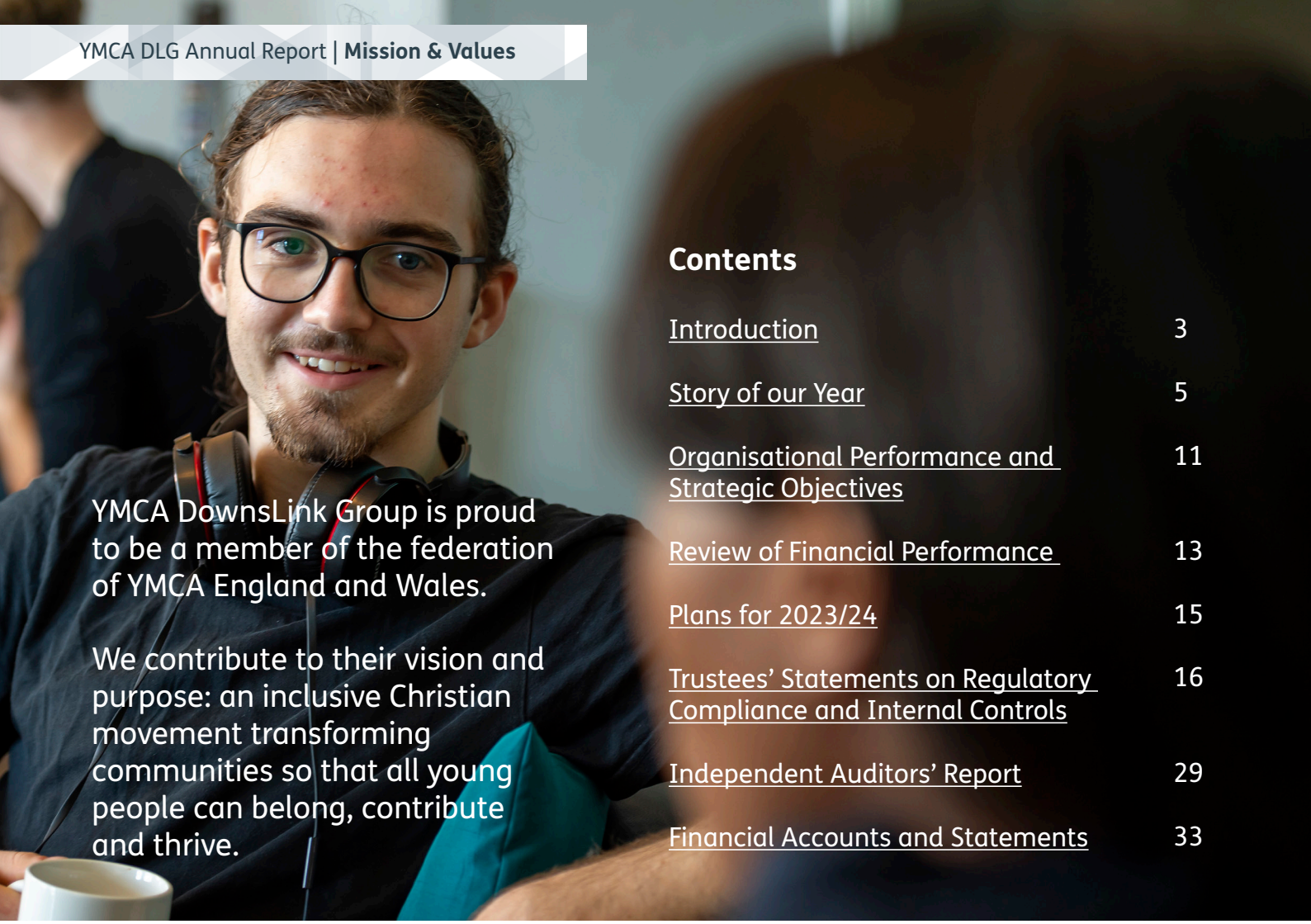
YMCA
DOWNSLINK GROUP

Annual Report

2022/23

YMCA

Here for young people
Here for communities
Here for you



YMCA DownsLink Group is proud to be a member of the federation of YMCA England and Wales.

We contribute to their vision and purpose: an inclusive Christian movement transforming communities so that all young people can belong, contribute and thrive.

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Our mission

To help children and young people have a fair chance to be who they want to be.

We do this by providing a safe home, increasing life skills and self-confidence, and improving emotional wellbeing and mental health.

Our values

We welcome all who need space to feel secure, respected, heard and valued

We inspire people to realise their full potential

We support people to maximise opportunity and choice

We speak out on the issues that are important to children and young people and help them find their own voice

2022/23

Our Year in Numbers

9,378
children, young people and families used our services

5,423
children and young people provided with counselling support

672
young people given a home every night

86%
residents ready to move on did so successfully

444
chaplaincy meals shared across our housing projects

Around 120,000 young people face homelessness in the UK, not counting the hidden homeless; 40% of 16 to 24-year-olds have sofa-surfed or lived in temporary accommodation at some point.[1]

1 Centrepoint Databank 2022

A Year of Resilience: Reflecting on the Year 2022/23

Chair's Introduction

The year 2022/23 has been a challenging time for everyone, including our YMCA. As we emerged into a post-Covid world, who could have foreseen a war in Europe that would spark a cost-of-living crisis and jeopardise our fragile post-pandemic recovery?

It's now well understood that the pandemic had a huge impact on the wellbeing of children and young people. For our YMCA this has meant a huge increase not only in the number of children and young people needing support, but also a significant increase in risk and complexity.

We have all felt a desire to do more and yet the cost-of-living crisis, which sparked interest rates rises and spiralling utility bills, negatively impacted our finances and contributed to us making a significant operating loss. Such challenging external factors necessitated a strong focus for the leadership team on consolidation and sustainability. Tough decisions were made to reinvest in our core mission of supporting young people at risk of homelessness. This detailed strategic work has led to the launch of a new three-year strategy that aims to deliver psychologically informed services, co-created with young people, whilst stabilising our financial reserves to weather external shocks.

Our staff and volunteers are the backbone of our organisation and their resilience in the face of these challenges is remarkable. The cost-of-living crisis has impacted them too, so despite the financial challenges, I'm pleased that we are committed to being a Real Living Wage Employer and stuck to our annual pay award. We faced another big change in 2022 as we said goodbye to our CEO, Chas Walker. We're grateful to Chas for his commitment and hard work on behalf of the organisation and wish him well. At the time of writing this I'm delighted to say that Emily Brock has started as our new CEO. With her wealth of senior leadership and change management experience, we're looking forward to a period of positive transformation.

The impact of what we do every day is what drives us all and, despite the external challenges, we have made a difference to so many young people. I've been touched by so many of the individual stories which really show our impact, such as Ben's story. Now a successful chef in his 30s, Ben got in touch to share how being given a supportive home with us when he was made homeless at 15 changed the course of his life.

Thank you to our staff who create change and make the difference. Thanks also to our volunteers, partners and supporters who continue to be so generous in their support of our charity.

Fran Beckett
Chair of Board of Trustees

CEO's Introduction

I am delighted to have joined YMCA DownsLink Group as Chief Executive at this key moment for the organisation. In the last 10 years, the organisation has positively impacted the lives of thousands of children, young people and families in our community. I'm committed to building on this legacy and driving the organisation forward with passion and purpose.

This Annual Report reflects the increasing need and complexity of issues for those we support and the strain this has put on our staff, services and finances. Our new strategy for the period 2023-2026 sets a clear vision that will help us focus as we respond to these pressures, although we will need to be innovative, flexible and agile to address them effectively. These are sector wide challenges, so I believe that working in partnership with other organisations, government and statutory services will be crucial to ensure we can continue to deliver quality services to those who need them most.

Much has been achieved in 2022/23 to set the groundwork for delivering our strategic priorities which include, delivering psychologically informed services, amplifying youth voice and leadership, and being a great place to work. Underpinning these ambitions is our firm commitment to equity, diversity and inclusion, exemplified by a new action plan, co-created in 2022 with colleagues, trustees and young people.

I'm grateful for the dedication of our staff, volunteers, partners, and donors. I'm looking forward to working with you to build a brighter future for more children and young people.

Emily Brock
Chief Executive Officer

Preventing and Tackling Youth Homelessness in our Communities

Across Sussex and in Guildford we continued to provide high quality supported accommodation for children and young people at risk of homelessness. In 2022/23 we provided 1,056 young people with a safe home, alongside holistic support, including access to education, training, or employment to give them the tools to live independently. Of those that were ready to 'move on', 86% did so successfully.

Significant trends in 2022/23 included an increase in unaccompanied asylum seeking children (UASC) and care leavers aged 16-17. Our project workers work with each resident to help them develop the skills they need to live independently or refer them to specialist services, such as mental health support. Our Inspire Coaches guide residents into work, training, or education.

Many of our residents have experienced trauma; **68%** have mental health needs, **60%** leave home after a family breakdown and roughly **33%** are care leavers.

Adi's story

Adi is an unaccompanied asylum seeking young person who was born in Eritrea and grew up in Ethiopia.

His journey to the UK took him through many countries. Shortly after he arrived in the UK, he was offered a home at our Guildford Foyer. As a child Adi spent hours watching movies and acting out the scenes for his friends, so, our Guildford Inspire Coach introduced Adi to a local theatre company. He was given the opportunity to get involved with touring dance companies, acting workshops and gain career advice.

Following this, Adi was offered a funded place at Guildford Shakespeare Youth Company. He auditioned and secured the lead role in their production of Hamlet and wowed the audience with his performance. As well as his talent for the arts, Adi advanced quickly through college, moving from a basic English class to GCSE level classes. Adi's commitment to his education involved taking a three hour round trip journey to college and his hard work paid off when in June 2022 he passed his GCSEs.

Adi's journey has been inspiring and his achievements were recognised nationally when he won the Lewis Sewell Memorial Award at YMCA England and Wales Youth Matters Awards for courage, resilience and positivity. Not only was the award given to him by celebrated choreographer, Arlene Phillips, but he also won a place in a West End show.

"It doesn't matter where you started, anything is possible."

Changes to our Accommodation Provision and Housing Related Support

In 2022 we welcomed Satnam Kaur as Director of Housing & Community Services. Satnam is currently developing a housing strategy to ensure that our provision is of consistent quality across all locations and meets regulatory standards so we can achieve our goal of becoming Ofsted accredited.

In 2022, we also took the strategic decision to sell The Bridge in Guildford. Since 2016 it had been run as student accommodation after our provision for young people facing homelessness had moved to a purpose-built Foyer. In April, the building was sold to a leading provider of student accommodation and the proceeds will be reinvested into supporting our core mission.

Ufi VocTech Trust funding is helping us build an **innovative e-learning platform**, co-created with residents and staff, to learn essential life skills such as budgeting and meal planning.

Chaplaincy

In 2022 we commissioned an independent review to understand Chaplaincy's impact, reach, and relationship to our values. It found that our chaplaincy service is at the heart of our housing projects. Both staff and young people spoke extremely highly of the service and of the pastoral care it provides. Chaplaincy connects deeply to the core value of, 'we welcome all'. But, more than that, it was consistently found to create a sense of 'family' within our projects.

Mapalo's story

Mapalo had a difficult childhood. When she was seven, her mum suffered a heart attack which permanently altered her personality. Not only was this scary for Mapalo, but it completely changed their relationship.

Her mum regularly threw her out of the house and sent her to school with her belongings packed into a suitcase. Each time it happened Mapalo would have to go to her teachers, present herself as homeless, and the teachers would call her mum to insist she let her back home.

When Mapalo turned 18, her teachers were able to help her secure a home in our 24 hour supported accommodation. She was nervous about what life at YMCA might be like, but she settled in quickly, made friends and was supported through her A-Levels. Staff would wake her and give her breakfast before her exams to help her get through this stressful time.

During her time with us, Mapalo threw herself into every opportunity, developing her confidence, independence and life-skills. She travelled with a small group of staff and residents to Denmark to represent YMCA DownsLink Group at the YMCA World Conference. She gave an interview to the BBC about the impact of the cost-of-living crisis and bravely shared her story for our Christmas fundraising campaign.

After working exceptionally hard, Mapalo passed her A-levels and was accepted into university to study midwifery in January 2023. We're delighted to report that she is thriving and loving her course.

Supporting Children and Young People with their Mental Health

Mental health challenges for children and young people have continued to increase. In 2022/23 we provided therapeutic support to 5,423 children and young people via our schools and community counselling. We experienced a significant rise in demand across all services, leading to increased wait times.

Working with the Child and Adolescent Mental Health Service (CAMHS) and the Youth Emotional Support (YES) Service, we launched the Single Point of Access for Mental Health (SPOA) which provides young people, families and professionals with a simple referral for mental health support in West Sussex. In addition, we continued to work in partnership with the West Sussex Multi Agency Mental Health Education Triage (MAMHET) to reduce the risk of suicide by young people.

Over **20,000 unique visits** to our digital wellbeing service, e-wellbeing, which offers support to young people and professionals on mental health and emotional wellbeing issues.

Supporting Young People in their Community

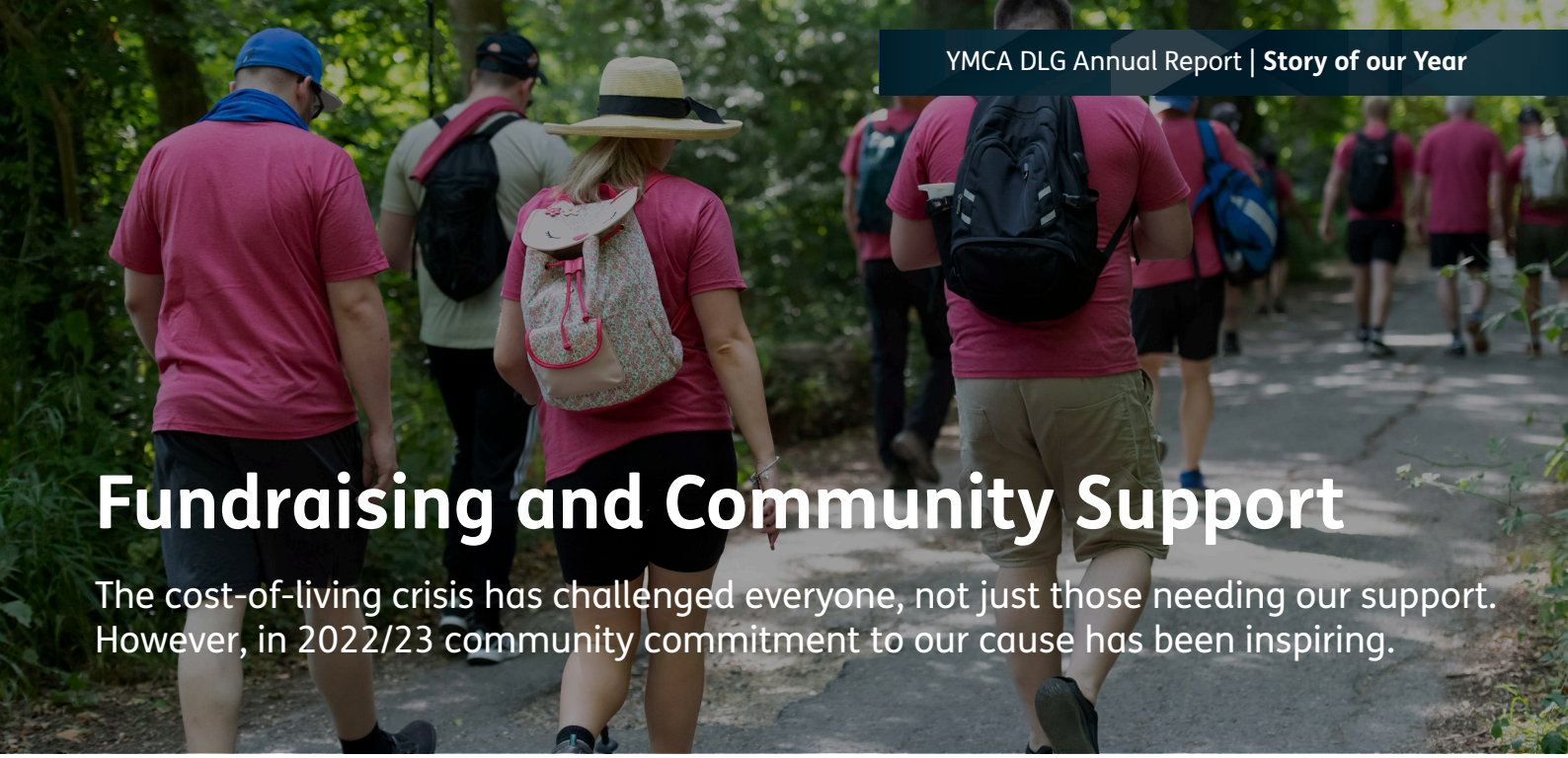
Since 2010, there has been a 68% reduction in spending by Brighton and West Sussex[2] on youth services. These services often act as a safety net for young people, and without them, issues may go unaddressed leading to long-term consequences. Despite the difficult funding conditions, in 2022/23 we were able to maintain our essential youth services, such as our Youth Advice Centres in Brighton and Crawley and delivered groundbreaking projects such as Room to Rant and our service for young people who've experienced, or at risk of, sexual exploitation (WiSE).

2 Brighton and West Sussex. Evidence YMCA England and Wales 2023 Generation Cut Report

987 children and young people accessed our support & advice services in Brighton & Crawley.

WiSE supported **140** children and young people who've experienced sexual exploitation.

Innovative rap project, **Room to Rant**, supported young men with their mental health.



Fundraising and Community Support

The cost-of-living crisis has challenged everyone, not just those needing our support. However, in 2022/23 community commitment to our cause has been inspiring.

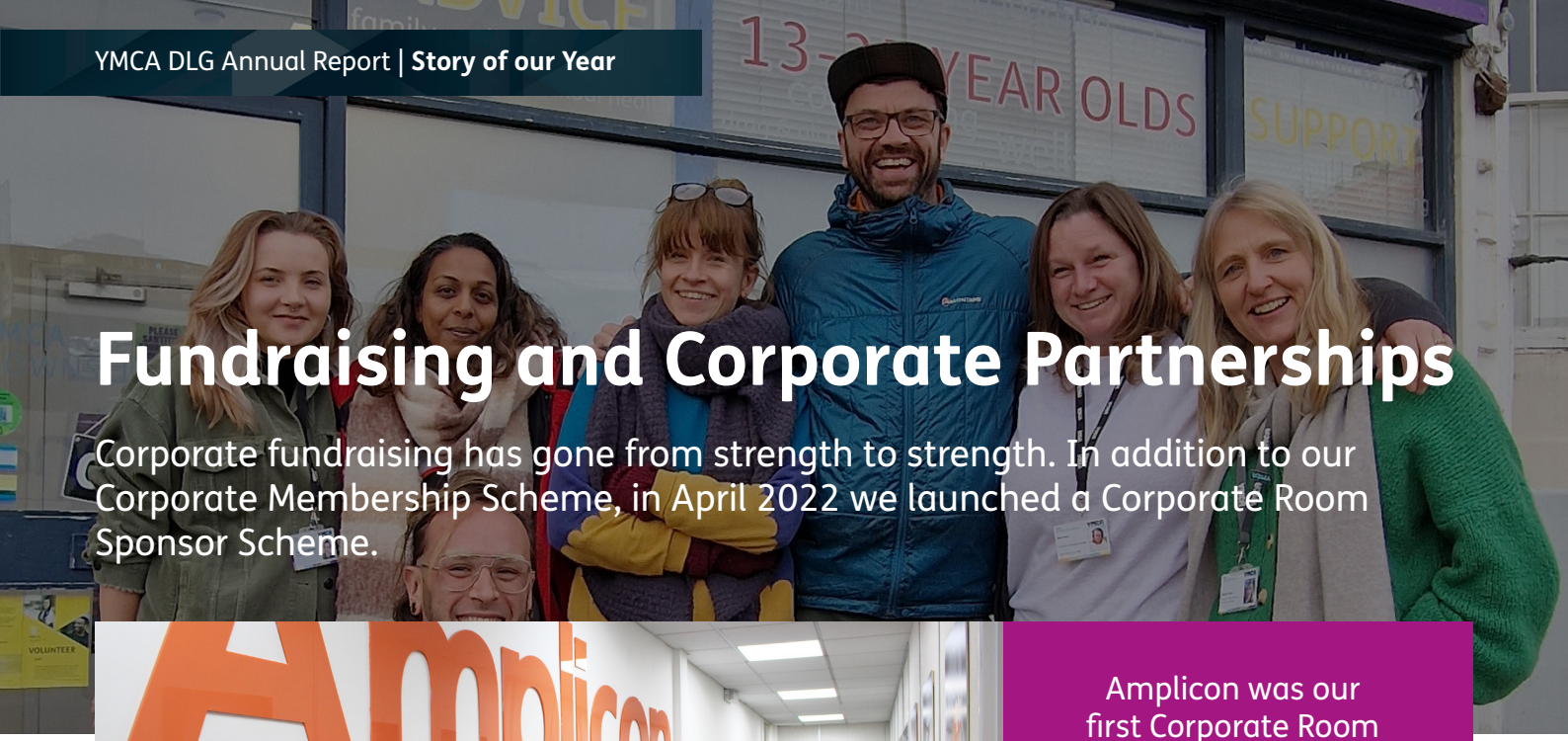
These are just a few examples of how our community came together to support us

BEFORE and AFTER: Two residents wanted to create a relaxing space. With a donation from the Mayor of Hailsham, and a lot of hard work, they turned a disused office into a welcoming lounge.

UK Harvest ran sessions to show our residents how to reduce food waste and make delicious meals on a budget.

Brighton artist Carina hand-painted a beautiful mural in the communal area in our young families project at Gocher Court to create a colourful space for the families to enjoy every day.

GoodGym volunteers combine exercise with service by running to projects and getting stuck into whatever needs doing - here a much needed garden makeover.



Fundraising and Corporate Partnerships

Corporate fundraising has gone from strength to strength. In addition to our Corporate Membership Scheme, in April 2022 we launched a Corporate Room Sponsor Scheme.

Amplicon was our first Corporate Room Sponsor!

Since then, 10 more businesses have signed up and we've a growing pipeline of opportunities.

Dynamo started as a Corporate Room Sponsor but have continued to develop a relationship with us by offering mentoring to residents, creating fundraising events and volunteering at our projects.

In July we ran our second DownsLink Challenge which raised £17,000.

Some supporters also took on their own unique challenges, such as the adventurous Kelvin, who took on the epic Scilly Swim and raised £10k in the process.

Young People: Speaking Out, Standing Up, Giving Back

One of the highlights of 2022/23 was seeing and hearing from the young people we work with. Across our projects many young people shared their personal experiences to raise awareness of the issues facing them. Many have also wanted to 'give back' and take part in community and fundraising events.

Josh from Hailsham and a group of our young people from Guildford Foyer helped raise the profile of our flagship participation event, YMCA DownsLink Challenge. Josh has since gone on to become an ambassador for YMCA England & Wales.

Our e-wellbeing ambassadors worked tirelessly to provide resources for young people around mental health. From sharing their experiences and tips on vlogs to leading our Mental Health Champions project in schools. They also fed into important NHS research.

Nova shared their music with us and their experiences of discrimination.

Mapalo gave an interview to BBC News and attended a world YMCA event in Denmark.

Hayley shared her story directly with funders to show how our YMCA has changed her life.

Organisational Performance and Strategic Objectives

Strategy

Despite the challenge of unpredictable external events, in 2022/23 we achieved many of the strategic goals set out in the 2022/23 interim strategy, Strong Foundations. This work focused on achieving a better balance between our mission and resources while establishing a robust operational and financial foundation.

Key strategic initiatives included enhancing the capabilities of our people function, embedding functional work methodologies, and fostering a more inclusive environment where every voice holds genuine influence. Additionally, we embarked on addressing the industry-wide challenges in recruitment and retention, resulting in voluntary staff turnover returning to pre-Covid levels (15.6%).

To align our services with our strategic priorities more efficiently, we reviewed all our projects against our missional priorities, risk tolerances and financial operating principles. We also reviewed our referral thresholds and service focus to ensure operational clarity.

Key strategic decisions included:

- focus on core service users, children and young people up to 25
- development of clear exit plan for our adult service provision
- continued geographic commitment to Sussex and Surrey
- commitment to keep referrals to commissioned thresholds
- enhanced clinical assurance in our therapeutic services
- future projects to be assessed against agreed criteria within the business development framework to ensure financial viability

In 2022/23 we began a significant piece of work on how we manage, maintain, and invest in our property assets, including rent management and referrals. This detailed work will feed into a comprehensive Asset Management Strategy, which will be finalised in 2023. At the same time, we have scrutinised our business planning, financial sustainability, risk appetite and forecasting. Taken together, the culmination of this strategic work will be integral to ensuring our core financial stability.

Another key strategic objective, reflecting the complexity of the internal and external factors impacting our sector, was to update and review our organisational risk register. Alongside this review, we also overhauled our risk management approach to better anticipate and mitigate potential issues.

In 2022/23 we began implementation of a planned programme of investment in our ICT infrastructure. This crucial work will ensure that our IT systems are future proof and comply with the requirements of our commissioned services.

Lastly, we began work on the development of a three-year strategy, which we are delighted to report was ratified by our trustees in July 2023. Underpinning the process was a collaboration with The Centre for Youth Impact to develop a 'theory of change' and an extensive consultation process with both internal and external stakeholders including colleagues, young people who use our services, partners, commissioners, donors and trustees.

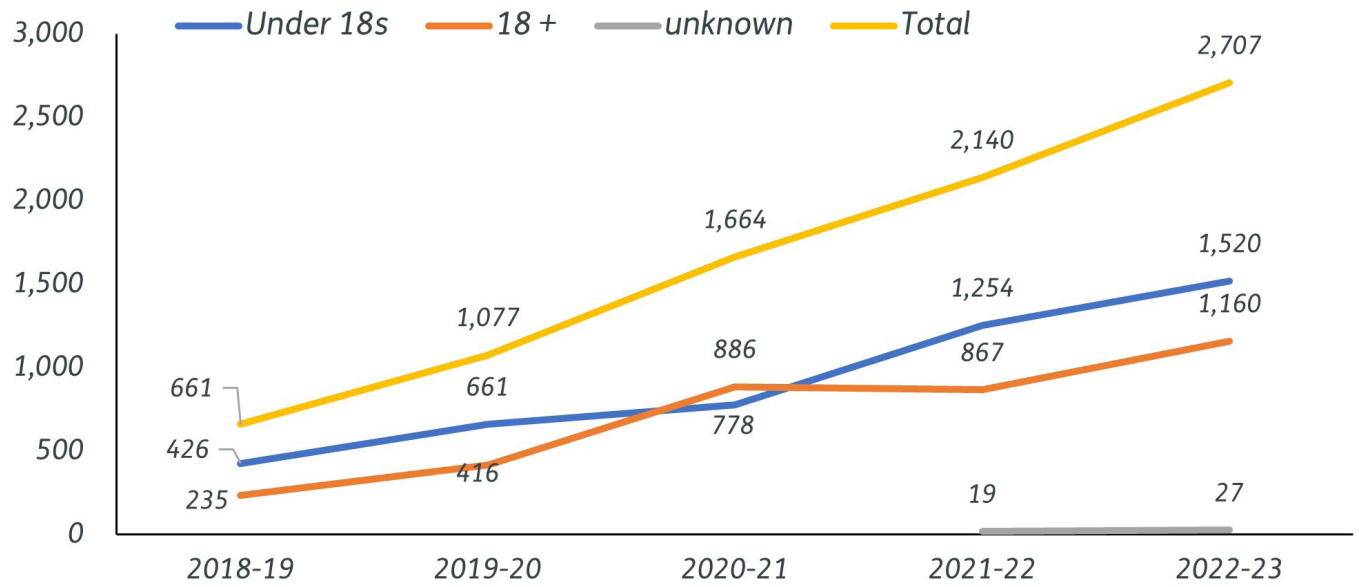
Our strategic performance in 2022/23 reflects our commitment to our mission and values, in the face of complex challenges. The strategic work outlined above, including improved operational efficiency, financial scrutiny and the development of a long-term strategy, will ensure that we continue to be a leading provider of high-quality services to children and young people in Sussex and Surrey. By continuing to take a leading role in local and national networks, as well as maintaining effective relationships with peers, commissioners and partners, we can continue to help shape and improve the sector.

Safeguarding

We're operating in unprecedented times as we continue to adjust to the legacy of the pandemic, the cost-of-living crisis and over a decade of under-investment in health, social care and education. As prevention and earlier intervention provision has declined, and complexity and demand have increased, more and more is being asked of our organisation to fill the gaps. This has resulted in a 24% increase in safeguarding activity on the previous year.

In response to the challenge, we've strengthened our safeguarding capabilities through a specialist safeguarding team to support operations, investment in training and development, and robust audit and review mechanisms to quality assure. Significant work has been undertaken to ensure we operate within our clinical and service thresholds with our stakeholders in the NHS and local authorities. Mental health, self-harm and suicide ideation are our biggest risks and we have invested in our clinical governance to manage this.

Increase in safeguarding incidents year on year



Review of Financial Performance 2022/23

Income and Expenditure Summary	2023	2022	Movement
	£'000	£'000	
Income	16,727	16,252	3%
Operating costs	(17,867)	(16,244)	(10%)
Underlying operating surplus / (deficit)	(1,140)	8	(14,350%)
Pension revaluation / rebasing	-	(75)	100%
Disposal of The Bridge, Guildford	(2,118)		(100%)
Operating surplus / (deficit)	**(3,258)**	**(67)**	(4,763%)
Net interest and unrealised gain on investments	(136)	(80)	(70%)
Deficit for the year	**(3,394)**	**(147)**	**(2,209%)**

Review of Financial Performance 2022/23

Summary
The underlying operating deficit of the organisation amounted to £1,140,000 following a challenging year with global political and economic uncertainty impacting the organisation, specifically the rising impact of energy prices, interest rates and inflation. The total operating deficit amounted to £3,258,000 due to the accounting treatment of the disposal of one of our non-missional buildings, The Bridge, Guildford.

Income
Our income of £16,727,000 (2022 - £16,252,000) increased by 3%. We saw growth in our Therapeutic Services offer. Within Housing Services our income grew as we delivered new Older Looked After Children (OLAC) and Unaccompanied Asylum-Seeking Children (UASC) support contracts and reported a full year of income from the Foyer in Hastings.

Expenses
Operating costs increased by 10% to £17,867,000 (2022- £16,244,000) impacted by various factors in addition to the costs associated with our increase in income. As our fixed term utility contracts came to an end in the summer of 2022, we were adversely affected by the global utility price increases, seeing an additional spend of £400,000 for the year, with a restriction on passing the cost increases to our residents due to tenancy agreements and rent regulations. As the cost-of-living crisis grew, alignment to prior external salary benchmarking had become dated so a pay increase was awarded in October in addition to the April rise increasing salary costs in total by £360,000.

The Sale of The Bridge, Student Accommodation, Guildford
In June 2022 we disposed of the student accommodation, The Bridge in Guildford, for £4,100,000 as the delivery of student accommodation sat outside our mission. As the purchaser was not a registered housing provider, we retained the £3,200,000 Homes England grant attached to the building to recycle. The transaction has resulted in an accounting loss due to the treatment of the grant when we adopted FRS 102 in 2014. At the time the grant was recognised in the opening reserves. On disposal of The Bridge the recycled grant has been reinstated as a liability resulting in an overall £2,118,000 deficit.

The recycled grant of £3,200,000 is subject to interest at the Bank of England base rate until the grant has been repurposed. Over the nine months the grant has increased by £68,000 of interest. This interest has been expensed in the year-end accounts and can be added to the recycled value to repurpose.

Reserves and Liquidity

The charity has accumulated reserves of £6,361,000 including restricted reserves of £169,000. These reserves are invested in Housing Services property used to meet the charity's strategic objectives of supporting vulnerable young people to belong, contribute and thrive. As a registered social housing provider, as well as a charity, our financial viability is managed by means of a rolling five-year business plan, which considers cash flows, borrowings, bank covenant compliance and the repairs and maintenance of our existing properties, together with the acquisition and development of new projects. With the current external financial situation, business planning has taken on an even greater importance as we model and assess different proposals to ensure the financial viability of the organisation during these unprecedented times.

The free reserves within the organisation amount to £980,000. This year trustees have refreshed the target for free reserves to £2,000,000. Free reserves represent unrestricted funds less the pension reserve and amount invested in property, net of grants and loans from The Rosaz Charity. Measures are being taken to generate further free reserves to reach this new target.

Following the sale of The Bridge, cash proceeds mitigated the need for loaned funds through our lender Charity Bank. As a result, our loan agreement has been temporarily changed into an accessible credit facility with the ability to draw down and pay back funds at short notice. The result has been the return of cash to Charity Bank, mitigating current interest rate growth. We have retained our loan of £850,000 from the The Rosaz Charity with an interest rate in line with Bank of England base rate repayable no earlier than September 2044.

The charity has a cash management policy to hold a minimum of £1,500,000 in cash. At the end of the financial year the charity had cash of £3,462,000 and this could cover three months of running costs.

Plans for 2023/24

We have developed a new strategy which sets out YMCA DownsLink Group's ambitions from 2023 to 2026 in consultation with colleagues, service users, partners and our trustees. The strategy identifies three priorities including delivering psychologically informed services, amplifying youth voice and becoming a great place to work. These priorities will be enabled through a focus on financial effectiveness and stability, a commitment to learning, and a continued focus on equity, diversity and inclusion.

The strategy was approved by the Board of Trustees in July 2023 and has now been launched in September 2023. An annual plan for 2023/24 has been developed to guide the first year of strategy implementation.

Our core services are aimed at 16-24 year olds and include:

- Housing Services
- Mental Health Services
- Support and Advice

Financial Outlook

The year 2022/23 has demonstrated the challenging economic environment in which YMCA DLG has been operating in concluding in an operating deficit. The Board of Trustees has acknowledged that for year 2023/24 there is a budgeted operating deficit mitigated by the sale of a building asset. The net impact of this will be a preservation of cash reserves for this new financial year. This will allow time for the development and implementation of additional plans to return the organisation to an operating surplus for the year 2024/5.

Principal Risks and Mitigation

The organisation has a well-developed approach to strategic risk management and the strategic risk register provides details and mitigation of the 10 most material risks and mitigations. The Executive Team discuss the register monthly and then reported quarterly to each of the trustee sub-committees for each of the relevant subjects applicable to these committees. In turn the sub-committees then report quarterly to both the Audit and Risk Committee and the Board of Trustees. The following are the highest risks in the organisation and how they are being mitigated:

- Death and risk of harm to our service users is an ongoing risk considering the vulnerable young people that are within our care and accommodation. Robust safeguarding policy, processes and risk assessments are instrumental in managing this. Serious incident reviews are a key tool in continuous learning as is the targeted training of our front-line staff.
- Staff retention, especially for front line roles, is an industry-wide challenge matching remuneration to the very real challenges of the pressures of looking after young people. Learning and development pathways, rewards and benefits in line with the external market and work-force planning are all mitigating themes that are in continual assessment to continue our improvement in staff retention.
- Financial sustainability remains one of YMCA DLG's highest risks amongst the backdrop of economic conditions in 2022/23 and 2023/24. Mitigations include contracting opportunities for electricity and gas as a result of falls in the cost on the energy markets. The non-utilisation of our credit line with Charity Bank mitigating borrowing costs, and the development of business reengineering plans ready for the start of 2024/25.

List of Trustees and Advisers

Registered Office
Reed House, 47 Church Road Hove, East Sussex BN3 2BE
Charity Number: 1079570
Company Number: 3853734
Homes England Registered Number: 4644

Trustees
Fran Beckett, Chair
Erin Barnes
Ingrid Beatty (end of term of office 17 January 2023)
Michael Chawatama
Michael Gercke
John Holmstrom
Nick Mourant (appointed 3 February 2023)
Andrew Newell (appointed 6 January 2023)
Caroline Stearman
Andrew Taylor (resigned 17 November 2022)

Company Secretary
Kirsty Bunning (resigned 21 July 2022)
Baldeep Dhol (appointed 21 July 2022)

Audit and Risk Committee
Erin Barnes, Trustee
Chris Fisher, Independent Committee Member (appointed 2 November 2022)
Michael Gercke, Trustee (resigned from committee 18 April 2023)
John Holmstrom, Trustee and Chair
Nick Mourant, Trustee (appointed 3 February 2023)
Andrew Newell, Trustee (appointed 6 January 2023)
Zarina Switlyk, Independent Committee Member (appointed 2 November 2022)

People and Remuneration Committee
Ingrid Beatty, Trustee (end of term of office 17 January 2023)
Fran Beckett, Trustee
Michael Chawatama, Trustee
Caroline Stearman, Trustee and Chair

Resources Committee
Fran Beckett, Trustee
Michael Gercke, Trustee
Nick Mourant, Trustee and Chair (appointed 3 February 2023)
Andrew Newell, Trustee (appointed 6 January 2023)
Andrew Taylor, Trustee (resigned 17 November 2022)

Impact and Services Committee (Established April 2023)
Erin Barnes, Trustee and Chair
Fran Beckett, Trustee
Michael Chawatama, Trustee

Leadership Team
Chas Walker, Chief Executive Officer (resigned 16 November 2022
Andrew Taylor, Interim Chief Executive Officer (appointed 17 November 2022, end of term 31 March 2023)
Jayne Grier, Interim Chief Executive Officer (appointed 17 April 2023, end of term 4 August 2023
Emily Brock, Chief Executive Officer (appointed 12 July 2023
Rachel Brett, Director of Children and Young People
Baldeep Dhol, Director of Finance and ICT
Jayne Grier, Director of People and Culture
Nikki Mason, Director of Fundraising and Communications
Satnam Kaur, Director of Housing and Community Services

Principal Solicitors
DMH Stallard LLP
Gainsborough House Pegler Way Crawley RH11 4FZ

Principal Bankers
The Royal Bank of Scotland PLC
156 High Street, SouthamptonSO14 2NP

External Auditors
Haysmacintyre LLP
10 Queen Street Place, London EC4R 1AG

Internal Auditors
Mazars LLP
Tower Bridge House, St Katharine's Way, London E1W 1DD

Trustees' Statements on Regulatory Compliance and Internal Controls

This section of the report sets out YMCA DLG's compliance with external regulatory bodies and key external legislation relevant to the Annual Report. These are:

- The Charity Commission
- The Fundraising Regulator
- The Regulator of Social Housing
- The Housing Ombudsman
- The Information Commissioner's Office
- The Companies Act 2006

The Charity Commission

YMCA DLG is governed by its Articles of Association and was incorporated on 24 September 1999 as a company limited by guarantee, taking over the charity Hove YMCA. The charity evolved through several YMCA mergers, including Mid Sussex, Horsham and Lewes district, Guildford and finally Eastbourne & Wealden in 2018.

The charity has directors' and officers' liability insurance in place. The Board of Trustees is the central decision-making body of the company and comprises of eight trustees at the time of signing.

The Board meets at least six times a year. During 2022/23 there were three sub-committees:

- Audit and Risk committee
- Business Planning and Finance committee
- People and Participation committee

From 1 April 2023 YMCA DLG operates four committees:

- Audit and Risk committee
- Impact and Services committee
- Resources committee (previously Business Planning and Finance committee)
- People and Remuneration committee (previously People and Participation committee)

These committees have defined Terms of Reference and a responsibility to report to the Board. All comply with all necessary regulations and reporting requirements set out by the Charity Commission.

Charity Commission's and Regulator for Social Housing's Code of Governance Requirement
By adopting the National Housing Federation 2015 Code, YMCA DLG meets the requirements of the Charity Commission's requirement for a Code of Governance. At the time of this report YMCA DLG has reviewed its governance and committee structure and has introduced a fourth committee to the new financial year, namely the Impact and Services Committee.

The YMCA constitution allows for up to 15 trustees and the NHF Code of Governance requires no more than 12. At the time of this report YMCA DLG has eight trustees and so complies with the Code.

Public Benefit Statement
The charity meets the Charity Commission's general guidance on public benefit. The trustees consider that YMCA DLG activities are:

- a true reflection of our charitable aims and objectives
- designed to provide accessible services and activities that benefit the public in accordance with our charitable objectives

We demonstrate the public benefit of our work in pages 5 to 10 of this report.

Statement on Investment Powers
The trustees confirm that the investments made by the charity are made in accordance with the trustees' powers as provided in the Articles of Association.

Pension Scheme
YMCA DLG recognises that there are possible risks associated with its participation in a defined benefits scheme. Appropriate action has been taken with the scheme being closed to new members in 2007, and the link to final salary ceased in 2011. Additional contributions continue to be made to reduce the deficit.

As part of the YMCA federation, the multi-employer scheme is run by an independent Board of Trustees with employer representation through the Principal Employer, the National Council of YMCAs. The pension scheme trustees obtain an actuarial valuation every three years and we have considered the implications to the charity's finances from the latest available actuarial valuation.

We have reviewed the charity's ability to continue to deliver its charitable objectives by ensuring budgets, forecasts and plans are available and include the impact of deficit repayments. The trustees included the impact of pension scheme deficit repayments in considering going concern status, reserves, and the risks and uncertainties that the charity faces noted elsewhere in this Report.

YMCA DLG benefits from the pension scheme trustees and the Principal Employer seeking suitable specialist professional advice both to manage the scheme and in the continuing effort to explore ways of reducing the overall pension deficit. The notes to the Accounts include an accounting policy and further details in note 19.

Equity, Diversity and Inclusion (EDI)
YMCA DownsLink Group's commitment to equity, diversity and inclusion was set out in an action plan co-created with colleagues, trustees and service users for the period 2021 to 2023. Achievements in the second year of implementation included increasing staff membership of the EDI Forum by 88%, reviewing our EDI Policy and training, and developing a Transitioning at Work Policy. The EDI Forum has now agreed a set of new goals for the next 24 months alongside implementation plans.

The Fundraising Regulator

YMCA DownsLink Group's fundraising approach is to support the generation of unrestricted funding to complement our contract and commercial income streams. We also generate restricted fundraising income to support missionally important projects, mainly from philanthropic trusts and foundations.
We are registered with The Fundraising Regulator and have adopted and abide by the Code of Fundraising Practice, which ensures we have a strong fundraising framework and practice.

We are compliant with the Data Protection Act 2018 in all our fundraising activity; for example, we always record consent from donors and supporters and always offer the option to opt out of receiving emails.

Most of our campaigns and marketing work is based around PR and social media, as opposed to postal or telephone campaigns; people have already opted in to receive information from us.
We have a clear complaints process which enables us to monitor all complaints received and the nature of the complaints. The process is available to the public through the website and through complaints leaflets. This year we received no complaints about our fundraising or marketing campaigns.

Regulator of Social Housing

Housing Regulation Standards

The Board of Trustees gain assurance of the organisation's compliance with the Regulator's Economic and Consumer standards through our internal audit compliance programme, which is currently contracted with a third-party audit firm, Mazars. This programme provides compliance and quality assurance. These internal audit findings are reviewed by the Executive Team and the Audit and Risk Committee who set timelines for delivery of any rectification activity and report on progress.

The Board of Trustees can confirm that at the time of filing our Annual Report we have the following updates on three specific cases self-notified to the Housing Regulator.

1. Referred documentation in relation to building compliance. The Regulator responded stating that they are satisfied with our rectification plans and that no breach has been made.
2. In September 2021 we informed the Regulator that we were investigating the possibility that our affordable rents tenancies might be overcharged. The Regulator has concluded that there had been a breach of the Rent Standard, however not material. Fourteen affordable rent tenancies, amounting to a total to £2,624 were overcharged and have subsequently been refunded.
3. Following our affordable rents audit, we completed an investigation on our socials rents relative to the Rents Standard and reviewed our governance around rent setting and management. For 13 properties amounting to 250 units, we were unable to find the appropriate core rents evidence at the time of acquiring these buildings. This has been rectified with newly commissioned valuations for all 13 properties. The new valuations install a new core rent, and these have been investigated to our actual core rents charged. In summary, there has been an over charge of rents for 166 units and an under charge for the remaining 84 units. The 2022/23 accounts have a provision included of £261,000 in rents reimbursement. We have substantiated that these rents are not due to any individuals who paid independently of local authority funding. The £261,000 provisioned will be paid back to local authorities and communication with them will start in November 2023. The under charges are estimated to be £61,000 but there will be no attempt to reclaim such under charges, however at agreed dates we will align to the new core rents. This investigation has concluded in a detailed action plan to strengthen our governance and management of rents. We are in communication with the Regulator of Social Housing on this matter.

Homes England
YMCA DLG is an Investment Partner with Homes England. The Board of Trustees can confirm our validated 'good standing' with Homes England and that this year's development audit was given green status with no actions for improvement.

Value for Money
We continue to focus on Value for Money (VfM) as part of YMCA DLG's strategic development plan. VfM means managing our resources, both staff and monetary, economically, efficiently, and effectively, thus achieving the optimum balance between all three to achieve our mission, values and objectives. VfM has been assigned to our newly formed Resources Committee led by trustees and including a refresh of policy. The most substantial VfM activities are included in financial sustainability planning for the organisation including the completion of a revised asset management strategy, and asset stock condition requirements. In addition, our largest commissioned contracts have been reviewed for financial viability as we head into negotiations of new contract terms and tenders. This is to ensure that YMCA DLG is appropriately recompensed in an environment where commissioners are challenged in their own funding streams and are seeking to freeze or reduce funding.

Procurement remains a focus of the organisation with revised policy and tenders seeking to consolidate with key suppliers where appropriate to do so. Tenders in group and employee-related insurances have realised over £40,000 in annual savings while continuing to work with robust partners offering quality of service as well. The financial year commenced with a revised strategy to manage the organisation's information, communication, and technology (ICT). This entailed a shift from internal ICT resources to a fully outsourced partner, Trident, an ICT specialist organisation. Such engagement has resulted in a review of ICT expenditure within the organisation and a plan for future ICT strategy that offers economical consolidation and procurement.

Value for Money Metrics
The revised Value for Money Standard issued by the Regulator for Social Housing requires the publication of value for money metrics. An explanation of the metrics is set out.

1. Reinvestment percentage: 1% (2022 15%)
   The reinvestment percentage considers the investment in properties (existing stock as well as new supply) as a percentage of the value of housing properties held, demonstrating the scale of investment in relation to the size of the asset base.

   During 2021/22 the charity purchased a 47-bed hostel in Hastings.

2. New supply (social housing units) delivered percentage: 0% (2022 19%)
   The new supply percentage 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 metric does not include social housing properties transferred from another provider.

   YMCA DLG only provides supported social housing, is not a volume developer and owns less than half the units operated. The percentage increase demonstrates new social housing units entering the market. During the year the charity sold a 112-unit hostel to a non-registered provider, two units in other properties became office space and a two-unit shared property was transferred to a single occupancy. Overall, the number of units managed reduced by 115.

3. Gearing: 0% (2022 0%)
   The gearing percentage assesses how much of the adjusted assets are made up of debt and the degree of dependence on debt finance, demonstrating the proportion of borrowing in relation to the size of the asset base.

   During 2022/23 we repaid our Charity Bank loan and converted it into an accessible credit facility to mitigate interest rate increases. We still hold borrowings of £850,000 from The Rosaz Charity.

4. EBITDA major repairs included interest cover %: -453 % (2022 414%)
   The interest cover metric is a key indicator for liquidity and investment capacity and seeks to measure the level of surplus generated compared to interest payable; the measure avoids any distortions stemming from the depreciation charge.

   The deficit reported this year has resulted in a negative interest cover metric. YMCA DLG do have an EBITDA covenant for our credit facility with Charity Bank. For the financial year Charity Bank have issued a covenant waiver in knowledge that the measure would not be met.

5. Headline social housing cost per unit: £18,632 (2022 £14,534)
   The social housing cost per unit metric assesses the headline social housing cost per unit as defined by the regulator. As a specialist supported housing provider, this reflects the extent of support provided to YMCA DLG residents.

6. Operating margin (housing): -4.8% (2022 1.0%)
   Operating margin (overall): -6.8% (2022 -0.4%)

   The operating margin demonstrates the profitability of operating assets before exceptional expenses are considered.

7. Return on capital employed: -5.0% (2022 -0.3%)

   This metric compares the operating surplus to total assets less current liabilities and measures the efficient investment of capital resources.

The Housing Ombudsman
Complaints
We have published our self-assessment against the Complaints Code on our website.

We have complied with the Code this year with 100% of complaints received being processed in line with the Code.

The Information Commissioner's Office (ICO)
We are registered with the ICO (registration Z6157129) and comply with the Data Protection Act 2018. This year we had no reportable data breaches.

The Housing Ombudsman

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Companies Act 2006

The Companies (Miscellaneous Reporting) Regulations 2018 require trustees to have regard to the requirements of section 172 (10) of the Companies Act 2006 as to:

- the likely consequences of their decisions in the long term
- the interests of employees
- the need to foster relationships with suppliers, customers and other stakeholders
- the impact of our operations on the community and the environment
- the desirability of maintaining a reputation for high standards of business conduct

We confirm that we, as trustees, comply with this legislation; it applies to us because we have more than 250 employees.

Statement on Internal Financial Controls and Trustees' Responsibilities
As trustees for YMCA DLG we acknowledge our ultimate responsibility for ensuring that the charity has in place a system of controls that is appropriate to the various business environments in which it operates. These controls are designed to give reasonable assurance with respect to:

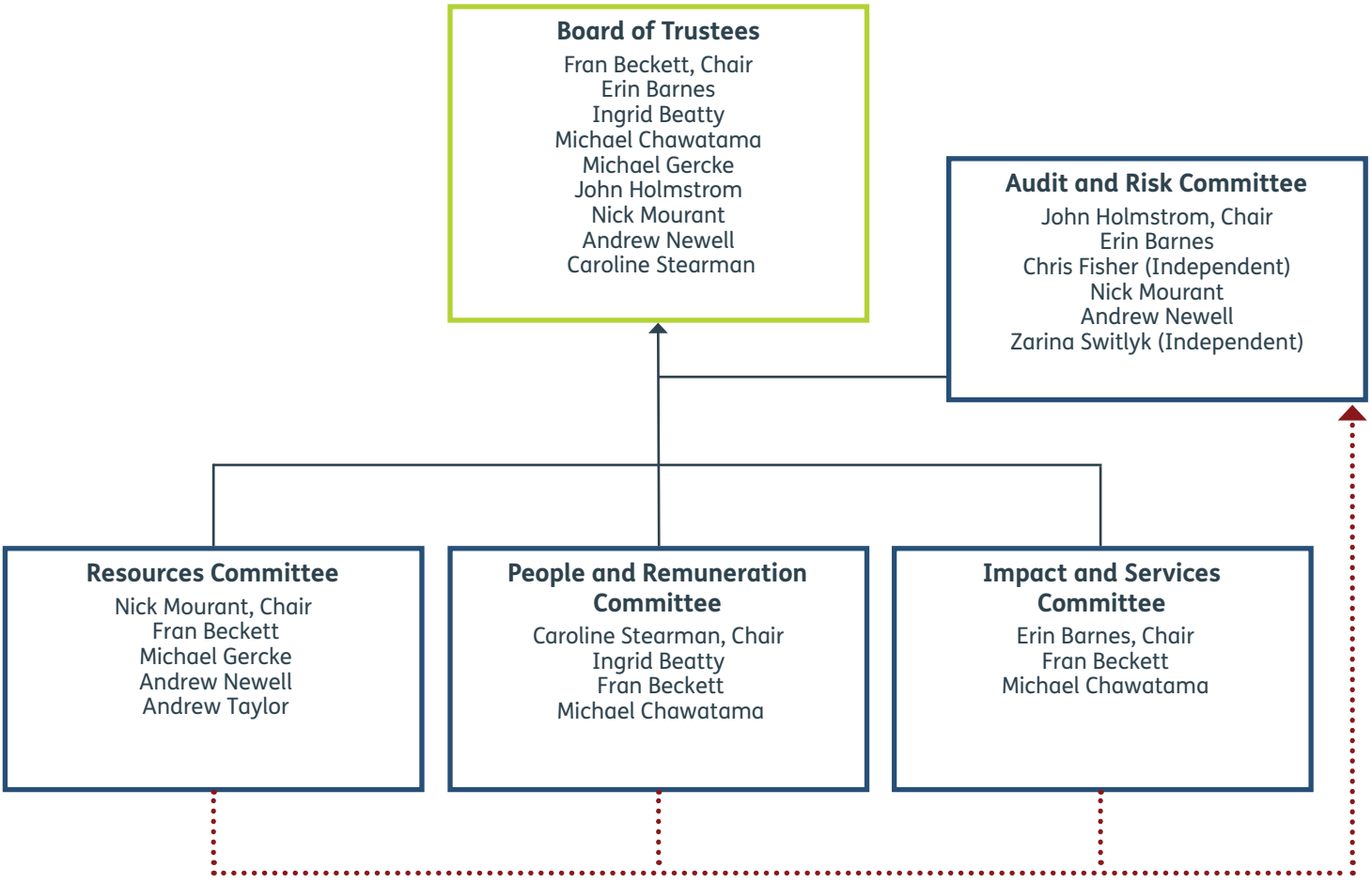
- the reliability of financial information used within the charity or for publication
- the maintenance of proper accounting records
- the safeguarding of assets against unauthorised use or disposition

Controls and procedures in place include the following:

- formal policies and procedures including the documentation of the key systems and rules relating to delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the charity's assets
- experienced and suitably qualified staff take responsibility for important business functions with annual appraisal procedures in place to maintain standards of performance
- forecasts and budgets are prepared which allow the trustees and management to monitor the business risks and financial objectives, and progress towards financial plans set for the year and the medium term
- regular management accounts are prepared promptly, providing relevant, reliable and up to date financial and other information and significant variances from budgets are investigated as appropriate

- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through relevant sub-committees comprising trustees and others
- the Audit and Risk Committee review reports from management and from the external auditors to provide reasonable assurance that the control procedures are in place and are being followed
- a general review of the major risks facing the charity is undertaken by the Audit and Risk Committee
- formal procedures have been established for instituting appropriate action to correct weaknesses in the above procedures

Board and Committee Structure



The Audit and Risk Committee considers reports on key areas of risk at each of its meetings with a formal report on risk management annually to the Board.

Trustees' Responsibilities

As trustees, we are also directors of YMCA DLG for the purposes of company law. We are responsible for preparing this trustees' Report and the Financial Statements; this is in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (UK GAAP), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Company law requires us to prepare financial statements for each financial year which give a true and fair view of the situation 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, we are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Social Housing SORP
- make judgments and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

We are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable us to ensure that the financial statements comply with the Companies Act 2006.

We 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.

Streamlined Energy and Carbon Reporting

The UK government's Streamlined Energy and Carbon Reporting (SECR) requires organisations in scope to disclose energy use, greenhouse gas (GHG) emissions and actions taken to address energy efficiency. This includes:

- Scope 1 (Direct emissions): Emissions from activities owned or controlled by the organisation that release GHG into the atmosphere (for example, gas from onsite boilers and fuel used by fleet vehicles)
- Scope 2 (Energy indirect): Emissions released into the atmosphere associated with the consumption of purchased electricity
- Scope 3 (Other indirect): Emissions that are a consequence of actions which occur at sources not owned or controlled and are not classed as scope 2 (for example, staff mileage claims)

In addition, at least one intensity ratio, information on energy efficiency action and methodology used in calculation of disclosures must be provided.

The regulations are designed to increase awareness of energy costs and provide data to inform adoption of energy efficient measures, reducing the impact on climate change.

Emissions Performance

		Direct emissions		Energy indirect	Other indirect	Total
		Gas (Scope 1)	Fuel for transport (Scope 1)	Electricity (Scope 2)	Business travel (Scope 3)	
Current year 2022/23	Energy consumption - kWh	2,867,313	122,992	1,424,699	111,916	4,526,920
	Greenhouse gas emissions - tonnes of carbon dioxide	523	29	276	28	856
	Intensity ratio kWh per unit/resident	6,081	-	2,280	-	-
	Intensity ratio kWh per FTE employee	-	424	-	386	-
Prior year 2021/22	Energy consumption - kWh	3,303,596	137,594	1,635,535	108,052	5,184,777
	Greenhouse gas emissions - tonnes of carbon dioxide	605	32	347	27	1,011
	Intensity ratio kWh per unit/resident	6,024	-	2,292	-	-
	Intensity ratio kWh per FTE employee	-	466	-	366	-
Change	Energy consumption - kWh	-13%	-11%	-13%	4%	-13%
	Greenhouse gas emissions - tonnes of carbon dioxide	-14%	-9%	-21%	4%	-15%
	Intensity ratio kWh per unit/resident	1%	-	-1%	-	-
	Intensity ratio kWh per FTE employee	-	-9%	-	5%	-

The footprint is calculated in accordance with the Greenhouse Gas (GHG) Protocol and Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance. The activity data has been converted into greenhouse gas emissions using the UK Government GHG Conversion Factors for Company Reporting.

Intensity Ratios
Intensity ratios compare emissions data with an appropriate business metric or financial indicator. This allows comparison of energy efficiency performance over time and with other similar types of organisations. As most of our gas and electricity usage is within our residential properties, we are reporting kWh of gas and electricity per unit. The intensity ratios for transport fuel and staff mileage are based on a full time equivalent per head rate.

Energy Efficiency Action
In June 2022 we sold The Bridge, a 112-unit student hostel that, due to its size, had high consumption values. This has resulted in a reduction in our scope 1 and 2 consumption and emissions figures, however the intensity ratios of kWh per resident have stayed in line with the previous year. The smart meter roll-out programme has continued. We now have 88% of our gas meters updated and 80% of our electricity meters replaced. With this improved data collection, we can identify properties with high energy usage and target our course of action.

With the added influence of the increase in energy costs we continued our programme to reduce energy usage and increase the awareness of our residents on the impact of energy usage on climate change. We have continued with our programme to replace old lighting with LED lights, and two gas boilers have been replaced with more energy efficient ones at one of our hostels.

The amount of business travel (scope 3) has increased as we return closer to the pre-pandemic level of face-to-face meetings with clients and between staff. Staff across the organisation continue to undertake energy and environmental initiatives including aspiring to have paperless offices, arranging for old technology to be recycled, and reducing single use plastics.

Statement as to Disclosure of Information to Auditors
As far as we are aware, there is no relevant audit information (as identified by section 418 of the Companies Act 2006) of which the charity's auditors are unaware.

Each trustee has taken all the steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors
A resolution to reappoint the auditors, Haysmacintyre LLP will be proposed at the forthcoming Annual General Meeting.

This Report, including both the Trustees' Report and Strategic Report, was approved by the trustees on 2 November 2023, and was signed for and on behalf of the Board by:

Fran Beckett
Chair of the Board of Trustees

Independent Auditors' Report to the Members of YMCA DownsLink Group

Opinion
We have audited the financial statements of YMCA DownsLink Group for the year ended 31 March 2023, which comprise the consolidated and company statements of comprehensive income, the consolidated and company balance sheets, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other Information
The trustees are responsible for the other information. The other information comprises the information included on pages 1 to 28. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on Other Matters Prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Strategic Report (contained within pages 1 to 15) and the Directors' Report (contained within pages 16 to 28) prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Report of the Board, the Operating and Financial Review and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are Required to Report by Exception
In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Board, the Operating and Financial Review or the Strategic Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept by the parent charitable company; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees for the Financial Statements
As explained more fully in the Statement of Responsibilities of the Trustee Board set out on page 26, the trustees (who are also the directors of the charitable company for the purposes of company law are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 based on these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures can detect irregularities, including fraud is detailed below:

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

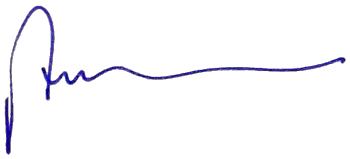
We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls and determined that the principal risks were related to areas of estimation uncertainty and manual accounting journals. Audit procedures performed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

- inspecting correspondence with regulators and tax authorities;
- discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- evaluating management's controls designed to prevent and detect irregularities;
- identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- challenging assumptions and judgements made by management in their critical accounting estimates.

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

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



Adam Halsey (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditor

10 Queen Street Place
London
EC4R 1AG

15/11/2023

Financial Accounts and Statements

Consolidated Statement of Comprehensive Income for Year Ended 31 March 2023

	Notes	Social Housing Activities	Trading Activities	Charitable Activities and Other Income	2023 Total	2022 Total
		£	£	£	£	£
Turnover from continuing operations						
Social housing lettings	2	**12,667,218**	-	-	**12,667,218**	12,544,132
Trading activities	10	-	**34,409**	-	**34,409**	33,410
Charitable activities and other income	4	-	-	**4,026,002**	**4,026,002**	3,674,074
		12,667,218	**34,409**	**4,026,002**	**16,727,629**	16,251,616
Operating costs						
Social housing lettings	3	**(13,271,369)**	-	-	**(13,271,369)**	(12,419,095)
Trading activities	10	-	**(33,656)**	-	**(33,656)**	(33,258)
Charitable activities and other costs	5	-	-	**(4,562,029)**	**(4,562,029)**	(3,865,808)
		(13,271,369)	**(33,656)**	**(4,562,029)**	**(17,867,054)**	(16,318,161)
Operating (deficit)/ surplus		**(604,151)**	**753**	**(536,027)**	**(1,139,425)**	(66,545)
Interest receivable and other income		**40,690**	-	-	**40,690**	328
Interest payable and similar charges		**(173,574)**	-	-	**(173,574)**	(81,206)
Unrealised gain on investments		-	-	**(2,864)**	**(2,864)**	877
Asset disposal		**(2,118,378)**	-	-	**(2,118,378)**	-
(Deficit)/ Surplus on ordinary activities		**(2,855,413)**	**753**	**(538,891)**	**(3,393,551)**	(146,546)
Net movement in funds		**(2,855,413)**	**753**	**(538,891)**	**(3,393,551)**	(146,546)

The consolidated income and expenditure of the charity and its subsidiary relate wholly to continuing operations.

These financial statements were approved and authorised for issue by the Directors on 2 November 2023 and signed on their behalf by:

Fran Beckett

Fran Beckett
Director

2 November 2023

Michael Gercke

Mike Gercke
Director

2 November 2023

The notes set out on pages 36 - 48, form part of these financial statements

Consolidated Statement of Financial Position as at 31 March 2023

Registered number: 3853734

	Notes	2023 Group	2023 Charity	2022 Group	2022 Charity
		£	£	£	£
FIXED ASSETS					
Social housing properties	9	**19,746,483**	**19,746,483**	22,739,503	22,739,503
Other properties	9	**448,736**	**448,736**	456,832	456,832
Other tangible assets	9	**340,377**	**340,377**	342,180	342,180
		20,535,596	**20,535,596**	23,538,515	23,538,515
Investment in subsidiary	10	**-**	**2**	-	2
		20,535,596	**20,535,598**	23,538,515	23,538,517
CURRENT ASSETS					
Debtors	12	**1,520,611**	**1,522,368**	1,613,581	1,623,174
Investments	11	**32,596**	**32,596**	35,460	35,460
Cash at bank and in hand		**3,462,439**	**3,449,927**	3,224,477	3,204,312
		5,015,646	**5,004,891**	4,873,518	4,862,946
CREDITORS					
Amounts falling due within one year	13	**(3,018,768)**	**(3,018,768)**	(3,046,602)	(3,046,184)
NET CURRENT ASSETS		**1,996,878**	**1,986,123**	1,826,916	1,816,762
TOTAL ASSETS LESS CURRENT LIABILITIES		**22,532,474**	**22,521,721**	25,365,431	25,355,279
CREDITORS					
Amounts falling due after one year	14	**(16,171,965)**	**(16,171,965)**	(15,611,371)	(15,611,371)
NET ASSETS		**6,360,509**	**6,349,756**	9,754,060	9,743,908
FUNDS					
Unrestricted funds	16	**6,191,237**	**6,180,484**	9,649,364	9,639,212
Restricted funds	15	**169,272**	**169,272**	104,696	104,696
		6,360,509	**6,349,756**	9,754,060	9,743,908

These financial statements were approved and authorised for issue by the Directors on 2 November 2023 and signed on their behalf by

Fran Beckett

Fran Beckett
Director

2 November 2023

Michael Gercke

Mike Gercke
Director

2 November 2023

The notes set out on pages 36 - 48, form part of these financial statements

Consolidated Statement of Cash Flows for Year Ended 31 March 2023

	Notes	2023		2022	
		£	£	£	£
Cash flow from operating activities					
(Deficit)/ surplus for the year			**(3,393,551)**		(146,546)
Adjustments for non-cash items:					
Depreciation	8	**528,015**		579,852	
Decrease / (Increase) in debtors		**92,970**		(243,428)	
(Decrease) / Increase in creditors		**(672,711)**		316,885	
Reinstated Homes England grant		**3,279,676**		-	
(Gain) / Deficit on disposal of property		**(1,334,694)**		2,534	
Deficit on disposal of other assets		**-**		170	
Unrealised investment loss / (gain)		**2,864**		(877)	
Interest payable		**173,574**		81,206	
Interest receivable		**(40,690)**		(328)	
			2,290,267		736,014
Net cash inflow from operating activities			**(1,103,284)**		589,468
Cash flow from investing activities:					
Purchase of tangible fixed assets	9	**(315,402)**		(3,073,263)	
Sale of tangible fixed assets		**4,125,000**		712	
Grants received		**-**		1,614,950	
Interest received		**40,690**		328	
			3,850,288		(1,457,273)
Cash flow from financing activities:					
Loan interest paid		**(173,574)**		(81,206)	
Repayment of loan		**(2,335,468)**		(67,355)	
New loan		**-**		1,400,000	
			(2,509,042)		1,251,439
Increase in cash in the year			**237,962**		383,634
Net cash funds at beginning of year			**3,224,477**		2,840,843
Net cash funds at end of the year			**3,462,439**		3,224,477

Reconciliation of net cash flow to movement in (net debt)/net funds

	1 Apr 2022	Cashflows	Non cash changes	31 Mar 2023
Cash	3,224,477	237,962	-	3,462,439
Debt due within one year	(86,809)	**-**	86,809	**-**
Debt due after one year	(3,098,659)	2,335,468	(86,809)	(850,000)
	39,009	2,573,430	-	2,612,439

The notes set out on pages 36 - 48, form part of these financial statements

Notes to the Financial Statements for Year Ended 31 March 2023

1. ACCOUNTING POLICIES

a) **Status**

YMCA DownsLink Group (YMCA DLG) Limited is incorporated under the Companies Act 2006 and registered with Companies House in England and Wales under number 3853734. Its registered office is Reed House, 47 Church Road, Hove, East Sussex BN3 2BE. It is also registered as a charity with the Charity Commission in England and Wales (number 1079570) and as a Registered Provider of Social Housing with the Homes and Communities Agency in England (number 4644).

The charity meets the definition of a public benefit entity under Financial Reporting Standard 102 applicable in the UK and Republic of Ireland (FRS102).

Basis of Preparation

The financial statements of the group and association are prepared in accordance with applicable legislation UK Generally Accepted Accounting Practice (UK GAAP) including FRS 102, and the Housing SORP 2014: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2015. A separate SORP for charities also exists. However, the RSHP SORP takes precedence over the Charities SORP as the former represents the more specialised guidance, but the trustees may have regard to the Charities SORP where its recommendations are not contrary to the Housing SORP.

Basis of Accounting

Assets and liabilities are initially recognised at historical cost or transaction values unless otherwise stated in the relevant accounting policy notes. Those assets measured at fair value are re-measured at each balance sheet date.

The main areas of estimation and judgement affecting the accounts:

Depreciation

Assets are depreciated over their expected useful economic lives as set out in note 1(h). These lives have been determined with reference to both internal experience and external comparisons but will be kept under review in future periods. It may be necessary to lengthen or shorten these lives depending on further actual experience.

Accrual for Deficit Contribution to the Defined Benefit Pension Scheme

As set out in note 1(g) a liability is recognised in respect of the present value of the expected future contributions to alleviate the pension deficit arising from past service. The liability recognised is affected by the discount rate applied and the undiscounted underlying liability will also vary depending on the results of the triennial actuarial valuation of the pension scheme. The triennial valuation was completed as at 1 May 2020 and the resulting changes to the schedule of contributions are included in YMCA DLG's financial statements for the year ended 31 March 2023.

Provisions

Full provision is made for the value of all personal debts relating to past residents in YMCA DLG's accommodation projects. It is possible that some of these amounts may be recovered or that amounts related to current residents and currently unprovided may prove to be irrecoverable.

Provisions are made for other items where it is considered probable that a liability has arisen and these are quantified based on the best available information. Such provisions are updated as more and better data become available.

In the opinion of the trustees none of the above items are likely to be subject to material estimation uncertainty but the largest area of uncertainly relates to the pension deficit contributions.

No complex financial instruments are held.

YMCA DLG is required by the Companies Act 2006 to prepare group accounts. The results, assets and liabilities of the subsidiary company YMCA DLG Services Ltd is included on a line by line basis.

Going Concern

Following an assessment of our financial position, the resources available going forward, and the cash flow position for the next 12 months to November 2024, the trustees believe that the organisation can manage organisational risks and the forecasting of financials, concluding to a reasonable expectation that YMCA DLG has adequate resources to continue operating for the foreseeable future. Trustees have concluded that material uncertainty does not exist and continue to adopt the going concern basis of accounting in preparing the annual financial statements.

b) Turnover

Turnover represents trading income, rent and service charges income receivable in the year net of rent and service charge losses from voids, revenue grants, including those from local authorities and Homes England, contracts and charitable receipts, all net of VAT.

c) Supporting People Contract

The charity receives funding from Supporting People which is accounted for on an accruals basis, matching income and expenditure and disclosures are made in accordance with the relevant standards and legislation.

d) Donations and Grants

Donations and grants other than Social Housing Grant are included when the criteria of entitlement, probability and measurability have been met. The associated Gift Aid tax recoverable is recognised on receipt.

Social Housing Grants (SHG) are recognised on the balance sheet as a liability and amortised over the life of the assets funded (accrual model) with the exception of SHGs related to those assets that were revalued at their deemed cost at 1 April 2015 where the grant was recognised in full as an addition to reserves (performance model).

e) Investment Income

Investments are included in the financial statements at market value.

f) Empty Homes

The grant income is included on completion of the building work. If there are no associated development costs, a proportion of the grant income is released over the term of the lease and the balance on signing the lease.

g) Pension Costs

YMCA DLG 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 DLG.

As described in note 19, YMCA DLG has a contractual obligation to make pension deficit payments over the period to April 2029. Accordingly, the present value of the liability is shown in note 19 to these accounts.

In addition, YMCA DLG is required to contribute £21,578 pa (2022: £19,422 pa) to the operating expenses of the Pension Plan and these costs are charged to the Statement of Comprehensive Income as made.

h) Fixed Assets

i) Housing Properties

Definition and Recognition

Housing properties are properties held for the provision of social housing or to otherwise provide social benefit.

Housing properties are principally properties available for rent and are stated at cost with the exception of those properties revalued at a deemed cost on adoption of FRS102.

Depreciation:

The major components of the properties are identified, and depreciation is charged to write off the cost of each component over their expected useful economic lives.

Depreciation is charged on a straight-line basis over the following number of years:

Structure	50-100	Wiring, lift and heating systems	10-30
Pitched roof	50-75	Bathrooms	5-25
Flat roof, windows, external doors	25-30	Kitchens	20

ii) Other Fixed Assets

Cost:

Individual fixed assets costing £1,000 or more and are of a capital nature for ongoing use by YMCA DLG are capitalised.

Depreciation:

Other fixed assets are depreciated to write off each asset over its estimated useful life at the following annual rates:

Freehold land	Not depreciated
Motor vehicles	25% on reducing balance basis
Fixtures, fittings and equipment	10 – 25% on cost
ICT equipment	25% on cost
Cycles	100% on cost

i) Volunteers

The value of services provided by volunteers is not incorporated into these financial statements. Further details of the contribution made by volunteers can be found in the trustees' Annual Report.

j) Irrecoverable VAT

The financial statements include VAT to the extent that it is not recoverable from HM Revenue and Customs. Irrecoverable VAT is charged directly with the related cost where possible or apportioned as part of central costs.

k) Operating Leases

The charity classifies the lease of printing, photocopy, laundry and catering equipment as operating leases. The title of the equipment remains with the lessor and the equipment is replaced every three to five years whilst the economic life of such equipment is normally in excess of this. Rental charges are charged on a straight-line basis over the term of the lease. Some of this equipment has been disposed of during the financial year.

l) Commitments

Commitments which are legally binding are included as liabilities.

m) Taxation

The charity is exempt from tax on income and gains falling within Sections 466 to 493 of the Corporation Tax Act 2010 to the extent that these are applied to its charitable objects.

n) Funds and Reserves

The charity has various types of funds for which it is responsible and require separate disclosure:

Unrestricted Reserves

Unrestricted reserves are reserves which are expendable at the discretion of the trustees in the furtherance of the objects of the charity.

Restricted Reserves

Restricted reserves are funds which are expendable as directed by the donor.

Revaluation Reserves

Revaluation reserves arise when investments are revalued.

2. TURNOVER FROM HOUSING ACTIVITIES

	2023	2022
	£	£
Rent and Service charges:		
Rent receivable	**3,067,437**	3,386,093
Service charge receivable	**5,513,269**	4,820,127
Personal service charge receivable	**263,225**	231,765
Amortised Government grant	**122,578**	111,811
	8,966,509	8,549,796
Other revenue:		
Supporting people	**2,036,274**	1,999,995
OLAC, leaving care and step-down service	**1,018,894**	524,270
Homes England grant income	**375,546**	304,075
Homes England development income	**-**	600,284
More than a Room activities	**43,318**	97,560
Fundraising income	**105,015**	79,946
Job retention scheme	**-**	32,681
Other social housing income	**121,662**	355,525
	12,667,218	12,544,132
Rent and service charge losses from voids	**(546,236)**	(795,036)

3. OPERATING COSTS FROM HOUSING ACTIVITIES

	2023	2022
Housing accommodation – number of units	**672**	787
Managed housing – number of units included in above total	**108**	109
	£	£
Housing services	**6,813,240**	5,671,861
Housing support	**2,292,260**	2,350,129
More than a Room costs	**187,905**	334,100
Share of central overheads	**2,290,849**	2,040,601
Development costs	**-**	420,544
Repairs and maintenance	**1,061,449**	955,046
Rent losses from bad debts and provision	**126,245**	94,592
Depreciation of housing properties	**359,506**	421,974
Depreciation of equipment, fixtures & fittings, motor vehicles	**139,915**	130,248
	13,271,369	12,419,095

4. TURNOVER FROM CHARITABLE ACTIVITIES AND OTHER INCOME

	2023	2022
	£	£
Therapeutic services	**2,574,989**	2,082,112
Support services: children, young people and families	**936,366**	937,749
Horsham YMCA Football Club	**49,404**	56,424
Fundraising income	**398,583**	542,941
Job retention scheme	**-**	3,199
Other income	**66,660**	51,649
	4,026,002	3,674,074

5. OPERATING COSTS - CHARITABLE ACTIVITIES AND OTHER COSTS

	2023	2022
	£	£
Therapeutic services	**2,855,359**	2,233,797
Support services: children, young people and families	**1,257,234**	1,315,625
Horsham YMCA Football Club	**84,233**	75,351
Depreciation	**28,594**	27,630
Other costs	**336,609**	213,405
	4,562,029	3,865,808

6. STAFF COSTS

	2023	2022
	£	£
Salaries and wages	**8,450,243**	7,979,809
Social security	**785,963**	690,435
Pension costs	**287,230**	271,826
Apprentice tax	**27,439**	26,047
Life assurance	**29,730**	34,252
Healthcare	**35,852**	32,200
Redundancy/compensation	**50,195**	41,443
Agency costs	**1,429,764**	739,562
	11,096,416	9,815,574
The average number of employees paid during the year was:		
Full time and part time employees	**362**	381
Full time equivalent	**290**	295
The number of staff receiving remuneration in excess of £60,000:		
£60,000-£69,999	**4**	3
£70,000-£79,999	**3**	1
£80,000-£89,999	**1**	-
£90,000-£99,999	**-**	1
£100,000-£109,999	**-**	-

7. EMOLUMENTS OF DIRECTORS AND LEADERSHIP TEAM

None of the directors received any remuneration in the current or prior year. One director received reimbursed expenses of £43. The charity has directors' and officers' Liability insurance in place.

The leadership structure of the charity was reorganised during the year. The aggregate emoluments of the Executive Team were £606,402 – 5.83 FTE (2022: £315,529 – 2.9 FTE). The remuneration of the Chief Executive comprised salary of £87,240, employer national insurance of £11,822, pension contributions of £9,644 and private health insurance of £563 (2022: £95,109, £11,905, £14,266 and £640 respectively). The Chief Executive was a member of the current stakeholder pension scheme with no special terms or rights to enhanced benefits.

8. OPERATING SURPLUS

The operating surplus is stated after charging:	**2023**	2022
	£	£
Losses from bad debts	**126,875**	87,384
Operating leases-equipment	**19,533**	23,817
- land and buildings	**1,322,951**	1,426,689
Deficit on disposal of fixed assets (please see below)	**8,837**	2,704
Deficit on disposal of The Bridge (please see below)	**2,118,378**	-
Depreciation of equipment, fixtures & fittings, motor vehicles	**168,509**	145,761
Depreciation of properties and components	**359,506**	434,091
Auditors' remuneration: external audit	**33,295**	28,950

In June 2022 the organisation disposed of The Bridge in Guildford for £4,125,000, a student accommodation building. As the purchaser was not a registered housing provider, YMCA DLG retained the £3,211,744 grant attached to the building to recycle. On adoption of FRS102 in 2014, the grant for The Bridge was treated under the performance model and recognised in the opening reserves. On disposal of The Bridge, the grant has been reinstated as a liability. This has resulted in a book deficit of £2,118,377 on disposal of the building. Until the grant is recycled, it is subject to interest at the Bank of England base rate.

	The Bridge	Other assets	Interest	Total
	£	£	£	£
Proceeds	4,125,000	-	-	4,125,000
Net book amount	(2,781,469)	(8,837)	-	(2,790,306)
Gain / (deficit) on disposal	1,343,531	(8,837)	-	1,334,694
Associated legal & professional costs	(250,164)	-	-	(250,164)
Recycled grant	(3,211,744)	-	(67,932)	(3,279,676)
Total	(2,118,377)	(8,837)	(67,932)	(2,195,146)

9. FIXED ASSETS

	Social Housing Properties	Other Properties	Total
	£	£	£
Cost			
1 April 2022	**25,001,464**	**523,147**	**25,524,611**
Additions	**101,993**	**-**	**101,993**
Disposals	**(3,644,952)**	**-**	**(3,644,952)**
31 March 2023	**21,458,505**	**523,147**	**21,981,652**
Depreciation			
1 April 2022	**2,261,962**	**66,314**	**2,328,276**
Charge for the year	**363,653**	**8,097**	**371,750**
Eliminated on disposal	**(913,593)**	**-**	**(913,593)**
31 March 2023	**1,712,022**	**74,411**	**1,786,433**
Net book amount			
31 March 2023	**19,746,483**	**448,736**	**20,195,219**
31 March 2022	22,739,503	456,832	23,196,335

	2023	2022
Properties at cost comprise:	£	£
Freeholds	**18,887,920**	18,799,878
Long leaseholds	**3,093,732**	6,724,732
Cost of properties	**21,981,652**	25,524,610

OTHER TANGIBLE FIXED ASSETS

	Vehicles	Fixtures, Fittings and Equipment	Total
	£	£	£
Cost			
1 April 2022	**89,416**	**1,276,244**	**1,365,660**
Additions	**550**	**212,859**	**213,409**
Disposals	**(354)**	**(487,907)**	**(488,261)**
31 March 2023	**89,612**	**1,001,196**	**1,090,808**
Depreciation			
1 April 2022	**68,917**	**954,563**	**1,023,480**
Charge for the year	**5,711**	**150,554**	**156,265**
Eliminated on disposals	**(354)**	**(428,960)**	**(429,314)**
31 March 2023	**74,274**	**676,157**	**750,431**
Net book amount			
31 March 2023	**15,338**	**325,039**	**340,377**
31 March 2022	20,499	321,681	342,180

10. INVESTMENTS IN SUBSIDIARIES

The wholly owned trading subsidiary, YMCA DLG Services Limited, which is incorporated in England and Wales pays its profits chargeable to Corporation Tax to the charity by Gift Aid. The charity owns the entire issued share capital of 2 ordinary shares of £1 each. A summary of the trading results is shown below:

	2023	2022
	£	£
Turnover	34,409	33,410
Cost of sales and administrative expenses	(33,656)	(33,258)
Net profit	753	152

11. INVESTMENTS

	2023		2022	
	Market Value	**Cost**	Market Value	Cost
	£	**£**	£	£
Blackrock Charinco Common Investment Acc Fund	**7,797**	**8,426**	8,755	8,426
Blackrock Charinco Common Investment Inc Fund	**2,848**	**3,664**	3,325	3,664
M & G Charifund	**21,951**	**24,282**	23,380	24,282
	32,596	**36,372**	35,460	36,372

12. DEBTORS

	2023		2022	
	Group	**Charity**	Group	Charity
	£	**£**	£	£
Accommodation debtors	**1,001,463**	**1,001,463**	876,956	876,956
Bad debt provision	**(626,860)**	**(626,860)**	(498,962)	(498,962)
Trade debtors	**666,728**	**666,728**	660,262	660,262
Prepayments	**174,176**	**174,176**	345,269	345,269
Accrued income and other debtors	**305,104**	**305,104**	230,056	230,056
Amounts owed by subsidiary undertakings	**-**	**1,757**	-	9,593
	1,520,611	**1,522,368**	1,613,581	1,623,174

13. CREDITORS FALLING DUE WITHIN ONE YEAR

	2023		2022	
	Group	**Charity**	Group	Charity
	£	**£**	£	£
Deferred income	**1,049,434**	**1,049,434**	1,163,826	1,163,826
Other creditors	**839,933**	**839,933**	676,032	676,032
Trade creditors	**659,585**	**659,585**	653,030	653,030
Other taxes & social security	**248,192**	**248,192**	249,126	248,708
Bank loan	**-**	**-**	86,809	86,809
Pension deficit	**99,046**	**99,046**	95,201	95,201
Housing grants	**122,578**	**122,578**	122,578	122,578
	3,018,768	**3,018,768**	3,046,602	3,046,184

14. CREDITORS FALLING DUE AFTER ONE YEAR

	2023		2022	
	Group	**Charity**	Group	Charity
	£	**£**	£	£
Loans – not wholly repayable within five years	**850,000**	**850,000**	3,098,659	3,098,659
Deferred income – grants in advance	**1,015,094**	**1,015,094**	1,467,790	1,467,790
Dilapidations provision	**423,038**	**423,038**	203,000	203,000
Defined benefit pension deficit	**444,214**	**444,214**	559,402	559,402
Housing grants	**13,439,619**	**13,439,619**	10,282,520	10,282,520
	16,171,965	**16,171,965**	15,611,371	15,611,371
Loan maturity analysis				
In more than one year but not more than two years	**-**	**-**	89,204	89,204
In more than two years but not more than five years	**-**	**-**	284,180	284,180
In more than five years	**850,000**	**850,000**	2,725,275	2,725,275
	850,000	**850,000**	3,098,659	3,098,659

The loan with the Charity Bank has been reconfigured into a revolving credit facility for £2,274,599 for a three year term as a means to mitigating interest costs when cash is not required. As a result all outstanding funds have been paid back to Charity Bank within the financial year. There is a commitment fee of 0.28% per quarter to hold the credit line open for future use.

There are additional loans of £850,000 with The Rosaz Charity with an interest rate of 1% over the Bank of England's base rate with a minimum of 3% per annum. These are repayable no earlier than September 2044 and are unsecured.

15. RESTRICTED FUNDS – GROUP AND CHARITY

	1 April 2022	**Income**	**Expenditure**	**Transfers**	**31 March 2023**
Funds	**£**	**£**	**£**	**£**	**£**
Special needs reserve	2,934	-	(2,044)	-	890
Young homeless fund	390	-	(390)	-	-
Horsham Y Centre legacy	34,268	-	(4,534)	-	29,734
Counselling	12,917	-	(12,917)	-	-
Homelessness prevention	3,150	23,335	(16,530)	-	9,955
Chaplaincy	-	28,821	(25,321)	-	3,500
Passport to independence	-	47,500	(36,061)	-	11,439
Youth engagement	-	4,000	(1,833)	-	2,167
WiSE	9,542	51,924	(58,689)	-	2,777
Youth advice centres	27,500	110,500	(40,500)	-	97,500
Girls' mentoring programme	10,695	15,000	(18,195)	-	7,500
Housing fund	-	1,000	(290)	-	710
Property refurbishment	-	63,175	(63,175)	-	-
Football club pitch upgrade	2,500	-	-	-	2,500
Living our values award	800	-	(200)	-	600
Total	104,696	345,255	(280,679)	-	169,272

Restricted Funds

Special needs reserve: To fund exceptional requirements for those in supported housing.

Young homeless fund: To fund temporary accommodation for the young homeless people of Guildford.

Horsham Y Centre legacy: To be spent on activities or equipment that will benefit the young people of Horsham.

Counselling: To provide counselling to a West Sussex school for children and young adults with learning difficulties and provision of a BAME therapeutic offer in West Sussex.

Homelessness prevention: To deliver workshops in secondary schools.

Chaplaincy: To provide pastoral care to residents and staff.

Passport to independence: An innovative e-learning platform to enable young people to learn essential life skills.

Youth engagement: Delivers open access youth clubs.

WiSE (What is sexual exploitation?): To support children and young people to stay safe in their relationships.

Youth advice centres: To provide advice, support and guidance to young people.

Girl's mentoring programme: An early and effective mentoring initiative that matches trained volunteer mentors with female identifying young people to support them to overcome challenges and achieve their fullest potential in life

Housing fund: Provide resources for residents.

Property refurbishment: Funding from Land Aid to adapt Barnabus House to be better suited for supporting young people with higher level support needs.

Football Club pitch upgrade: Towards an artificial grass pitch in Horsham.

16. RESERVES – GROUP

	1 April 2022	Income	Expenditure	Transfers	31 March 2023
	£	£	£	£	£
Unrestricted funds:					
General reserve	356,931	16,284,345	(19,350,312)	44,234	(2,664,802)
Fixed asset reserve	9,947,948	122,577	(528,015)	(139,435)	9,403,075
Pension reserve	(654,603)	16,142	-	95,201	(543,260)
Investment revaluation reserve	(912)	-	(2,864)	-	(3,776)
Total unrestricted funds	9,649,364	16,423,064	(19,881,191)	-	6,191,237
Restricted funds	104,696	345,255	(280,679)	-	169,272
	9,754,060	16,768,319	(20,161,870)	-	6,360,509

RESERVES – CHARITY

	1 April 2022	Income	Expenditure	Transfers	31 March 2023
	£	£	£	£	£
Unrestricted funds:					
General reserve	346,779	16,249,936	(19,316,656)	44,386	(2,675,555)
Fixed asset reserve	9,947,948	122,577	(528,015)	(139,435)	9,403,075
Pension reserve	(654,603)	16,142	-	95,201	(543,260)
Investment revaluation reserve	(912)	-	(2,864)	-	(3,776)
Total unrestricted funds	9,639,212	16,388,655	(19,847,535)	152	6,180,484
Restricted funds	104,696	345,255	(280,679)	-	169,272
	9,743,908	16,733,910	(20,128,214)	152	6,349,756

Within the fixed asset reserve is a revaluation amount of £1,859,020 relating to Crawley Foyer introduced on adoption of FRS102 in April 2014.

17. GUARANTEES

As part of its direct charitable work, YMCA DLG provides Letters of Guarantee to landlords to provide limited cover against lost rent and/or damage to property. The likely liability for guarantees in place at 31 March 2023 is under £1,000. This system enables more places to be facilitated with minimal exposure.

There is no provision for guarantees which may be called upon within these financial statements.

18. MEMBERS

YMCA DLG is limited by guarantee having no share capital. In accordance with the Memorandum of Association every member is liable to contribute a sum of £1 in the event of the charity being wound up.

19. PENSION COMMITMENT

YMCA DLG 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 DLG and at the year-end these were invested in the Mercer Dynamic De-risking Solution, 62% matching portfolio and 38% 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% per annum),
- the average life expectancy from normal retirement age (of 65) for a current male pensioner of 22 years, female 24.4 years, and for those retiring in 20 years' time, 23.7 years for a male pensioner, female 26.1 years.

The result of the valuation showed that the actuarial value of the assets was £146.1m. This represented 79% of the benefits that had accrued to members.

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

The valuation prepared as at 1 May 2020 showed that the YMCA Pension Plan had a deficit of £39 million. YMCA DLG has been advised that it will need to make monthly contributions of £8,274 from 1 May 2023. This amount is based on the current actuarial assumptions and may vary in the future as a result of actual performance of the Pension Plan. Agreed future deficit contributions have been discounted using a rate of 4.8% (2022: 2.7%). The current recovery period is six years commencing 1st May 2023.

During the year deficit payment contributions of £95,201 were made.

The table below sets out the value of the liabilities included in the Balance Sheet

	Within one year £'000	One to two years £'000	Two to five years £'000	After five years £'000	After more than one year £'000	TOTAL 2023 £'000	TOTAL 2022 £'000
As at 31 March 2023	99,046	92,887	269,196	82,131	444,214	543,260	-
As at 31 March 2022	95,201	92,969	280,540	185,893	559,402	-	654,603

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

Supplementary to the above scheme, employees starting with Sussex Central YMCA after 1 April 2001 were eligible to join a stakeholder pension scheme, administered by Legal and General, which is a defined contribution scheme, into which the charity pays contributions. The employer's contribution is set at a maximum of 6% of gross pensionable salary. The employee contribution is a minimum of 1.6%. In addition, members of the Leadership Team can make contributions of 8% of salary to the stakeholder pension scheme with a 15% employer's contribution. During the period a total of 34 employees benefited from the scheme at a cost of £152,323.

In 2007 Guildford YMCA commenced a scheme with Aviva. This is a group personal plan arrangement and the contributions are expressed as a percentage of the employee's salary. This scheme was to replace the now closed defined benefit scheme discussed above. The cost for the year was £1,539 (2022: £1,474) in respect of one employee (2022: one).

With the introduction of auto enrolment, the organisation-wide scheme was closed to new entrants on 31 January 2014 and the charity now offers a stake holder defined contribution pension scheme in line with legislative requirements administered by Legal and General.

At the end of the year there was a liability of £47,115 relating to all the schemes that was settled the following month.

20. OPERATING LEASE COMMITMENTS

The future minimum lease payments of leases are as set out below.

	2023	2022
	£	£
Land and buildings:		
Within one year	**990,466**	1,217,989
Between one and five years	**1,976,931**	2,442,001
In more than five years	**709,371**	1,088,941
	3,676,768	4,748,931
Equipment:		
Within one year	**6,222**	13,669
Between one and five years	**2,166**	8,173
In more than five years	**-**	-
	8,388	21,842

21. GROUP AND RELATED UNDERTAKINGS

During the year ended 31 March 2023, YMCA DLG had the following related and associated undertakings:

	Relationship	**Status**	**Regulated by Social Housing Regulator**
YMCA DLG Services Ltd	100% subsidiary	Trading Company	Non-regulated

22. CONTINGENT LIABLITIES

At the 31 March 2023 there were contingent liabilities in respect of grants received in relation to the following properties:

- Crawley Foyer-Social Housing Grant of £873,140 and Local Authority Grant of £1,500,226
- Worthing Foyer-Social Housing Grant of £823,632
- Guildford Foyer-Social Housing Grant of £2,021,986
- Horsham Y Centre-Social Housing Grant of £4,057,690
- Eastbourne Y Centre-Social Housing Grant of £771,910
- Eastbourne Foyer-Social Housing Grant of £1,525,000
- Hastings Foyer-Social Housing Grant of £1,614,950
- The Bridge, Guildford Y-Social Housing Grant of £3,279,676

There is potential for repayment or recycling of these grants in the event the sites are disposed of and,or taken out of social housing use. The Bridge, Guildford, was sold in June 2022 to a non-registered provider and the associated grant of £3,279,676 has been retained by YMCA DLG to recycle. All other properties remain in social housing.

On the purchase of Horsham Y Centre and Eastbourne Y Centre from YMCA England and Wales, grants were received for £873,000 and £247,500 respectively. If YMCA DLG were to either resign as a member of YMCA England and Wales Federation, disassociates itself from the organisation, or cease to participate in any of its operations, the grants will become refundable. There are no plans for any of these events to occur.

Of the £16,468,210 housing grants liability, £13,562,196 is within creditors. On implementation of FRS102 in the 2016 Financial Statements the trustees elected to treat the grants held at the time for Crawley Foyer and The Bridge under the performance model and recognise them in reserves. On the sale of The Bridge, the grant associated with it has been reinstated as a liability and will accrue interest at the Bank of England base rate on a daily basis until recycled. All other grants are treated under the accruals model and amortised over the life of the related structure. To date £982,648 has been transferred to reserves.

23. CAPITAL COMMITMENTS

At the year-end there were no capital commitments

YMCA DOWNSLINK GROUP

England & Wales - Charity number 1079570

Accounts

YMCA
DOWNSLINK GROUP

ANNUAL REPORT 2021/22

(A Company Limited by Guarantee)
Registered company number: 3853734
Registered charity number: 1079570
Registered housing provider: 4644

YMCA

Here for young people
Here for communities
Here for you

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Welcome to YMCA DownsLink Group's **Annual Report 2021/2022**

Chair's Introduction

Post pandemic recovery was a key part of last year. Although our services continued throughout the pandemic, the easing and eventual lifting of Covid restrictions allowed us to resume face-to-face work with young people in our counselling and youth services. This meant we supported 10,273 children and young people last year, an increase of nearly 4,000 on the previous year. In addition, our housing provision has increased and every night we provided over 787 young people in Sussex and Surrey with a place to call home.

As we emerged from two years of the Covid pandemic and its lockdowns, we've had to respond and adapt to the impact it's had on the people we support. Children, young people and families have been hit harder than most by the pandemic. The disruption to children's education has had a profound impact on their mental health; the lockdowns put a strain on families leading to relationship breakdown & increasing numbers of young people becoming homeless; and young people's emotional wellbeing has suffered from of a lack of face-to-face support and advice.

A significant element of our increased reach is linked to our YMCA Dialogue therapeutic services and in 2021/22 we supported 5,105 children, young people and families. This is the highest annual number in our counselling service and reflects the increasing need children and young people have for mental health support. It also shows the value we're able to provide to our school and health authority partners in providing this crucial service. However, despite this increase in provision, we're facing a societal crisis in young people's mental health.

There is an alarming national trend in the rise of self-harm, severe eating disorders, suicidal ideation and suicide attempts. Tragically in 2021, our worst fears around the mental health difficulties young people face were realised as two young people, connected to our YMCA, took their own lives. As an organisation with the safety of children and young people at the core of our mission these deaths have impacted our YMCA immeasurably and our thoughts remain with the families and friends of those two young people.

One of the learning points coming out of our review of this tragedy is that the young people we support have increasingly complex and severe needs, so in response we are investing in both safeguarding and mental health training for our staff.

We are also working closely with our partners, and I'm pleased to say how well we've been supported by Brighton & Hove City Council and Sussex Partnership Foundation Trust. They've funded two specialist mental health 'navigator' roles to work with our 24 hour supported housing teams to provide specialist skills that our frontline staff can call on to help deal with the increasingly complex mental health needs of some of our young residents.

With increasing pressures on families, we're seeing more young people leaving home in an unplanned way leading to homelessness. In addition, more children than ever before are entering the care system and our supported housing is needed for increasing numbers of young care leavers (16-18).

The organisation has continued to seek ways to support these young people and in 2021 we were delighted to open our new YMCA Hastings Foyer, a brand-new resource with 47 units of accommodation for local homeless young people and those leaving care. This project was supported by Homes England, the Rosaz Trust and East Sussex County Council and Hastings Borough Council.

Over the last year the organisation has continued to challenge itself to respond to important social movements around equity, diversity & inclusion (EDI). We recognise that as a significant employer and service provider we are part of the system and we want to be at the forefront of change. Eighteen months ago we did a complete refresh of our EDI plan. Over the past 12 months we have been implementing that plan supported by a new EDI forum involving staff from across the organisation and active Trustee involvement. As a Board we have challenged ourselves to consider EDI in our governance through an externally supported training and development session for Trustees, which has helped frame our ongoing commitment to this work.

I would like to take the opportunity to recognise the continuing commitment of our staff and volunteers, in these difficult times, for their tireless support of the mission of our YMCA. I would also like to thank all our partner organisations who add value to our work and our amazing supporters who continue to be so generous in their financial and resource support of our charity.

Lastly, I would like to thank my fellow Trustees for their commitment and hard work, especially James Lister and Richard Neuraker, who both retired from our Board of Trustees this year after amazing service to both YMCA DownsLink Group and before that Sussex Central and Guildford YMCA.

Fran Beckett
Chair of Board of Trustees

CEO's Introduction

Over the past decade our YMCA has focused on growing our reach to support more children and young people across more communities. This ambitious growth strategy was a direct response to a decade of declining investment in public services and the associated increase in child poverty and inequality in our society.

I'm proud of the ambition we've shown to grow our services and fill the gaps that have emerged in services for the most marginalised in our communities.

Like most charities, we've been impacted by two years of Covid and operated a business continuity plan, ***Safer, Smarter, Stronger***, through 2020-21. With the easing of Covid restrictions we implemented a two-year Covid recovery strategy, ***Building Strong Foundations*** (21/22) to support Covid recovery, build a stronger organisational infrastructure to better support recent growth, and provide the foundations for a new long-term strategy in 2023.

Strategy objectives

Strategy Goal

Building Stronger Foundations

Objectives

1. Review operations against our strategic principles
2. Assess & define our referral thresholds
3. Develop people strategy & culture
4. Refresh business plan & review and refine our financial rules
5. Develop long term strategy 2023-27

Principles

- Balance- housing, charity, contractor
- Service priorities- supported housing, emotional wellbeing, youth services
- Referral thresholds- early help, prevention, targeted/ specialist
- EDI & 'bottom up not top down' culture
- Operating surplus 2024
- Liquidity of £1.5M
- Skilled, diverse & resilient workforce
- Strong & collaborative partnerships
- High quality & maximum impact - underpinned by effective systems, compliance & governance

Our ***Building Stronger Foundations*** strategy included significant investment in the infrastructure of our YMCA. We added additional skills and capacity to our Leadership Team with new Directors of People & Culture, Housing & Communities and Finance & ICT to work alongside our existing Directors of Children & Young People and Fundraising & Communications. We're implementing a new IT Strategy and have invested in a new IT support provider to ensure effective use of ICT to underpin our work. We have also reassessed the long-term investment requirements of our building assets through a Stock Condition Survey and specific Fire Safety Plan.

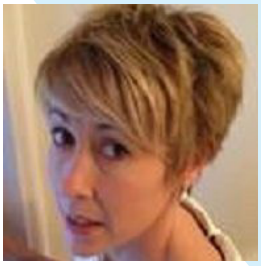
Leadership Team

Rachel Brett
Director of Children and Young People

Bobby Dhol
Director of Finance and ICT

Jayne Grier
Director of People & Culture

Satnam Kaur
Director of Housing and Property Services



Nikki Mason
Director of Fundraising and Communications

At the forefront of our work this year has been our continued focus on safeguarding. With a significant increase in safeguarding alerts within our projects we prioritised a **reassessment of our referral thresholds** to understand this trend. This work showed both a significant escalation in young people's support needs and risky behaviours, alongside an increase in statutory thresholds, meaning our stakeholders are referring young people with higher needs and greater risk profiles to our services. Despite the increased risk to the organisation, we decided not to reduce our referral thresholds, but to rearticulate our commitment to supporting the most marginalised and at-risk children and young people. To do this, we've identified additional investment needed in clinical support, specialist training, staffing and governance. We've also recognised that we need to evolve our relationship with key partners and stakeholders and take an approach of shared responsibility as the only way to meet the changing, and more complex needs, of children and young people.

We undertook an ***Operational Review*** to support our strategy, ***Building Stronger Foundations***. The key points were; we are at our best as an organisation when our work is focused on at-risk and vulnerable children & young people; we want a stronger focus on the impact of our work rather than continued expansion. This led to a significant decision sell our large student housing asset in Guildford, The Bridge, reinvesting the proceeds to support our core mission.

Like many charities the last few years have been financially challenging, from the impact of Covid, to the recent inflation trend and cost of living crisis. One of our strategic goals was to refresh our business plan to support organisational investment whilst ensuring we continue to meet our key financial rules promoting long term financial sustainability. The sale of The Bridge student housing project in Guildford will support cashflow and reduce our depreciation provision. Our investment in fundraising is starting to provide additional income to balance out the continuing reduction in public sector contract funding. But, like many other charities, the lack of public sector funding support for the sector remains a significant challenge.

As we look forward to the launch of our 2023 long term strategy, it is clear we will be doing this against a very difficult social, economic, and political environment. In my 13 years with the organisation, I've not known a time when we've faced so many challenges at once. However, I'm a great believer that the most challenging times are an opportunity for genuine positive change. I believe our organisation's strong mission will help us find the right answers. The strength of our partnerships, built up over 20 years, will enable us to work together to find innovative ways to achieve our shared goals. And, I believe the communities we work in will continue to support an organisation committed to helping young people belong, contribute and thrive.

Chas Walker
CEO YMCA DownsLink Group

Vision, Mission & Values

Wherever YMCA DownsLink Group operates across Sussex and Surrey, whatever the service provided, the vision is the same... to transform communities so that all young people can belong, contribute and thrive.

Our Services are found in the heart of communities, working with children, young people and their families, offering support & advice, housing, family & youth work, health and wellbeing, and training & education.

In preparation for our new long-term strategy, we're refreshing our mission and values. This work aligns with changes to the YMCA England & Wales purpose statement.

Vision

An inclusive Christian movement transforming communities so that all young people can belong, contribute and thrive.

Mission

We stand together with children and young people who are at risk; keeping them safe, supporting their emotional wellbeing, and enabling them to belong, contribute and thrive in their local community.

Values

- **We welcome -** we offer people the space they need to feel secure, respected, heard and valued; and we always protect, trust, hope and persevere.
- **We inspire -** we strive to inspire each person we meet to realise their full potential in all they do.
- **We support -** we are committed to the wellbeing of the communities we serve and believe in the positive benefit of participation, locally and in the wider world.
- **We speak out (NEW) -** we stand up for young people, speak out on issues that affect their lives, and help them to find confidence in their own voice.

Although our values have not changed, we have added a new one. As an organisation at the heart of championing young peoples' voices we want to signal our clear intent to 'speak out' alongside young people on the issues that impact them.

Alongside that, we are working hard to ensure that our YMCA has a culture in which people can speak out about any issues they are passionate or concerned about and in the knowledge they will be heard.

Our Year in Numbers

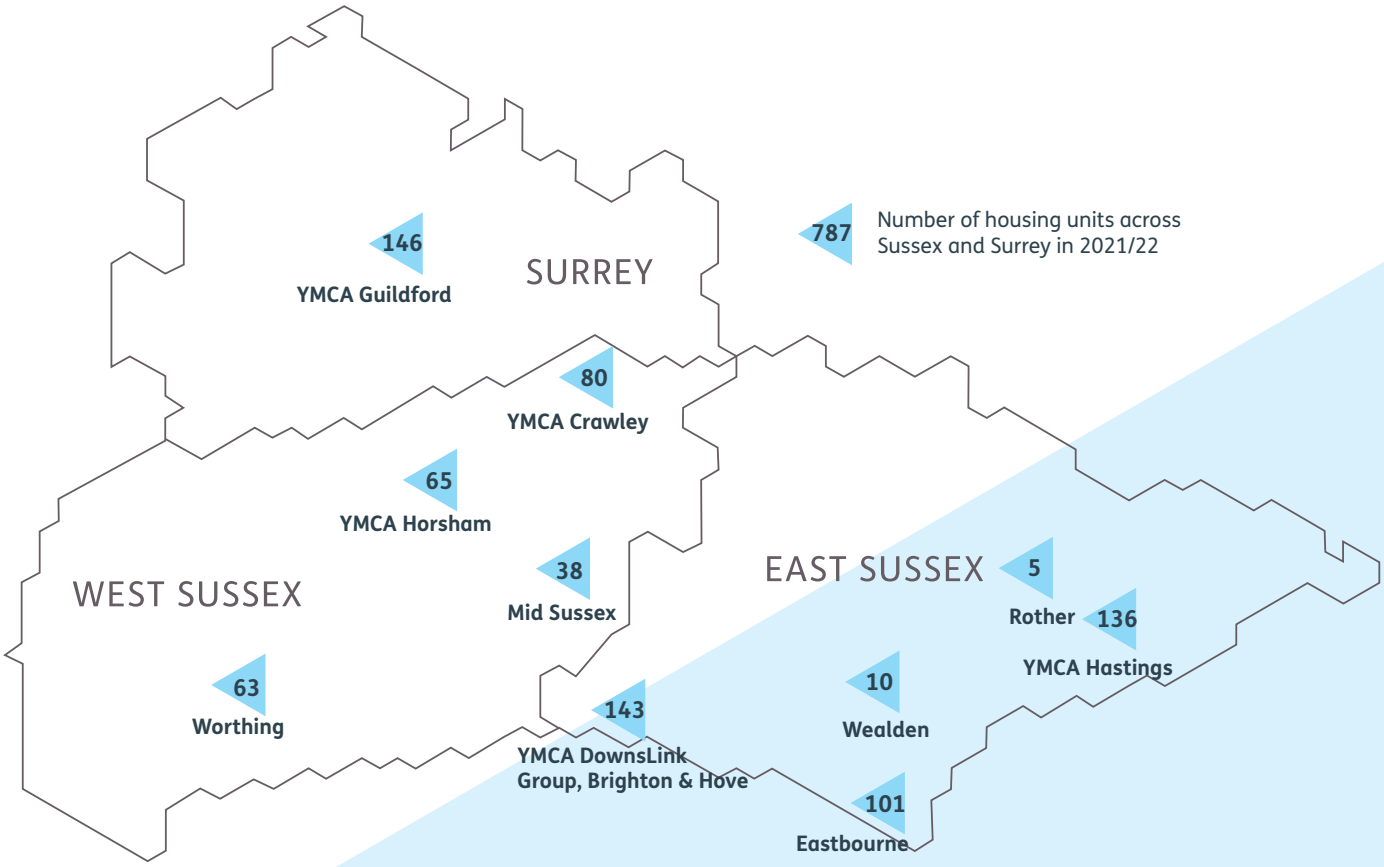
10,273 children, young people and families used our services

5,105 children, young people and families provided with counselling wellbeing, emotional support

787 people given a home every night

96% moved on successfully to independence

142 volunteers supported our work



Story of the Year

Commitment to Tackling Youth Homelessness in our Communities

Youth homelessness continues to grow in our community. At the start of the pandemic we saw a 61% increase in the number of young people presenting as homeless. Although this dropped in 2021, it has stabilised at around 37% higher than pre pandemic levels. This continues to put a strain on our services, from our Youth Advice Centres, to our supported housing projects.

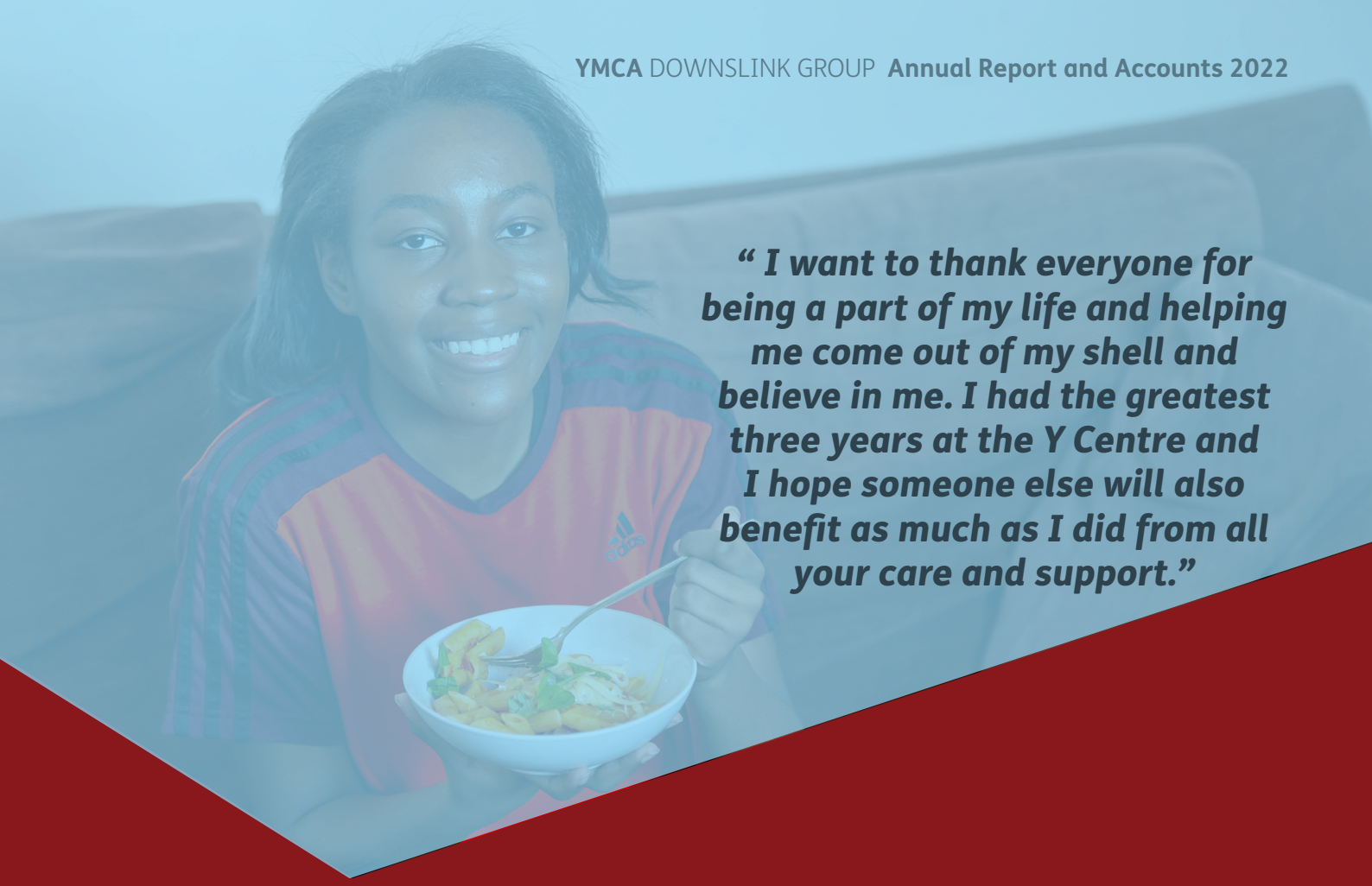
Despite the challenges, our commitment to tackling youth homelessness in our communities is unwavering. The number of beds provided during the period increased from 764 to 787. On average a young person lives with us for around two years. This stability, after a chaotic start in life, can make all the difference to their long term future.

But, more than a bed, we provide a home to those young people; we put them back on a pathway to an independent future. Our 'More Than a Room' programme gives children and young people a way back into education, training or employment and the life skills they need to 'move on' into successful independent living.

Last year 315 young people moved on to independence

YMCA DownsLink Group's work to tackle youth homeless is based on important partnerships with our local authority housing partners. These partnerships support the funding of our housing related support services and create referral pathways into our services to ensure those most in need can access the housing and support they need. We would like to recognise and thank all our partners for their ongoing support of our work.

Brighton & Hove City Council · East Sussex County Council · Surrey County Council · West Sussex County Council · Mid Sussex District Council · Horsham District Council · Crawley Borough Council · Worthing Borough Council · Hastings Borough Council · Guildford Borough · Eastbourne Borough Council www.eastbourne.gov.uk



" I want to thank everyone for being a part of my life and helping me come out of my shell and believe in me. I had the greatest three years at the Y Centre and I hope someone else will also benefit as much as I did from all your care and support."

Susie's story

Susie was the second youngest from a big family with older children and a single mum. Her mum worked very hard to look after the family and despite moving around a lot it was a happy home. Then her mum's boyfriend abused her little sister and everything changed. After a difficult time involving the police, courts and social services her little sister was moved into foster care. Because Susie was 18 she ended up alone and estranged from her family. Living in a rural location Susie was scared and lonely. She stopped going to college and was finding it hard to cope. That's when she was referred to YMCA DownsLink Group and was given a home in our 24-hour accommodation.

"I was super excited to start living somewhere that allowed me to be close to transport, shops, and help with anything I needed. It was a blessing.

The YMCA where I live has been so supportive and helpful.

During my time here I recently started a fast-track A-level in Mathematics and I was later surprised that I needed to pay for exam fees, so I asked for staff members and they helped me fill out a form so I could get access to funding that could help pay for them.

In the future I wish to be an Astrophysicist. My goal is to get into university this year and get one step closer each time with obtaining a Masters and then achieving a PhD."

We're delighted to report that Susie left us in September 2021 to take up a university place.

Increasing Provision in Sussex

We were delighted to be able to open a new 47 bed, 24 hour supported accommodation in Hastings.* The new Foyer has been welcoming residents since October 2021 and has so far supported 65 young people, including 13 care leavers and 17 unaccompanied asylum-seeking children.

Our success rate for positive move-ons is 96% with several moving to our own transitional housing

"The South Coast has historically attracted those experiencing homelessness. Hastings and St Leonards face consistent challenges in relation to poverty, levels of deprivation and homelessness, so we are delighted to be able to provide high-quality accommodation and a holistic support offer to young people locally. We've worked closely with the local council and other partners to ensure that this service embeds well into the local community."

- Anna Cooley-Greene

Anna Cooley-Greene and YMCA colleagues during the construction of the Hastings Foyer

Hastings Foyer staff outside the building

* This development was supported by Homes England capital funding, Rosaz Trust grant loan funding and Charity Bank loan facility. We would like to thank these partners for their funding support of this important new facility in Hastings.

Homes England

Charity bank
a bank for good

UASC (unaccompanied asylum-seeking children)

In 2021 the number of unaccompanied asylum-seeking children living with us doubled, with 14 different countries represented. Looking after these young people brings new challenges, particularly as many arrive traumatised, with nothing but the clothes on their back. Our staff embrace their work with these young people, ensuring that they access all the support available to them, from language courses and education to emotional wellbeing, and even supporting their fundraising challenges. Our chaplaincy teams have also worked hard to make sure family connections continue where possible by using Zoom calls, marking significant cultural holidays and working with them to create familiar food at chaplaincy sessions.

Thanks also to the support of two local translation companies, ABC Translations and Transbright, we've been able to translate vital documents into six different languages, helping us to better support the needs of these young people at a significant financial saving to the organisation.

Project worker Mo Pearce took on Hastings half marathon with two residents

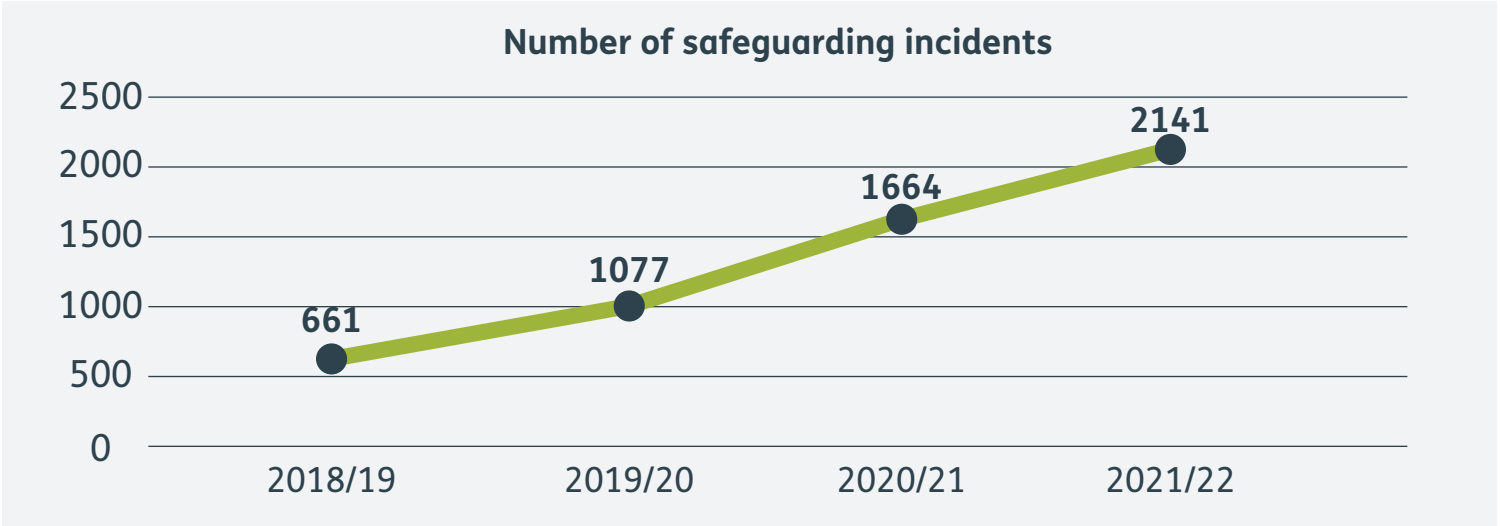
Elly McKay-Smith, East Sussex and Guildford Chaplain, used Zoom to meet the families of two residents from Afghanistan

"The YMCA has been very good for me – they take care of me, when I'm sick they check in with me and they make sure I am alright – make a drink if I need. For example, with current tooth pain, they support me to feel better and still get to college, which is very important. Also on Tuesdays, we are cooking together, eating together and talking, which has helped me with improving my English, and it's welcoming. In the country that I have come from, I did not have these things. So being in England is better for me."

- Kiki, YMCA DLG resident

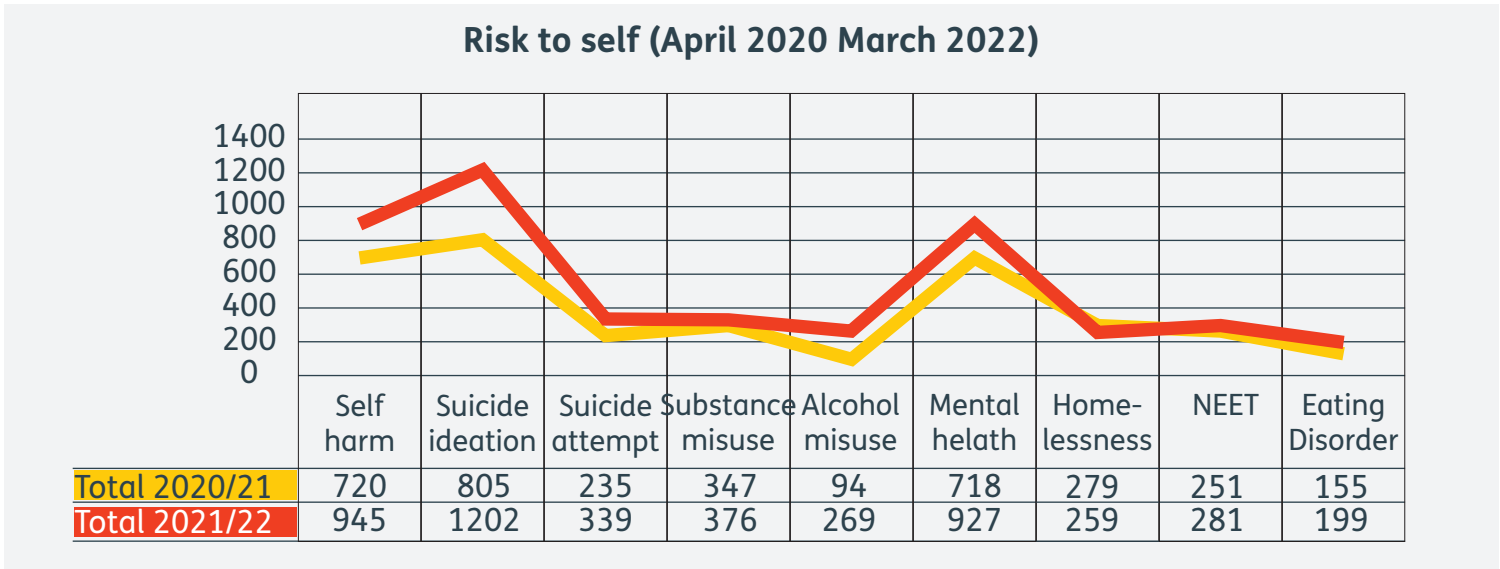
Prioritising Safeguarding

Safeguarding was one of our biggest priorities in 2021/22. Over the past four years we have seen an upward trend in safeguarding concerns. In 2021/22 we recorded our highest ever number of alerts; 2,141 concerns were raised about 1,477 individuals. This reflects the increasingly complex mental health needs of the children and young people using our services and the rising statutory thresholds for care and support.



(This figure represents ALL concerns raised; it is important to note that YMCA DLG monitors external reports to statutory agencies (51%) and monitors safeguarding alerts that don't meet thresholds for a statutory response but are of concern (49%).

We are also seeing a very concerning increase in the number of children and young people who are a risk to themselves, through suicide ideation or self-harm. The graph below clearly shows that these risks have increased on the previous year. Our frontline staff in our housing projects are supporting young people with more mental health issues than ever before.



	Self harm	Suicide ideation	Suicide attempt	Substance misuse	Alcohol misuse	Mental helath	Home-lessness	NEET	Eating Disorder
Total 2020/21	720	805	235	347	94	718	279	251	155
Total 2021/22	945	1202	339	376	269	927	259	281	199

In order to be able to continue to support these children and young people we are investing significantly in safeguarding, including increased training for staff, clinical support and higher staff ratios.

Young People's Mental Health

YMCA DIALOGUE
Counselling and therapeutic support for children, young people and families

e-wellbeing
POWERED BY YMCA DownsLink Group

There is no doubt that we face a societal crisis around young people's mental health and wellbeing. The number of young people seeking help for mental health and emotional wellbeing issues was rising pre-pandemic, but in 2021, the lifting of Covid restrictions illuminated the full scale of the problem.

The surge and ongoing increase in need was (and continues to be) felt across all of our children and young peoples' services; from our supported housing projects to our counselling services and youth advice centres (YMCA YAC). Our YMCA Dialogue school and community counselling service saw an increase of almost a third in referrals of school-age children, compared to the previous two years.

As the volume of demand for services continues to rise, provision and resource continues to play catch up, leaving young people faced with a build-up of waiting lists across the system. Increasing numbers of children and young people are waiting for a long time to be seen, which in turn, can increase risks related to self-harm, suicidal ideation and attempts.

We are doing all we can to address this crisis. We're working closely with all of our statutory and NHS partners to try and secure extra funding to recruit more specialist staff and counsellors. This resulted in a 40% increase in provision in 2021.

bacp collective mark | Accredited Service

In addition, we continue to invest in digital wellbeing services, such as www.e-wellbeing.co.uk so that young people can find mental health information and self-help advice online.

11,767 visitors to the e-wellbeing platform, seeking support for anxiety, self-harm and way to access mental health services

In 2021 we also extended the reach of the online programme through group work within schools via the 'mental health champions' programme, where students themselves are empowered to look for solutions in their own schools and devise ways in which emotional support can be enhanced in schools.

"I enjoyed being a Champion because I can help others with mental health and help them feel safer."

In 2021, we launched the joint initiative, the Self-Harm Learning Network (SHLN) (working in partnership with West Sussex Mind and Allsorts) - an initiative to help children and young people at risk of self-harm. The network provides inclusive training for parents and professionals, focus groups with young people, and a range of helpful resources (via www.e-wellbeing.co.uk/sh-resources) to support youth mental health and self-harm. The network is a supportive community, focussed on ways to cope with a child or young person who is self-harming, as this is such a distressing and increasingly prevalent issue.

In 2021 our Self-Harm Learning Network organised 32 events, attended by 333 schools and professionals and 187 parents and carers

Our self -harm resources were viewed over 2,500 times

The work of YMCA Dialogue is supported by a number of important partnerships. Our work with 47 schools across Sussex is critical to the mental health of children and young people. We would like to thank all these schools for the investment they make into our YMCA Dialogue services

In addition to this we are pleased to work in partnership with Sussex Partnership Foundation Trust, as their partner of choice for community wellbeing and therapeutic services for children and young people across Sussex.

NHS
Sussex Partnership
NHS Foundation Trust

Supporting Young People in Their Communities

YMCA WiSE PROJECT
Supporting children and young people to stay safe in their relationships

YMCA YAC
Advice and support for young people aged 13-25

Our targeted services for young people continues to be an increasingly important part of our mission. We know that early prevention provides the best outcome for young people.

Y Girls campaign

We were delighted to receive funding to be part of YMCA England and Wales' Y's Girls Programme; an early, effective, mentoring initiative that matches trained volunteer mentors from a range of different backgrounds in the Brighton & Hove community with female-identifying young people aged 9-14 years olds. Y's Girls aims to help build resilience and reduce the likelihood of young girls developing mental health concerns, by improving their confidence, skills and engagement with their communities. To date we have worked with 20 girls in Brighton, and taken part in a national evaluation of the programme.

YMCA WiSE

During 2021/22 YMCA WiSE provided one to one support to 155 young people who were being sexually exploited across East Sussex, Brighton and Surrey. The team also began a new project working with the Sussex Police providing brief interventions for young people who had shared inappropriate images online, providing education and support about staying safe online. The team continued to support schools, health and social care, providing specialist independent support for both young people and professionals.

"My WiSE worker has been a massive help. I am more able to talk about my problems and have many resources and strategies to cope with flashbacks and things that happen because of the trauma. I would not be where I am now without their extraordinary work."

- YMCA WiSE client, 17

WiSE Up to Exploitation Campaign

Working in partnership with Sussex University, our YMCA WiSE project delivered an award-winning, high-profile campaign, aimed at young people to help them understand the exploitation (child criminal exploitation - CCE) and harm caused to other young people by buying drugs. As well as extensive media coverage the campaign generated the support of local MP Peter Kyle, who is Shadow Minister for Victims and Youth Justice.

Youth Advice Centres (YMCA YAC)

Our Youth Advice Centres (Brighton, Crawley) continue to offer a vital service to young people needing support and advice and the numbers accessing them continue to grow.

> *"I would highly recommend these guys to everyone. So kind, caring and supportive."*
>
> - YAC Brighton service user

Brighton YAC

The numbers of young people presenting as homeless during 2021 continue to put a strain on this vital service. In addition to issues around homelessness the team also identified an increasing pressure on young people's finances.

In response, working in partnership with Brighton & Hove City Council, Brighton & Hove Food Partnership, FareShare Sussex, Neighbourly, Brighton & Hove Food Factory, and Sussex University, YAC Brighton have opened a Food Market for young people in the Brighton area aged 16-25.

Its aim is to support young people in accessing healthy, low-cost foods and essential products at a simple one-stop shop. It is an easy way for young people who struggle to afford the rising cost of goods, to access locally produced fresh foods and supermarket surplus, as well as providing a modern and sustainable approach to food waste and food poverty.

Crawley YAC

In April 2021 the LGBTQU+ Haven was launched at YAC in Crawley as a pilot project, offering local young people (aged 11-25) access to weekly youth groups, as well as 1:1 support sessions, all facilitated by a dedicated team of LGBTQU+ Youth Workers and Volunteers.

The service was developed by the team at YAC following several years of consultation between local youth organisations and Crawley Borough Council. Young people said they were frustrated about there being no support locally and said travelling to Horsham or Brighton to access support with Allsorts Youth Project (AYP) presented a significant barrier to them accessing support.

Safe spaces like LGBTQU+ Haven are crucial, as we know that young people who identify as LGBTQU+ are disproportionately affected by homelessness, often caused by violence, abuse, or rejection in the family home, as well as insecure employment and mental health problems (including self-harm and suicide). We're delighted that funding has been secured to continue the valuable work of the project.

Room to Rant

Room to Rant is a partnership project delivered by AudioActive and YMCA Downslink Group, giving young men aged 16-25 a space to get stuff off their chest, through rap and spoken word workshops. Young people involved in the weekly groups are also able to access 1:1 counselling with our in-house Room To Rant Counsellor. The project has now been running for four years and has broadened its reach across the whole of Sussex, with groups taking place weekly in Eastbourne, Brighton, Crawley and Worthing.

The counselling element of the project, provided by YMCA DownsLink Group, is essential. If any concerns arise within group sessions our counsellor can take the young men aside to check in on them and offer them the opportunity to access one-to-one counselling outside the group. The impact on the young men involved in Room to Rant is profound, with many engaging in therapeutic support for the first time as a result of their engagement with the project.

"The group allows participants to get to know me in a more casual setting before accessing counselling. We can build up trust, which is key in enabling these young men to be open to the counselling process."

- Katy, Room to Rant Counsellor

Youth Engagement – Eastbourne

Our youth engagement programme in Eastbourne continued to deliver a fantastic programme of events. They ran (and continue to run) five weekly clubs in the most deprived areas of the town and delivered a summer skate programme that reached over 500 young people. The youth engagement team offered a range of holiday activities and provided free meals for young people most in need.

"The YMCA Youth Club makes me feel accepted and supported."

- Eastbourne Youth Club attendee

We would like to recognise and thank all our partners for their ongoing support of our work:
Surrey PCC, Heathrow Community Fund, CIN, Sussex PCC, The National Lottery Community Fund, Children In Need, Advice Matters, Hyde Charitable Trust, Youth Partnership, Blagrave Trust, Tesco, Brighton and Hove Emergency Food Network, Youth Access, Brighton & Hove City Council, The Ernest Kleinwort Charitable Trust, Devolved Budget Langney, HAF, EBC, West Sussex Clinical Commissioning Group, Nationwide Community Grants, Crawley Borough Council, Safer Crawley Partnership, Comic Relief

Community Support for YMCA DLG

We were overwhelmed by the community support shown to the organisation in 2021. From community bakers providing over 250 bakes a week to our projects in Brighton & Hove, to volunteers working alongside residents to create gardens at our housing projects, or, companies offering mentoring and work experience, it has been a year when community engagement has shone through.

Sussex Bake Down made celebration birthday cakes for our residents as well as providing weekly home-made bakes for our housing projects

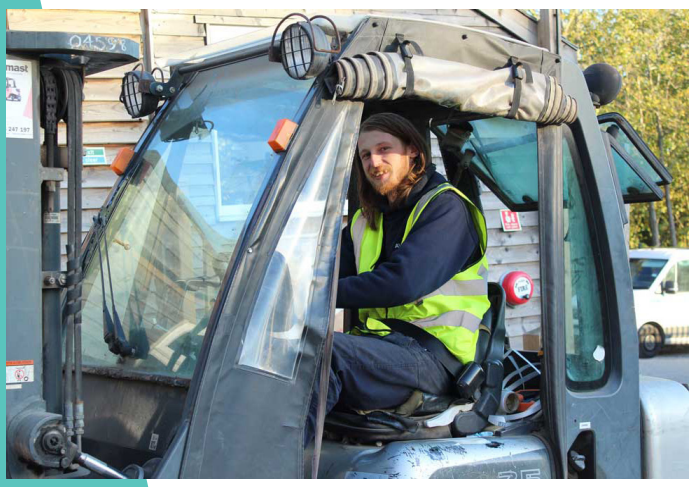
Our volunteers are at the heart of our organisation. These amazing people enrich our work with young people and directly impact our ability to transform young lives.

Last year 142 active volunteers supported our work, providing over £80,000 worth of support to our projects and young people

Providing positive employment opportunities for our young people continues to be a key element of our support and an important part of their journey to independence.

Our partnership with AVS Fencing is a great example of how local businesses can support us to provide meaningful work experience for our young people.

Jack, pictured below, was offered a permanent job with AVS after a successful placement project.



"This whole project with YMCA DownsLink Group has been incredibly rewarding, not only for Jack but also for me and the rest of the AVS team. I am so proud of how Jack has developed, and how the branch team has embraced and supported Jack over the past three months. We can't wait for him to be a fulltime member of the team."

- Manager at AVS

Our People

Our employees (381) and volunteers (142) are our biggest asset. Due to the pandemic, 2021/22 was another challenging year for everyone working within a care setting or with vulnerable people. But our people rose to the challenge, and we maintained all our services despite frequently changing Covid guidance and intermittent lockdowns.

In January 2022 we ran our first staff survey for two years. We used external support through Great Place to Work, who ran the survey for us and we achieved both the required level of response from staff and trust score to be accredited as a great place to work. Staff feedback identified a number of important areas our People Strategy can focus on to support us in providing a first class experience for our staff.

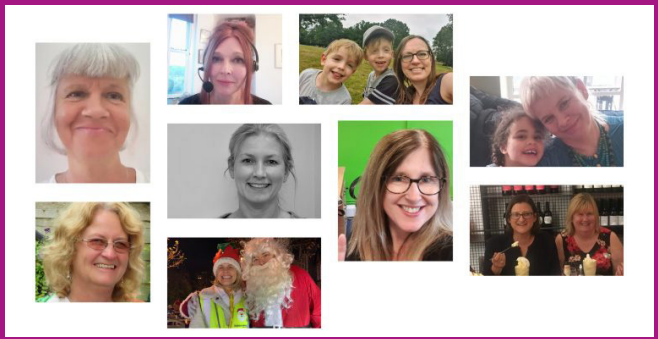
Recruitment remained a challenge across our sectors. Our voluntary turnover rose to 30% in the reporting year from 25% in the previous year, as some people chose to move into new sectors or different roles in the 'Great Resignation' phenomenon.

We continued to implement our reward & recognition strategy, a £900K investment commitment over three years to increase staff pay, with our second planned salary uplift in April 2022. We upgraded our benefits beyond remuneration. In Autumn 2021, we introduced a new Employee Assistance Programme, and we reviewed several of our people policies to ensure they reflect best practice and are in line with other employers in our area.

In June 2021, we launched a new Equity, Diversity and Inclusion Plan (read more about this work on page 26). In March, we ran our first staff engagement survey for two years.

We continue to offer a broad range of mandatory training with 93-96% performance on completion of mandatory training and over 4000 individual learning and development opportunities, with a new focus in early 2022 on 'Bitesize' skills development sessions for managers.

Our thanks and appreciation to all our people who have shown themselves to be resilient, inclusive, efficient, productive and adaptable in the last year.



For international Women's Day we celebrated 331 years collectively of women in our YMCA who've worked for us for 15 years or more. It became one of our most popular posts on Facebook.

Chaplaincy

YMCA CHAPLAINCY

Providing a non-judgemental space to discuss, explore, listen and support

> *"A seamless service that is blended into the ethos of the YMCA."*
>
> - YMCA DLG staff member

Chaplaincy is a unique offer at our YMCA and is so much more than a listening ear or tea and cake. Our chaplains are a consistent presence within our housing projects and offer both staff and residents a space in which to relax, reflect and talk about whatever may be going on in their lives.

Chaplaincy meals are a weekly fixture in our projects and are greatly valued by our residents as a way of connecting with each other and giving them a sense of family, and helping the housing projects feel more like a home.

In 2021 we commissioned research to review our chaplaincy service and identify ways in which we can report it's impact. This is due to report in autumn 2022.

> *"I give the chaplaincy sessions 10/10."*
>
> - YMCA DLG resident

"Without Chaplaincy, it would have taken me much longer to find the confidence to speak to others. When I first moved to the Foyer I didn't speak to anyone for the first 2 weeks. I don't know why, but Chaplaincy seemed like a safe place to introduce myself. I felt Chaplaincy was a space where I felt comfortable, it helped me with my ability to talk to strangers, a place where I could get things off my mind and chest, every week, and gain outside views, different points of view, and outside advice – including from the other young people attending Chaplaincy, who then became my friends."

- YMCA DLG resident

Fundraising

Despite external challenges, 2021 saw our fundraising strategy continue to gain momentum and impact. New and existing trust funders enabled us to continue to deliver our vital support and advice work for young people at YMCA YAC in Brighton and Crawley, redevelop much-needed accommodation in Eastbourne and continue to offer dedicated support for young people experiencing or at risk of exploitation. We also increased our individual supporters and developed some fantastic new relationships with local businesses, doubling our company donations from the previous year.

We have secured funding pledges of over £100k to enable us to start developing our innovative, digital, housing related support programme which will help our staff to support young people in their journey towards full independence.

Room Sponsorship Campaign

We launched an individual giving campaign to encourage regular giving and to enable donors to support our charitable work on a regular basis. This is supported by continued digital acquisition and digital marketing campaigns. We now regularly engage with our local communities who are keen to find out more about the work we do. As part of this, we invested in a CRM system to help manage and communicate with our generous supporters in a more bespoke and regular way.

Launch of The DownsLink Challenge

Our inaugural sponsored walk along the picturesque Downs Link Pathway took place on a roasting hot day in July. Over 100 participants, including staff, trustees, residents, ex residents, businesses and supporters, took part and walked or ran 16 miles between Horsham and Shoreham raising nearly £19,000. The campaign was also supported by celebrity ambassadors, Eddie Izzard and Sharon Gunnell OBE. It was a fantastic day and a great opportunity for staff, young people, local companies and individual supporters to come together after a difficult year of isolation.

We would like to thank the following philanthropic trusts and local companies/organisations for their invaluable and ongoing support for our community and support services:
All Churches, Austin Hope and Pilkington Trust, BBC Children in Need, Chalk Cliff Trust, Community Foundation Surrey, Fonthill Foundation, Hyde Housing, LandAid, The Blagrave Trust, The National Lottery Community Fund, Toyota, UFI VocTech Trust.

Corporate Partners

As a way to engage corporate partners and businesses we developed a Membership Movement to offer an easy way for local businesses to support our charity. This has been highly successful, and we were extremely grateful for the support received from more than 50 local businesses. Some of these businesses have been nurtured to go on to name us as their Charity of the Year thereby increasing their contribution to our cause.

"Good News were more than happy to donate footwear to YMCA and help play a small part in providing practical support to young people in need. Having previously collaborated with overseas charities, it made sense for us to turn our support to local communities too, and considering the amazing and vital work undertaken by the charity, choosing to support YMCA was a no-brainer for us!"

- Good News Shoes

In 2021 sign-ups to our Membership Movement have gone from **32 to 64,** we have **six** Corporate Room Sponsors and **two** businesses have chosen us as their Charity of the Year

Resident in Worthing proudly holding her new shoes, donated by Good News Shoes

"As a company we understand that the future rests on our youth getting a fair deal as they grow into mature adults, so any contribution we can make to improve their chances is an essential part of our social responsibility."

- Audio Note

"Very happy to support our young people who have been hit so hard during the pandemic."

- Medex

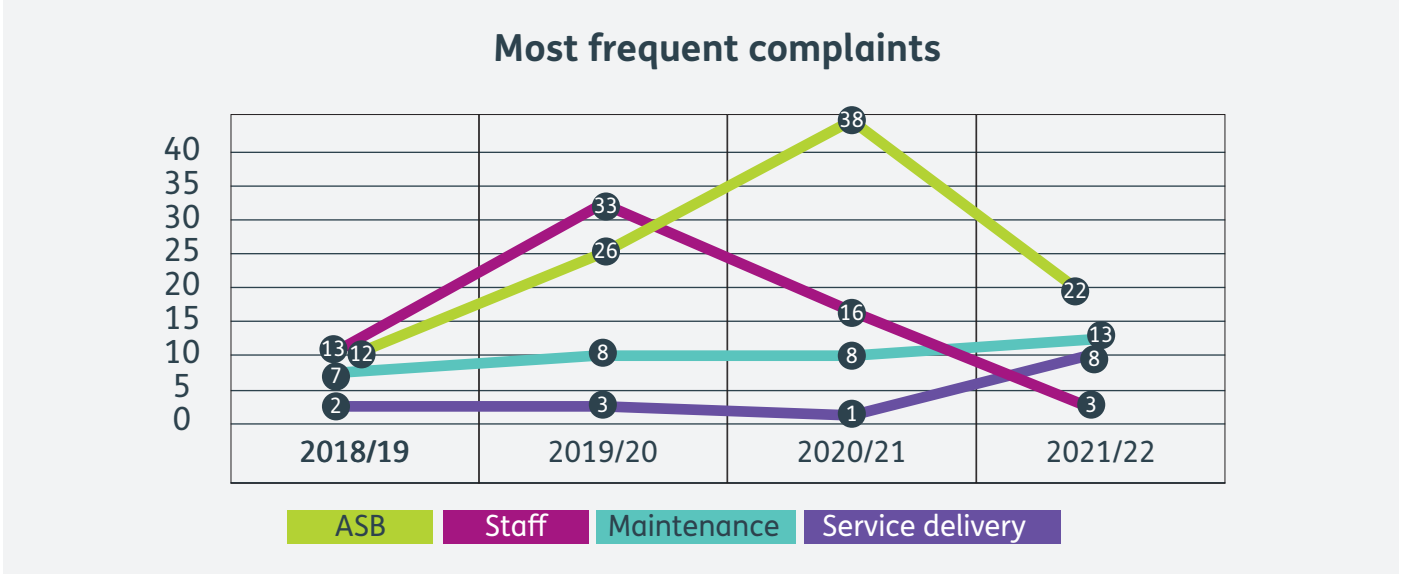
We would like to thak all our corporate partners for their support of our work:
33KV Ltd, ABC Translations, Acoustic Associates Sussex Ltd, Amplicon Liveline Ltd, AR Lets, Assurity Consulting Ltd, Audio Note UK Ltd, Austin Rees, AVS Fencing Supplies Ltd, Big Hug Brewery, Boxpark, Brightec, BRS Global, Burt Brill & Cardens, Capital Consulting International Ltd, Consort Frozen Foods, Cordek Ltd, DEH Electrical, DMH Stallard LLP, Griffiths Smith, Doyle & Tratt Products Ltd, Varilight, Eastbourne Auctions, Fowler Building Contractors Ltd, G M Monk Ltd, Graphite Digital, Green Day Generation, Hastings Direct, Herbosch-Kiere Marine Contractors, iCrossing UK, Ingenio Technologies, International Collection, JC Care Ltd, John Lewis, Leaders Roman Group, Medex Scientific UK Ltd, Mott MacDonald, Oban International, OHM Energy, Pagoda Security, Patty&Bun, Philips, Photek Limited, Principal Corporation Ltd, Pryer Construction, ServiceMaster Clean, Small World Accessories, Southern Counties Janitorial, Sovereign Cargo Ltd, The Guildford Lighting Centre, The Mayday Group, The Social Kinetic, TLF Investments Ltd, TransBright, Transcool Systems Ltd, Trident, West & Berry, Wilbury Stratton, Wright Flow Technologies.

Health & Safety

This year we had 233 recordable health and safety related incidents of which 4 were reportable as serious incidents under our Charity Commission requirements. There were no RIDDOR reportable incidents.

Complaints

We have also seen a reduction in complaints from clients we work with and also other complainants such as our neighbours and parents/carers of clients; complaints reduced by 23%, from 87 to 67. Anti-social behaviour is our most frequent type of complaint which reduced by over 40% on the previous year. We experienced a rise, however, in maintenance-related complaints. From looking at our learning from complaints, we have learnt that we need to review our maintenance request procedure and ensure residents are clear as to the right route for their complaint according to which property they are in (YMCA DLG responsibility varies according to whether we own the property, lease the property or have a management agreement in place). We need to be clearer with residents about the variations.



This year the Housing Ombudsman revised the Complaints Code and we have adjusted our procedures and are working through an action plan which includes reviewing how and what is reported to the Board, and having a governance lead for complaints.

Equity, Diversity and Inclusion

Inclusiveness is fundamental to the ethos of the YMCA Movement. YMCA DLG remains committed to being an organisation where people want to work, where they feel welcome and want to stay. We also want to provide services that transform young lives and reflect young people's communities and are based on our organisational values: we welcome all, we inspire, we support and we speak out.

As a board of trustees, we are committed to achieve equality of opportunity, diversity and inclusion in all YMCA DLG activities.

Since our Equity, Diversity and Inclusion Action Plan was approved in September 2021 (this sets out how we intend to reach our goals of being a truly inclusive organisation, employer, and service provider) we have:

- Ensured all trustees participated in a bespoke D&I training session, facilitated by governance expert Tesse Akpeki
- Secured the support of an external translation agency to ensure that 'Move In' documents for young unaccompanied asylum seekers in our supported accommodation are available in Sudanese Arabic and Tigrinya (Eritrea), Dara (Afghanistan) and Amharic (Ethiopia)
- Strengthened our commitment to the correct use of pronouns that people have stated they go by – updating our Code of Conduct, commissioning training from Stonewall Housing and publishing an article on International Pronouns Day
- Reviewed the way we collect diversity data for employees and published this on MACY (our staff intranet)
- Agreed our priorities for action in 22/23

Looking ahead to 2022/23, the Diversity and Inclusion Forum will be relaunched. The Forum will meet on a quarterly basis and will feature a speaker or themed discussion. These sessions will be open to all staff. In addition, there will be sub-group meetings, colleague networks and safe spaces for specific guidance, action and support on one or more of the protected characteristics (gender, sexual orientation, gender reassignment, race, disability, age, religion or belief). Other priorities include supporting staff and clients to attend the Brighton TransPride event, recruiting new trustees and establishing a Youth Champions board (part of wider Youth Involvement Strategy).

A member of the board continues to sit on the YMCA DLG Diversity and Inclusion Forum (alongside staff and service users), and we welcome their contribution to support our efforts to implement our Action Plan.

Organisational Risk

Risk register

This year we undertook a formal refresh of our organisational risk register. We used an external consultant to help facilitate the review and provide an external lens to consider how we map and report risk in line with best practice for housing associations and charities. This was to support the Board's responsibility for risk under our Code of Governance.

This review identified four strategic level organisational risks that require regular monitoring with the Board, three of which were safeguarding related.

1a) Death/serious harm of a child / young person through suicide or suicide attempt
1b) Safeguarding failure
3) Working outside mild to moderate referral threshold levels

Risk identification was linked to: two recent critical safeguarding incidents within the organisation; our highest ever number of annual safeguarding reports; and the rising level of referral thresholds in our services. The current controls and risk mitigation was rated as average due to the current challenges of staff retention and recruitment, leading to a skills deficit in our workforce and due to the outstanding project work to review our organisation's referral thresholds (NB: this has now been completed).

The other strategic risks identified were:

2) Inability to recruit and retain suitably qualified and experienced staff: risk was linked to staff turnover, local recruitment challenges and the wider issue of a lack of care staff in the UK workforce.
4) Increased voids: by the end of the financial year 2021/22 voids were running at 9% and had a material impact of £500k on the year's financial accounts. The risk also relates to the following year's finances and our exposure to bank covenant compliance if we are unable to bring voids back in line with our 3% target. At the time of filing our annual report we are pleased to say the current mitigation plan has brought voids down to 4%.

Risk tolerance

As well as refresh the risk register the Board also reviewed its current risk tolerance levels:

	Averse	Minimal	Cautious	Open	Hungry
H&S			✓		
Safeguarding				✓	
Finance				✓	
Missional activity				✓	
Legal & regulatory			✓		
Operations				✓	

The Board review confirmed that current risk tolerance levels were appropriate for the six areas, except for finance, where it was agreed that this would be reviewed again in October 22 as part of the refresh of the organisation's business plan.

Review of Financial Performance 2021-22

Income and Expenditure Summary	2022	2021	Movement
	£'000	£'000	
Income	**16,252**	**16,203**	0.3%
Operating Costs	(16,244)	(15,638)	(4%)
Underlying operating surplus / (deficit)	8	565	(99%)
Pension revaluation/rebasing	(75)	(179)	58%
One off development and redundancy costs	-	(398)	100%
Operating (deficit)	**(67)**	**(12)**	**(458%)**
Net Interest & investment revaluation	(80)	(62)	(29%)
Deficit for the year	**(147)**	**(74)**	**(99%)**

For 2021-22 we are reporting a deficit of £147,000 (2021: £74,000). Our income of £16,252,000 (2021 - £16,203,000) was on par with prior years. There has been additional income from the "Empty Homes" projects and increase in the number of housing units. In other areas income has decreased due to average lower occupancy rates and reduction in grant income, notably following the closure of the Covid19 job retention scheme.

Operating costs increased by 4% to £16,244,000 (2021- £15,638,000). Following external benchmarking of salaries, increases were made to staff pay to align to industry benchmarks. The impact of the worldwide increase in utility prices has begun to filter through to new properties unable to take advantage of YMCA DLG's existing fixed utility contracts.

Earnings before interest, taxation, depreciation, and amortisation (EBITDA), on which our banking covenants are based, were £403,000 (2021 - £434,000) giving us clear headroom to meet our bank covenants. Our principal bank covenant is the requirement for our EBITDA to be 1.2 times our debt servicing costs, interest and capital repayment, and we have achieved this consistently.

In October 2021 we completed the development of a new 47 bed hostel based in Hastings, which is performing well. This was funded by increasing our borrowing and a grant received from Homes England. The Empty Homes programme performed well with 26 new units of accommodation brought into management and 46 units refurbished on extension of their leases using grant income.

The last quarter of the year has been challenging with:

- occupancy rates in our properties at a lower level than budgeted due to a lack of and inappropriate referrals;
- staff vacancies causing operational difficulties as we saw the impact of 'the great resignation';
- fundraising income lower than forecast due to difficult environmental conditions.

We are a participating employer in the YMCA Federation pension plan. During the year, the pension trustees rebased the deficit contributions to reflect changes in membership numbers. This has resulted in YMCA DLG's future liability increasing by £75,000 which has been provided for in the 2021-22 accounts.

Reserves

The charity has accumulated reserves of £9,754,000 including restricted reserves of £105,000. These reserves are almost entirely invested in property and therefore used to meet the charity's strategic objectives of supporting vulnerable young people to belong, contribute and thrive. As a registered social housing provider, as well as a charity, our financial viability is managed by means of a rolling five-year business plan, which takes into account cash flows, borrowings, bank covenant compliance and the repairs and maintenance of our existing properties together with the acquisition and development of new projects. Furthermore, the business plan is subjected to a series of stress tests, which are reviewed by the Board together with mitigation plans. This ensures the charity remains financially viable into the future.

The charity also has a cash management policy to hold a minimum of £1,500,000 cash which is more than a month of cash outflow. At the end of the financial year the charity had cash cover of 2.4 months (2021 was 2.1 months) compared to a target of just over one month. In addition to this, the charity monitors its certain income levels linked to property asset income and contracted income against its fundraised income. The income that falls into the certain income criteria has reduced from 85% to 78% of annual income as contracts require retendering and student accommodation ending on the sale of the Guildford Y Centre, otherwise known as The Bridge.

During the financial year we drew down the final £1,000,000 from our £2,500,000 loan facility with Charity Bank for the acquisition of Hastings Foyer. At the year end the balance on the loan stood at £2,335,000. We received a further £400,000 from the Rosaz Trust taking the value of the loan to £850,000 on a fixed interest rate which is repayable no earlier than September 2044.

Financial Year 2022 – 23

YMCA DLG have taken a decision to consolidate the business and as a result Guildford Y Centre, The Bridge, was sold in June 2022 as housing students is not core to mission and occupancy rates were low. The impact of this is a £2,000,000 deficit due to the grant being retained by YMCA DLG to consider for recycling against future projects as the sale was not to a registered housing provider. The impact of this transaction will be recorded in the accounts of financial year ending 2022 – 23.

The first quarter of the new financial year has concluded with material political and economic uncertainty impacting many organisations and individuals as interest rates rise and inflation reaches unprecedented levels in recent times. The same impact is being felt by YMCA DLG. Global utility prices have rocketed with no sign to an end to price volatility. YMCA DLG are assessing exposures and mitigation to such unprecedented utility inflation given the volume of real estate requiring a substantial supply of electricity and gas.

The impact of inflation, coupled with increasing domestic utility increases has created cost of living challenges for many including YMCA DLG staff. Alignment to prior external benchmarking has already become dated and there is a need to further compensate to help through the cost-of-living crisis. Work has commenced to generate proposals while considering the financial viability for the organisation.

With such financial pressures it is realistic to expect that there will be a deterioration in performance for the new financial year, the same will apply to many charities and businesses in similar positions. Business planning has taken on an even greater importance to assess outcomes for the current financial year and the years following. It is important that YMCA DLG works with its lenders and as such a temporary waiver of the EBITDA debt servicing covenant is being discussed with Charity Bank. This will allow some financial flexibility for these unprecedented times.

List of Trustees and Advisers

Registered Office
Reed House, 47 Church Road
Hove, East Sussex BN3 2BE

Charity Number: 1079570
Company Number: 3853734
Homes England Registered Number: 4644

List of Board Members
Fran Beckett, Chair
Erin Barnes
Ingrid Beatty, Vice Chair
Michael Chawatama
Michael Gercke
John Holmstrom
James Lister, resigned 23 Oct 2021
Richard Nerurkar, resigned 23 Oct 2021
Caroline Stearman, re-appointed 22 Oct 2021
Andrew Taylor

Company Secretary
Kirsty Bunning, resigned 21 Jul 2022
Baldeep Dhol, appointed 21 Jul 2022

Audit and Risk Committee
Michael Gercke, Trustee and Chair
Erin Barnes, Trustee appointed 9 Nov 2021
John Holmstrom, Trustee
Carol Long, Independent member resigned 9 Nov 2021

People and Participation Committee
Ingrid Beatty, Trustee and Chair
Michael Chawatama, Trustee
Caroline Stearman, Trustee re-appointed 22 Oct 2021

Business Planning and Finance Committee
Andrew Taylor, Trustee and Chair
Fran Beckett, Trustee
Michael Gercke, Trustee

Executive Team
Charles Walker, Chief Executive Officer
Simon Braid, Director of Finance, resigned 31 Mar 2022
Rachel Brett, Director of Children and Young People
Anne Cairns, Chief Operating Officer resigned 31 Dec 2021
Baldeep Dhol, Director of Finance and ICT from 6 Jun 2022
Jayne Grier, Director of People & Culture
Satnam Kaur, Director of Housing & Community Services from 2 May 2022
Nicola Mason, Director of Fundraising and Communications

Solicitors
Griffith Smith LLP
47 Old Steine, Brighton BN1 1NW

Bate and Albon Ltd
36 Vine Street, Brighton BN1 4AG

DMH Stallard
Gainsborough House, Pegler Way, Crawley
RH11 4FZ

Trowers and Hamlins
55 Princess Street, Manchester M2 4EW

Bankers
The Royal Bank of Scotland plc
156 High Street, Southampton SO14 2NP

The Charity Bank Ltd
Fosse House, 182 High Street, Tonbridge
Kent TN9 1BE

Auditors
Haysmacintyre LLP
10 Queen Street Place, London EC4R 1AG

Internal Auditors
Mazars, Tower Bridge House, St Katharine's Way, London E1W 1DD

Trustees' Statements on Regulatory Compliance and Internal Controls

This section of the report sets out YMCA DLG's compliance with external regulatory bodies and key external legislation relevant to the Annual Report. These are:

- The Charity Commission
- The Fundraising Regulator
- The Regulator of Social Housing
- The Housing Ombudsman
- The Information Commissioner's Office
- The Companies Act 2006

The Charity Commission

YMCA DLG is governed by its Articles of Association and was incorporated on 24 September 1999 as a company limited by guarantee, taking over the charity Hove YMCA. The charity evolved through a number of YMCA mergers, including Mid Sussex, Horsham and Lewes & District, Guildford and finally Eastbourne & Wealden in 2018.

The charity has Directors' and Officers' Liability insurance in place. The Board of Trustees is the central decision-making body of the Company and comprises 8 trustees at the time of signing.

The Board meets at least 6 times a year. There are three sub-committees which are:

- Audit and Risk committee
- Business Planning and Finance committee
- People and Participation committee

These committees have defined Terms of Reference, and report to the Board at each meeting.

At the time of this report YMCA DLG complies with all necessary regulations and reporting requirements set out by the Charity Commission. We reported four critical incidents to the Charity Commission and have kept the commission informed in line with the procedure.

Charity Commission's & Regulator for Social Housing Code of Governance requirement

YMCA DLG meets its requirements for a Code of Governance by adopting the NHF 2015 Code. The trustees undertake an evaluation of the Board and its performance each year. This year the Board commissioned an external review of its performance against the 2015 Code of Governance. Key findings from this work were as below:

YMCA DLG have some good fundamental governance processes in place:

- Governance controls reference
- Setting of the strategic direction of the organisation
- Good practice through its Board meetings
- Regular refresh of trustees
- Effective committee structure
- Arrangements are in place for the appointment, appraisal and remuneration of the Chief Executive
- Procedures are in place to promote ethical standards of probity and conduct of the Board

Areas identified where improvements to governance practice can be made are:

- Board skills, renewal and review & succession planning, noting the impact Covid restrictions had in this area
- Committee terms of reference last review 2018 and the Board SFI's in 2019
- Improving practice of evaluating the performance of the organisations external and internal auditors
- Chief Executive role; update job description & make clearer delegations to the CEO
- Annual declaration of interest process and central register of interests to be updated (last updated 2020)

We have one area in which our formal constitution does not meet the NHF Code of Governance requirements. The YMCA constitution allows for up to 15 trustees whereas the NHF Code requires no more than 12. At the time of this report YMCA DLG has 8 trustees and so complies with the Code. There is also one trustee who exceeds the maximum 9 year term of office. This has been reviewed by the Board who have agreed this as a temporary exception for a maximum of six months to support the completion of the current governance review and recruitment of new trustees.

Public Benefit statement

The charity meets the Charity Commission's general guidance on public benefit. The trustees consider that YMCA DLG activities are:

- a true reflection of our charitable aims and objectives
- designed to provide accessible services and activities that benefit the public in accordance with our charitable objectives

We demonstrate the public benefit of our work in pages 9 to 24 of this report.

Statement on investment powers

The trustees confirm that the investments made by the charity are made in accordance with the trustees' powers as provided in the Articles of Association.

Pension scheme

YMCA DLG recognises possible concern relating to its participation in a defined benefit pension scheme. Appropriate action has been taken: The scheme was closed to new members in 2007, and the link to final salary broken in 2011. Additional contributions continue to be made to reduce the deficit. As part of the YMCA federation, the multi-employer scheme is run by an independent board of trustees with employer representation through the Principal Employer, National Council of YMCAs. The pension scheme trustees obtain an actuarial valuation every three years and we have considered the implications to the charity's finances from the latest available actuarial valuation. We have reviewed the charity's ability to continue to deliver its charitable objectives by ensuring budgets, forecasts and plans are available and include the impact of deficit repayments. The trustees included the impact of pension scheme deficit repayments in considering going concern status, reserves, and the risks and uncertainties that the charity face noted elsewhere in this Report.

YMCA DLG benefits from the pension scheme trustees and the Principal Employer seeking suitable specialist professional advice both to manage the scheme and in the continuing effort to explore ways of reducing the overall pension deficit. The notes to the Accounts include an accounting policy and further details in note 19.

The Fundraising Regulator

YMCA DLG's fundraising approach is to support the generation of unrestricted funding to complement our contract and commercial income streams. We also generate restricted fundraising income to support missionally important YMCA DLG projects, mainly from philanthropic trusts and foundations.

We are registered with The Fundraising Regulator and have adopted and abide by the Code of Fundraising Practice, which ensures we have a strong fundraising framework and practice.

We are compliant with the Data Protection Act 2018 in all our fundraising activity; for example, we always record consent from donors and supporters and always offer the option to opt out of receiving emails.

For fundraising campaigns sent by post, these will only be authorised following the completion of a Legitimate Interests Assessment drawn using Information Commissioner's Office guidelines and again the option to ask us to stop sending fundraising material will be included in the communication. By taking these steps we aim to protect people (especially vulnerable people) from unwanted marketing or fundraising contact.

Most of our campaigns and marketing work is based around PR on social media, as opposed to postal or telephone campaigns; people have already opted in to receive information from us.

We have a clear complaints process which enables us to monitor all complaints received and the nature of the complaints. The process is available to the public through the website and through complaints leaflets. This year we received no complaints about our fundraising or marketing campaigns.

For further information about fundraising and the achievements of the team this year, refer to pages 23 and 24.

Regulator of Social Housing

The Board of Trustees gain assurance of the organisation's compliance with the Regulators Economic and Consumer standards through our internal audit compliance programme, which is currently contracted with Mazars audit firm. This programme provides compliance and quality assurance. The audit plan and audit findings are set and reviewed by the organisations Audit & Risk Committee along with the organisations corrective actions log to monitor agreed management response to the audit findings.

Last year, 2021, we self-reported to the RSH a breach of the regulators rent standard. As reported in last year's annual report this affected 314 units of accommodation which were developed under the affordable rent model. We engaged Campbell Tickell and Devonshires LLP to advise the Board and Leadership Team and Red Loft to support valuation advice. Our final report to the Regulator identified:

- 274 properties were impacted dating back to 2013
- 13 tenants had been overcharged to a total of £2,268
- That based on the valuation work the organisation had under charged against the maximum 80% of market rent by approximately £1.4m since 2013
- The over charged rent has been repaid or written off by Housing Benefit departments
- We have updated our rent setting policy and tightened internal controls

The organisations CEO and member of the Board met twice with the Regulator in early 2022 to discuss the breach and the organisation's internal report. The Regulator satisfied themselves that there hadn't been a material impact on tenants or the organisation through the control failures and that the organisation had put in place the necessary actions to tighten its controls to prevent this happening in the future.

The Regulator formally closed the case, without taking any further action, on 10 May 2022.

The Board of Trustees can confirm that at the time of filing our annual report that we are compliant with the Regulator for Social Housing's regulatory standards.

Homes England

YMCA DLG is an Investment Partner with Homes England. The Board of Trustees can confirm our validated 'good standing' with Homes England and that this year's development audit was given green status with no actions for improvement.

Value for Money

We continue to focus on Value for Money (VfM) as part of YMCA DLG's strategic development plans. VfM means managing our resources, both staff and monetary, economically, efficiently and effectively, achieving the optimum balance between all three in order to achieve our mission, values and objectives. We regularly monitor these by reviewing our key performance indicators, impact measures and conducting an annual client satisfaction survey.

Part of YMCA DLG's People Strategy is to ensure our staff are fairly rewarded for the work they do in a way that is affordable to the organisation. This links to our capacity to recruit and retain quality staff which is at the heart of our People Strategy. During the year we commenced implementation of the reward and recognition plan to ensure pay fits within the new salary structure, so staff are rewarded fairly for the work they do. It's internally consistent and transparent, externally benchmarked and affordable to the organisation.

Our extensive training programme continues to be a beneficial, well utilised staff development tool. Following the pandemic, the structure has altered to include virtual training as well as a return to face to face and e learning. We made

use of 70% of our apprentice levy pot with 9 staff benefitting to a value of £18,000. In addition one member of staff is being funded from American Express's levy pot.

Our fundraising strategy is progressing with successful applications to trusts and foundations enabling us to fund missional work in areas where public finances are being cut.

Working practices within the organisation have evolved with many staff adopting a hybrid pattern. This has resulted in better use of the offices with additional meeting space, virtual meetings and savings in time and travel.

The project to ensure YMCA DLG's fleet of vehicles is fit for purpose with an optimised number of vehicles in use whilst improving our environmental credentials continued with the disposal of four older unreliable vehicles.

The telecom system at head office required replacing as existing technology is due to become obsolete. Teams phones for which we already held the basic licences were installed rather than a more expensive VOIP system. Contracts for our photocopiers, lone working protection devices and Microsoft licences have been renewed with the numbers required optimised and thereby achieving an overall reduction in cost.

The organisation's ongoing commitment to VfM, continuous improvement and efficiency developments remain a high priority, particularly due to the challenges to income streams that every social housing provider faces whilst maintaining a quality service that puts the service users at the centre of decision making.

Value for money metrics

The revised Value for Money Standard issued by the Regulator for Social Housing requires the publication of value for money metrics. These are not entirely applicable to the Charity given the breadth of its charitable activities. An explanation of the metrics is set out below.

1. Reinvestment percentage: 15% (2021 1%)

The reinvestment percentage considers the investment in properties (existing stock as well as new supply) as a percentage of the value of total properties held, demonstrating the scale of investment in relation to the size of the asset base.

During 2021/22 the charity purchased a 47 bed hostel in Hastings.

2. New supply (Social housing units) delivered percentage: 19% (2021 4%)

The new supply percentage 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 metric does not include social housing properties transferred from another provider.

YMCA DLG only provides supported social housing, is not a volume developer and owns less than half the units operated. The percentage increase demonstrates new social housing units entering the market as a whole. The charity took on 73 new units during the year, however 49 units came to the end of their lease resulting in the number of units managed increasing by 3% (2021 0%).

3. Gearing: 0% (2021 -5%)

The gearing percentage assesses how much of the adjusted assets are made up of debt and the degree of dependence on debt finance, demonstrating the proportion of borrowing in relation to the size of the asset base.

During 2021/22 we borrowed a further £1.4m for the purchase of Hastings Foyer. Our main lender, Charity Bank, requires gearing of less than 70%.

4. EBITDA major repairs included interest cover percentage: 414% (2021 363%)

The interest cover metric is a key indicator for liquidity and investment capacity and seeks to measure the level of surplus generated compared to interest payable; the measure avoids any distortions stemming from the depreciation charge.

Our main lender, Charity Bank, requires debt servicing cover of at least 1.2 times.

5. Headline social housing cost per unit: £14,534 (2021 £13,923)

As a specialist supported housing provider, this reflects the extent of support provided to YMCA DLG residents, the cost of the Empty Homes development programme, and the fact that we own only 48% of the units we manage. In addition, the one off cost increasing the pension liability is included in the calculation.

6. Operating margin (housing): 1.0% (2021 3.9%) Operating margin (overall): -0.4% (2021 1.8%)

The operating margin demonstrates the profitability of operating assets before exceptional expenses are taken into account.

7. Return on capital employed: -0.3% (2021 -0.1%)

This metric compares the operating surplus to total assets less current liabilities and it measures the efficient investment of capital resources.

The Housing Ombudsman

Complaints

We have published our self-assessment against the Complaints Code on our website.

The Board approved a revised complaints policy and procedure following a revision to the Housing Ombudsman's Complaints Code and we have an implementation plan to ensure we comply with the Code.

The Information Commissioner's Office (ICO)

We are registered with the ICO (registration Z6157129) and comply with the Data Protection Act 2018. This year we reported two personal data breaches and the ICO was satisfied with the actions we took to resolve them.

Companies Act 2006

The Companies (Miscellaneous Reporting) Regulations 2018 require trustees to have regard to the requirements of section 172 (10) of the Companies Act 2006 as to:

- the likely consequences of their decisions in the long term
- the interests of employees
- the need to foster relationships with suppliers, customers and other stakeholders
- the impact of our operations on the community and the environment
- the desirability of maintaining a reputation for high standards of business conduct

We confirm that we, as trustees, comply with this legislation; it applies to us because we have more than 250 employees.

Statement on internal financial controls and trustees' responsibilities

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

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

Controls and procedures in place include the following:

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

Risk management is overseen by the Audit and Risk Committee and approved by the Board. It includes:

- a risk management strategy and policy
- a process for identifying and assessing risks, including strategic risks, operational risks and risks relevant to individual operational projects
- determining YMCA DLG's overall risk appetite
- engendering among all levels of staff a positive attitude towards risk management and ensuring this is embedded within YMCA DLG's operations
- management processes to ensure there are agreed mitigation responses to all significant risks and to offset the impact of adverse events
- ensuring a risk assurance process under which there are audit arrangements that cover the major risks on a regular basis
- decisions on which risks shall be insured
- arrangements to keep both the risks and risk management processes under review

The Audit and Risk Committee considers reports on key areas of risk at each of its meetings with a formal report on risk management annually to the Board.

Trustees' Responsibilities

As trustees, we are also directors of YMCA DLG for the purposes of company law. We are responsible for preparing this trustees' report and the financial statements; this is in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (UK GAAP), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Company law requires us 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, we are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Social Housing SORP
- make judgments and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

We are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable us to ensure that the financial statements comply with the Companies Act 2006.

We 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.

Streamlined energy and carbon reporting

The UK government's Streamlined Energy and Carbon Reporting (SECR) requires organisations in scope to disclose energy use, greenhouse gas (GHG) emissions and actions taken to address energy efficiency. This includes:

- Scope 1 (Direct emissions): Emissions from activities owned or controlled by the organisation that release GHG into the atmosphere (e.g. gas from onsite boilers and fuel used by fleet vehicles)
- Scope 2 (Energy indirect): Emissions released into the atmosphere associated with the consumption of purchased electricity
- Scope 3 (Other indirect): Emissions that are a consequence of actions which occur at sources not owned or controlled and are not classed as scope 2 (e.g. staff mileage claims)

In addition, at least one intensity ratio, information on energy efficiency action and methodology used in calculation of disclosures must be provided.

The regulations are designed to increase awareness of energy costs and provide data to inform adoption of energy efficient measures, reducing the impact on climate change.

The footprint is calculated in accordance with the Greenhouse Gas (GHG) Protocol and Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance. The activity data has been converted into greenhouse gas emissions using the UK Government GHG Conversion Factors for Company Reporting.

Emissions Performance

		Direct emissions		Energy indirect	Other indirect	Total
		Gas (Scope 1)	Fuel for transport (Scope 1)	Electricity (Scope 2)	Business travel (Scope 3)	
Current year 2021-22	Energy consumption - kWh	3,303,596	137,594	1,635,535	108,052	5,184,777
	Greenhouse gas emissions - tonnes of carbon dioxide	605	32	347	27	1,011
	Intensity ratio kWh per unit/resident	6,024	-	2,292	-	-
	Intensity ratio kWh per FTE employee	-	466	-	366	-
Prior year 2020-21	Energy consumption - kWh	3,101,653	134,607	1,611,897	58,291	4,906,449
	Greenhouse gas emissions - tonnes of carbon dioxide	569	31	376	14	990
	Intensity ratio kWh per unit/resident	5,609	-	2,309	-	-
	Intensity ratio kWh per FTE employee	-	449	-	194	-
Change	Energy consumption - kWh	7%	2%	1%	85%	6%
	Greenhouse gas emissions - tonnes of carbon dioxide	6%	4%	-8%	89%	2%
	Intensity ratio kWh per unit/resident	7%	-	-1%	-	-
	Intensity ratio kWh per FTE employee	-	4%	-	89%	-

Intensity Ratios

Intensity ratios compare emissions data with an appropriate business metric or financial indicator. This allows comparison of energy efficiency performance over time and with other similar types of organisations. As most of our gas and electricity usage is within our residential properties, we are reporting kWh of gas and electricity per unit. The intensity ratios for transport fuel and staff mileage are based on a per head rate.

Energy Efficiency Action

The smart meter roll out programme has continued. We now have 88% of our gas meters updated and 45% of our electricity meters replaced. With this improved data collection we are able to identify properties with high energy usage, and are commencing a programme to reduce this, initially targeting residents with high energy usage. We have continued with our programme to replace old lighting with LED lights, and 3 gas boilers have been replaced with more energy efficient ones at one of our hostels. This year we have seen a significant increase in our business travel (scope 3) as the number of face to face meetings with clients and between staff has increased, although not to pre pandemic levels. We scrapped four older diesel vans from our fleet improving our environmental credentials. Staff across the organisation are undertaking other energy and environmental initiatives including aspiring to have paperless offices, arranging for old technology to be recycled, and reducing single use plastics.

Statement as to disclosure of information to auditors

So far as we are aware, there is no relevant audit information (as identified by section 418 of the Companies Act 2006) of which the charity's auditors are unaware.

Each trustee has taken all the steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

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

This report, including both the Trustees' Report and Strategic Report, was approved by the trustees on 8th September 2022, and was signed for and on behalf of the Board by:

Fran Beckett
Chair of the Board of Trustees

Independent auditor's report to the members of YMCA DownsLink Group

Opinion

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

In our opinion, the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included on pages 3 to 44. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report (contained within pages 3 to 30) and the Directors' Report (contained within pages 31 to 44) prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report contained within the Report of the Board, the Operating and financial review and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Board, the operating and financial review or the strategic report.

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

- adequate accounting records have not been kept by the parent charitable company; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements

As explained more fully in the Statement of Responsibilities of the Trustee Board set out on pages 40 and 41, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

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

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

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

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

Use of our report

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

Adam Halsey (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP,
Statutory Auditor

10 Queen Street Place
London EC4R 1AG

Date: 22 September 2022

Financial Accounts and Statements

Consolidated Statement of Comprehensive Income, for Year Ended 31 March 2022

	Notes	Social Housing Activities	Trading Activities	Charitable Activities and Other Income	2022 Total	2021 Total
		£	£	£	£	£
Turnover from continuing operations						
Social housing lettings	2	**12,544,132**	**-**	**-**	**12,544,132**	12,154,810
Trading activities	10	**-**	**33,410**	**-**	**33,410**	10,539
Charitable activities and other income	4	**-**	**-**	**3,674,074**	**3,674,074**	4,037,475
		12,544,132	**33,410**	**3,674,074**	**16,251,616**	16,202,824
Operating costs						
Social housing lettings	3	**(12,419,095)**	**-**	**-**	**(12,419,095)**	(11,986,763)
Trading activities	10	**-**	**(33,258)**	**-**	**(33,258)**	(10,230)
Charitable activities and other costs	5	**-**	**-**	**(3,865,808)**	**(3,865,808)**	(4,217,489)
		(12,419,095)	**(33,258)**	**(3,865,808)**	**(16,318,161)**	(16,214,482)
Operating (deficit)/ surplus		**125,037**	**152**	**(191,734)**	**(66,545)**	(11,658)
Interest receivable and other income		**-**	**-**	**328**	**328**	1,127
Interest payable and similar charges		**(81,206)**	**-**	**-**	**(81,206)**	(67,153)
Unrealised gain on investments		**-**	**-**	**877**	**877**	4,151
(Deficit)/ Surplus on ordinary activities		**43,831**	**152**	**(190,529)**	**(146,546)**	(73,533)
Net movement in funds		**43,831**	**152**	**(190,529)**	**(146,546)**	(73,533)

The consolidated income and expenditure of the Charity and its subsidiary relate wholly to continuing operations.

These financial statements were approved and authorised for issue by the Directors on 8 September 2022 and signed on their behalf by:

Fran Beckett

Director
8 September 2022

MD Gercke

Director
8 September 2022

The notes set out on pages 52 - 64, form part of these financial statements

Consolidated Statement of Financial Position as at 31 March 2022

Registered number: 3853734

	Notes	2022 Group £	2022 Charity £	2021 Group £	2021 Charity £
FIXED ASSETS					
Social housing properties	9	**22,739,503**	**22,739,503**	20,204,240	20,204,240
Other properties	9	**456,832**	**456,832**	464,929	464,929
Other tangible assets	9	**342,180**	**342,180**	379,351	379,351
		23,538,515	**23,538,515**	21,048,520	21,048,520
Investment in subsidiary	10	**-**	**2**	-	2
		23,538,515	**23,538,517**	21,048,520	21,048,522
CURRENT ASSETS					
Debtors	12	**1,613,581**	**1,623,174**	1,370,153	1,385,028
Investments	11	**35,460**	**35,460**	34,583	34,583
Cash at bank and in hand		**3,224,477**	**3,204,312**	2,840,843	2,815,658
		4,873,518	**4,862,946**	4,245,579	4,235,269
CREDITORS					
Amounts falling due within one year	13	**(3,046,602)**	**(3,046,184)**	(3,188,790)	(3,188,790)
NET CURRENT ASSETS		**1,826,916**	**1,816,762**	1,056,789	1,046,479
TOTAL ASSETS LESS CURRENT LIABILITIES		**25,365,431**	**25,355,279**	22,105,309	22,095,001
CREDITORS					
Amounts falling due after one year	14	**(15,611,371)**	**(15,611,371)**	(12,204,703)	(12,204,703)
NET ASSETS		**9,754,060**	**9,743,908**	9,900,606	9,890,298
FUNDS					
Unrestricted funds	16	**9,649,364**	**9,639,212**	9,664,633	9,654,325
Restricted funds	15	**104,696**	**104,696**	235,973	235,973
		9,754,060	**9,743,908**	9,900,606	9,890,298

These financial statements were approved and authorised for issue by the Directors on 8 September 2022

Fran Beckett

Director
8 September 2022

MD Gercke

Director
8 September 2022

The notes set out on pages 52-64, form part of these financial statements

Consolidated Statement of Cash Flows for Year Ended 31 March 2022

	Notes	2022		2021	
		£	£	£	£
Cash flow from operating activities					
(Deficit)/ surplus for the year			**(146,546)**		(73,533)
Adjustments for non-cash items:					
Depreciation	8	**579,852**		546,345	
Decrease / (Increase) in debtors		**(243,428)**		119,958	
Increase in creditors		**316,885**		519,079	
Deficit on disposal of property		**2,534**		10,363	
Deficit on disposal of other assets		**170**		416	
Unrealised investment (gain) / loss		**(877)**		(4,151)	
Interest payable		**81,206**		67,153	
Interest receivable		**(328)**		(1,127)	
			736,014		1,258,036
Net cash inflow from operating activities			**589,468**		1,184,503
Cash flow from investing activities:					
Purchase of tangible fixed assets	9	**(3,073,263)**		(248,143)	
Sale of tangible fixed assets		**712**		418	
Grants received		**1,614,950**		-	
Interest received		**328**		1,127	
			(1,457,273)		(246,598)
Cash flow from financing activities:					
Loan interest paid		**(81,206)**		(67,153)	
Repayment of loan		**(67,355)**		(51,069)	
New loan		**1,400,000**		-	
			1,251,439		(118,222)
Increase / (decrease) in cash in the year			**383,634**		819,683
Net cash funds at beginning of year			**2,840,843**		2,021,160
Net cash funds at end of the year			**3,224,477**		2,840,843

Reconciliation of net cash flow to movement in (net debt)/net funds

	1 Apr 2021	Cash Flows	Non cash changes	31 Mar 2022
Cash	2,840,843	383,634	-	3,224,477
Debt due within one year	(52,305)	67,355	(101,859)	(86,809)
Debt due after one year	(1,800,518)	(1,400,000)	101,859	(3,098,659)
	988,020	(949,011)	-	39,009

The notes set out on pages 52-64, form part of these financial statements

Notes to the Financial Statements for Year Ended 31 March 2022

1. ACCOUNTING POLICIES

a) Status

YMCA DownsLink Group (YMCA DLG) Limited is incorporated under the Companies Act 2006 and registered with Companies House in England and Wales under number 3853734. Its registered office is Reed House, 47 Church Road, Hove, East Sussex BN3 2BE. It is also registered as a charity with the Charity Commission in England and Wales (number 1079570) and as a Registered Provider of Social Housing with the Homes and Communities Agency in England (number 4644).

The charity meets the definition of a public benefit entity under Financial Reporting Standard 102 applicable in the UK and Republic of Ireland (FRS102).

Basis of Preparation

The financial statements of the group and association are prepared in accordance with applicable legislation UK Generally Accepted Accounting Practice (UK GAAP) including FRS 102, and the Housing SORP 2014: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2015. A separate SORP for charities also exists. However, the RSHP SORP takes precedence over the Charities SORP as the former represents the more specialised guidance, but the Trustees may have regard to the Charities SORP where its recommendations are not contrary to the Housing SORP.

Basis of accounting

Assets and liabilities are initially recognised at historical cost or transaction values unless otherwise stated in the relevant accounting policy notes. Those assets measured at fair value are re-measured at each balance sheet date.

The main areas of estimation and judgement affecting the accounts:

- depreciation

Assets are depreciated over their expected useful economic lives as set out in note 1(h). These lives have been determined with reference to both internal experience and external comparisons but will be kept under review in future periods. It may be necessary to lengthen or shorten these lives depending on further actual experience.

- accrual for deficit contribution to the defined benefit pension scheme

As set out in note 1(g) a liability is recognised in respect of the present value of the expected future contributions to alleviate the pension deficit arising from past service. The liability recognised is affected by the discount rate applied and the undiscounted underlying liability will also vary depending on the results of the triennial actuarial valuation of the pension scheme. The triennial valuation was completed as at 1 May 2020 and the resulting changes to the schedule of contributions are included in YMCA DLG's financial statements for the year ended 31 March 2022.

- provisions

Full provision is made for the value of all personal debts relating to past residents in YMCA DLG's accommodation projects. It is possible that some of these amounts may be recovered or that amounts related to current residents and currently unprovided may prove to be irrecoverable.

Provisions are made for other items where is it considered probable that a liability has arisen and these are quantified based on the best available information. Such provisions are updated as more and better data become available.

In the opinion of the trustees none of the above items are likely to be subject to material estimation uncertainty but the largest area of uncertainly relates to the pension deficit contributions.

No complex financial instruments are held.

YMCA DLG is required by the Companies Act 2006 to prepare group accounts. The results, assets and liabilities of the subsidiary company YMCA DLG Services Ltd is included on a line by line basis.

Going concern

Having had regard to the group's financial position and its forecast financial performance and cash flows, the Trustees have a reasonable expectation that the Group 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.

b) Turnover

Turnover represents trading income, rent and service charges income receivable in the year net of rent and service charge losses from voids, revenue grants, including those from local authorities and Homes England, contracts and charitable receipts, all net of vat.

c) Supporting People Contract

The charity receives funding from Supporting People which is accounted for on an accruals basis, matching income and expenditure and disclosures are made in accordance with the relevant standards and legislation.

d) Donations and grants

Donations and grants other than Social Housing Grant are included when the criteria of entitlement, probability and measurability have been met. The associated Gift Aid tax recoverable is recognised on receipt.

Social Housing Grants (SHG) are recognised on the balance sheet as a liability and amortised over the life of the assets funded (accrual model) with the exception of SHGs related to those assets that were revalued at their deemed cost at 1 April 2015 where the grant was recognised in full as an addition to reserves (performance model).

e) Investment income

Investments are included in the financial statements at market value.

f) Empty Homes

The grant income is included on completion of the building work. If there are no associated development costs, a proportion of the grant income is released over the term of the lease and the balance on signing the lease.

g) Pension costs

YMCA DLG 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 DLG.

As described in note 19, YMCA DLG has a contractual obligation to make pension deficit payments over the period to April 2029. Accordingly, the present value of the liability is shown in note 19 to these accounts.

In addition, YMCA DLG is required to contribute £19,422 pa to the operating expenses of the Pension Plan and these costs are charged to the Statement of Comprehensive Income as made.

h) Fixed Assets

i) Housing Properties

Definition and recognition

Housing properties are properties held for the provision of social housing or to otherwise provide social benefit. Housing properties are principally properties available for rent and are stated at cost with the exception of those properties revalued at a deemed cost on adoption of FRS102.

Depreciation:

The major components of the properties are identified, and depreciation is charged to write off the cost of each component over their expected useful economic lives.

Depreciation is charged on a straight line basis over the following number of years:

Structure	50 - 100
Pitched Roof	50 - 75
Flat Roof, Windows, External Doors	25 - 30
Wiring, lift and heating systems	10 - 30
Bathrooms	5- 25
Kitchens	20

Freehold land is not depreciated.

Expenditure on existing housing properties is capitalised when it is either capable of generating increased future rents, extends their useful economic lives or significantly reduces future maintenance costs. All other expenditure in respect of general repairs is charged to the income and expenditure account as it is incurred.

ii) Other Fixed Assets

Cost:

Individual fixed assets costing £500 or more and are of a capital nature for ongoing use by YMCA DLG are capitalised.

Depreciation:
Other fixed assets are depreciated in order to write off each asset over its estimated useful life at the following annual rates:

Freehold Land	Not depreciated
Motor Vehicles	25% on reducing balance basis
Fixtures, Fittings and Equipment	10 - 25% on cost
Leasehold Improvements	25 % on cost or over the remaining life of the lease whichever is shorter
Cycles	100% on cost

i) Stocks
Stocks are consistently valued at the lower of cost and net realisable value.

j) Volunteers, Donated Services and Facilities
The value of services provided by volunteers is not incorporated into these financial statements. Further details of the contribution made by volunteers can be found in the trustees' annual report.

k) Irrecoverable VAT
All expenditure is classified under activity headings that aggregate all costs related to that category. Irrecoverable VAT is charged directly where possible or apportioned as part of central costs.

l) Operating Leases
The charity classifies the lease of printing, photocopy, and catering equipment as operating leases. The title of the equipment remains with the lessor and the equipment is replaced every three to five years whilst the economic life of such equipment is normally in excess of this. Rental charges are charged on a straight line basis over the term of the lease.

m) Commitments
Commitments which are legally binding are included as liabilities.

n) Taxation
The Charity is exempt from tax on income and gains falling within Sections 466 to 493 of the Corporation Tax Act 2010 to the extent that these are applied to its charitable objects.

o) Funds and Reserves
The Charity has various types of funds for which it is responsible and require separate disclosure:

Unrestricted reserves
Unrestricted reserves are reserves which are expendable at the discretion of the Trustees in the furtherance of the objects of the charity.

Restricted Reserves
Restricted reserves are funds which are expendable as directed by the donor.

Revaluation reserves
Revaluation reserves arise when investments are revalued.

2. TURNOVER FROM HOUSING ACTIVITIES

	2022	2021
	£	£
Rent and Service charges:		
Rent receivable	**3,386,093**	3,468,662
Service charge receivable	**4,820,127**	4,765,409
Personal service charge receivable	**231,765**	234,067
Amortised Government grant	**111,811**	106,428
	8,549,796	8,574,566
Other revenue:		
Supporting people	**1,999,995**	1,844,501
OLAC, Leaving care & Step down service	**524,270**	356,398
Homes England grant income	**304,075**	304,103
Homes England development income	**600,284**	79,270
More than a room activities	**97,560**	213,084
Fundraising income	**79,946**	86,047
Job retention scheme	**32,681**	393,530
Other social housing income	**355,525**	303,311
	12,544,132	12,154,810
Rent and service charge losses from voids	**(795,036)**	(761,309)

3. OPERATING COSTS FROM HOUSING ACTIVITIES

	2022	2021
Housing accommodation – number of units	**787**	763
Managed Housing – number of units included in above total	**109**	117
	£	£
Housing Services	**5,671,861**	5,596,275
Housing Support	**2,350,129**	2,297,285
More than a room costs	**334,100**	592,963
Share of central overheads	**2,040,601**	1,824,757
Development costs	**420,544**	30,787
Development write off	**-**	303,879
Repairs and maintenance	**955,046**	778,774
Rent losses from bad debts and provision	**94,592**	44,047
Depreciation of housing properties	**421,974**	390,096
Depreciation of equipment, fixtures & fittings, motor vehicles	**130,248**	127,900
	12,419,095	11,986,763

4. TURNOVER FROM CHARITABLE ACTIVITIES AND OTHER INCOME

	2022	2021
	£	£
Therapeutic Services	**2,082,112**	2,135,797
Support Services: Children, Young People and Families	**937,749**	1,288,941
Horsham YMCA Football Club	**56,424**	70,549
Fundraising income	**542,941**	417,163
Job retention scheme	**3,199**	90,317
Other Income	**51,649**	34,708
	3,674,074	4,037,475

5. OPERATING COSTS - CHARITABLE ACTIVITIES AND OTHER COSTS

	2022	2021
	£	£
Therapeutic Services	**2,233,797**	2,256,098
Support Services: Children, Young People and Families	**1,315,625**	1,685,644
Horsham YMCA Football Club	**75,351**	50,266
Depreciation	**27,630**	28,349
Other costs	**213,405**	197,132
	3,865,808	4,217,489

6. STAFF COSTS

	2022	2021
	£	£
Salaries and wages	**7,979,809**	8,234,328
Social security	**690,435**	687,631
Pension costs	**271,826**	268,399
Apprentice Tax	**26,047**	26,040
Life Assurance	**34,252**	44,908
Healthcare	**32,200**	29,495
Redundancy/Compensation	**41,443**	50,319
	9,076,012	9,341,120
The average number of employees paid during the year was:		
Full Time and Part Time Employees	**381**	391
Full Time equivalent	**295**	300

The full time equivalent number of staff receiving remuneration, including pension contribution in excess of £60,000:

£60,000 - £69,999	**3**	2
£70,000 - £79,999	**3**	3
£80,000 - £89,999	**1**	1
£90,000 - £99,999	**-**	-
£100,000 - £109,999	**-**	1
£110,000 - £119,999	**1**	-

7. EMOLUMENTS OF DIRECTORS AND LEADERSHIP TEAM

None of the Directors received any remuneration in the current or prior year. No Directors received reimbursed expenses. The Charity has Directors' and Officers' Liability insurance in place.

The aggregate emoluments of the Executive Team were £284,813 – 2.9 FTE (2021: £223,741 – 2.4 FTE). The remuneration of the Chief Executive comprised salary of £95,109, pension contributions of £14,266 and private health insurance of £640 (2021: £93,890, £14,084 and £602 respectively). The Chief Executive is a member of the current stakeholder pension scheme with no special terms or rights to enhanced benefits.

8. OPERATING SURPLUS

The operating surplus is stated after charging:	2022	2021
	£	£
Losses from bad debts	**87,384**	52,374
Operating Leases - equipment	**23,817**	24,549
- land and buildings	**1,426,689**	1,337,093
Deficit on disposal of fixed assets	**2,704**	10,779
Depreciation of equipment, fixtures & fittings, motor vehicles	**145,761**	129,605
Depreciation of properties and components	**434,091**	402,213
Auditor's remuneration: External audit	**28,950**	27,550

9. FIXED ASSETS

	Social Housing Properties	Other Properties	Total
	£	£	£
Cost			
1st April 2021	**22,045,673**	**523,147**	**22,568,820**
Additions	**2,963,791**	**-**	**2,963,791**
Disposals	**(8,000)**	**-**	**(8,000)**
31st March 2022	**25,001,464**	**523,147**	**25,524,611**
Depreciation			
1st April 2021	**1,841,433**	**58,218**	**1,899,651**
Charge for the year	**425,994**	**8,097**	**434,091**
Eliminated on disposal	**(5,466)**	**-**	**(5,466)**
31st March 2022	**2,261,961**	**66,315**	**2,328,276**
Net Book Amount			
31st March 2022	**22,739,503**	**456,832**	**23,196,335**
31st March 2021	20,204,240	464,929	20,669,169

	2022	2021
Properties at cost comprise:	£	£
Freeholds	**18,799,878**	15,844,088
Long leaseholds	**6,724,732**	6,724,732
Cost of properties	**25,524,610**	22,568,820

The additions during the year are mainly a result of the purchase of Hastings Foyer.

OTHER TANGIBLE FIXED ASSETS

	Vehicles	Fixtures, Fittings and Equipment	Total
	£	£	£
Cost			
1st April 2021	**112,796**	**1,243,202**	**1,355,998**
Additions	**354**	**109,118**	**109,472**
Disposals	**(23,734)**	**(76,076)**	**(99,810)**
31st March 2022	**89,416**	**1,276,244**	**1,365,660**
Depreciation			
1st April 2021	**81,763**	**894,884**	**976,647**
Charge for the year	**10,006**	**135,755**	**145,761**
Eliminated on disposals	**(22,852)**	**(76,076)**	**(98,928)**
31st March 2022	**68,917**	**954,563**	**1,023,480**
Net Book Amount			
31st March 2022	**20,499**	**321,681**	**342,180**
31st March 2021	**31,033**	**348,318**	**379,351**

10. INVESTMENTS IN SUBSIDIARIES

The wholly owned trading subsidiary, YMCA DLG Services Limited, which is incorporated in England and Wales pays its profits chargeable to corporation tax to the charity by gift aid. The charity owns the entire issued share capital of 2 ordinary shares of £1 each. A summary of the trading results is shown below:

	2022	2021
	£	£
Turnover	**33,410**	10,539
Cost of sales and administrative expenses	**(33,258)**	(10,230)
Net Profit	**152**	309

11. INVESTMENTS

	2022		2021	
	Market Value	**Cost**	Market Value	Cost
	£	**£**	**£**	**£**
Blackrock Charinco Common Investment Acc Fund	**8,755**	**8,426**	9,186	8,426
Blackrock Charinco Common Investment Inc Fund	**3,325**	**3,664**	3,605	3,664
M & G Charifund	**23,380**	**24,282**	21,792	24,282
	35,460	**36,372**	34,583	36,372

12. DEBTORS

	2022		2021	
	Group	**Charity**	Group	Charity
	£	**£**	£	£
Accommodation debtors	**876,956**	**876,956**	883,830	883,830
Bad debt provision	**(498,962)**	**(498,962)**	(494,735)	(494,735)
Trade debtors	**660,262**	**660,262**	483,477	483,477
Prepayments	**345,269**	**345,269**	367,836	367,836
Accrued income and other debtors	**230,056**	**230,056**	129,745	129,745
Amounts owed by subsidiary undertakings	**-**	**9,593**	-	14,875
	1,613,581	**1,623,174**	1,370,153	1,385,028

13. CREDITORS FALLING DUE WITHIN ONE YEAR

	2022		2021	
	Group	**Charity**	Group	Charity
	£	**£**	£	£
Deferred income	**1,163,826**	**1,163,826**	1,396,190	1,396,190
Other creditors	**676,032**	**676,032**	770,493	770,493
Trade creditors	**653,030**	**653,030**	547,604	547,604
Other taxes & social security	**249,126**	**248,708**	233,903	233,903
Bank loan	**86,809**	**86,809**	52,305	52,305
Pension deficit	**95,201**	**95,201**	81,867	81,867
Housing Grants	**122,578**	**122,578**	106,428	106,428
	3,046,602	**3,046,184**	3,188,790	3,188,790

14. CREDITORS FALLING DUE AFTER ONE YEAR

	2022		2021	
	Group	**Charity**	Group	Charity
	£	**£**	£	£
Loans – Not wholly repayable within five years	**3,098,659**	**3,098,659**	1,800,518	1,800,518
Deferred Income – grants in advance	**1,467,790**	**1,467,790**	832,415	832,415
Dilapidations provision	**203,000**	**203,000**	196,500	196,500
Defined Benefit Pension Deficit	**559,402**	**559,402**	579,739	579,739
Housing Grants	**10,282,520**	**10,282,520**	8,795,531	8,795,531
	15,611,371	**15,611,371**	12,204,703	12,204,703
Loan Maturity Analysis				
In more than one year but not more than two years	**89,204**	**89,204**	53,548	53,548
In more than two years but not more than five years	**284,180**	**284,180**	168,312	168,312
In more than five years	**2,725,275**	**2,725,275**	1,578,658	1,578,658
	3,098,659	**3,098,659**	1,800,518	1,800,518

There is a loan facility in place with the Charity Bank for £2.5m at a rate of 2.25% plus base. The loan is secured on Crawley and Worthing Foyers. At the 31 March 2022 the loan was fully drawn down and £164,532 had been repaid.
There are additional loans of £850,000 with The Rosaz Charity on a fixed 3% rate which are repayable no earlier than September 2044 and are unsecured.

15. RESTRICTED FUNDS – GROUP

	1 April 2021	**Income**	**Expenditure**	**Transfers**	**31 March 2022**
Funds	**£**	**£**	**£**	**£**	**£**
Special Needs Reserve	3,710	-	(776)	-	2,934
Young Homeless Fund	825	-	(435)	-	390
Legacy – Horsham Y Centre	44,036	-	(9,768)	-	34,268
Counselling	17,903	55,500	(60,486)	-	12,917
Homelessness Prevention	7,310	-	(4,160)	-	3,150
More than a room	3,500	-	(3,500)	-	-
Chaplaincy	13,048	-	(13,048)	-	-
Positive Placements	26,860	(8,767)	(18,093)	-	-
WiSE	30,373	160,328	(181,159)	-	9,542
Youth Advice Centres	83,455	35,000	(90,955)	-	27,500
Girls Mentoring Programme	1,653	56,059	(47,017)	-	10,695
Football club pitch upgrade	2,500	-	-	-	2,500
Living our values award	800	-	-	-	800
Total	235,973	298,120	(429,397)	-	104,696

RESTRICTED FUNDS – CHARITY

Funds	1 April 2021 £	Income £	Expenditure £	Transfers £	31 March 2022 £
Special Needs Reserve	3,710	-	(776)	-	2,934
Young Homeless Fund	825	-	(435)	-	390
Legacy – Horsham Y Centre	44,036	-	(9,768)	-	34,268
Counselling	17,903	55,500	(60,486)	-	12,917
Homelessness Prevention	7,310	-	(4,160)	-	3,150
More than a room	3,500	-	(3,500)	-	-
Chaplaincy	13,048	-	(13,048)	-	-
Positive Placements	26,860	(8,767)	(18,093)	-	-
WiSE	30,373	160,328	(181,159)	-	9,542
Youth Advice Centres	83,455	35,000	(90,955)	-	27,500
Girls Mentoring Programme	1,653	56,059	(47,017)	-	10,695
Football club pitch upgrade	2,500	-	-	-	2,500
Living our values award	800	-	-	-	800
Total	235,973	298,120	(429,397)	-	104,696

Restricted Funds

Special Needs Reserve – to fund exceptional requirements for those in supported housing

Young Homeless Fund – to fund temporary accommodation for the young homeless people of Guildford

Horsham Y Centre Legacy – to be spent on activities or equipment that will benefit the young people of Horsham

Counselling - to provide counselling to a West Sussex school for children and young adults with learning difficulties and provision of a BAME therapeutic offer in West Sussex

Homelessness Prevention – to deliver workshops in secondary schools

More than a room – to enable young people to live independently and achieve their work and learning goals

Chaplaincy – to provide pastoral care to residents and staff

Positive Placements – to recruit adult volunteers to be trained as mentors to support young people in their journey towards education, employment or training

WiSE – to support children and young people to stay safe in their relationships

Youth Advice Centres – to provide advice, support and guidance to young people

Girls mentoring programme – an early and effective mentoring initiative that matches trained volunteer mentors with female identifying young people to support them to overcome challenges and achieve their fullest potential in life

Football club pitch upgrade – towards an artificial grass pitch in Horsham

Staff Values Award - for a staff member and a volunteer who have demonstrated our values

16. RESERVES – GROUP

	1 April 2021	Income	Expenditure	Transfers	31 March 2022
	£	£	£	£	£
Unrestricted funds:					
General reserve	34,290	15,842,014	(15,315,255)	(204,118)	356,931
Fixed asset reserve	10,293,738	111,811	(579,852)	122,251	9,947,948
Pension reserve	(661,606)	-	(74,864)	81,867	(654,603)
Investment revaluation reserve	(1,789)	877	-	-	(912)
Total unrestricted funds	9,664,633	15,954,702	(15,969,971)	-	9,649,364
Restricted funds	235,973	298,120	(429,397)	-	104,696
	9,900,606	16,252,822	(16,399,368)	-	9,754,060

RESERVES – CHARITY

	1 April 2021	Income	Expenditure	Transfers	31 March 2022
	£	£	£	£	£
Unrestricted funds:					
General reserve	23,982	15,808,604	(15,281,997)	(203,810)	346,779
Fixed asset reserve	10,293,738	111,811	(579,852)	122,251	9,947,948
Pension reserve	(661,606)	-	(74,864)	81,867	(654,603)
Investment revaluation reserve	(1,789)	877	-	-	(912)
Total unrestricted funds	9,654,325	15,921,292	(15,936,713)	308	9,639,212
Restricted funds	235,973	298,120	(429,397)	-	104,696
	9,890,298	16,219,412	(16,366,110)	308	9,743,908

Within the fixed asset reserve is a revaluation amount of £2,547,827 relating to Crawley Foyer and Guildford Y Centre introduced on adoption of FRS102.

17. GUARANTEES

As part of its direct charitable work, YMCA DLG provides Letters of Guarantee to landlords to provide limited cover against lost rent and/or damage to property. The likely liability for guarantees in place at 31st March 2022 is under £1,000. This system enables more places to be facilitated with minimal exposure.

There is no provision for guarantees which may be called upon within these financial statements.

18. MEMBERS

YMCA DLG is limited by guarantee having no share capital. In accordance with the Memorandum of Association every Member is liable to contribute a sum of £1 in the event of the charity being wound up.

19. PENSION COMMITMENT

YMCA DLG 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 DLG and at the year-end these were invested in the Mercer Dynamic De-risking Solution, 63% matching portfolio and 37% in the growth portfolio and 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.),
- the average life expectancy from normal retirement age (of 65) for a current male pensioner of 22.0 years, female 24.4 years, and for those retiring in 20 years' time, 23.7 years for a male pensioner, female 26.1 years.

The result of the valuation showed that the actuarial value of the assets was £146.1m. This represented 79% of the benefits that had accrued to members.

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

The valuation prepared as at 1 May 2020 showed that the YMCA Pension Plan had a deficit of £39 million. YMCA DLG has been advised that it will need to make monthly contributions of £8,033 from 1 May 2022. This amount is based on the current actuarial assumptions (as outlined above) and may vary in the future as a result of actual performance of the Pension Plan. Agreed future deficit contributions have been discounted using a rate of 2.7% (2021: 2.1%). The current recovery period is 7 years commencing 1st May 2022.

As a result of the Trustees rebasing the deficit contributions reflecting the change in membership numbers, YMCA DLG's share of the deficit increased by £74,864. During the year deficit payment contributions of £81,867 were made.

The table below sets out the value of the liabilities included in the Balance Sheet

	Within one year £'000	One to two years £'000	Two to five years £'000	After five years £'000	After more than one year £'000	TOTAL 2022 £'000	TOTAL 2021 £'000
As at 31 March 2022	95,201	92,969	280,540	185,893	559,402	654,603	-
As at 31 March 2021	81,867	80,890	246,972	251,877	579,739	-	661,606

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

Supplementary to the above scheme, employees starting with Sussex Central YMCA after 1 April 2001 were eligible to join a stakeholder pension scheme, which is a defined contribution scheme, into which the Charity pays contributions. The employee paid any sum up to legal thresholds but with a minimum contribution of £20 per month. The employer's contribution is set at a maximum of 6% of gross pensionable salary. The employee contribution has been increased to a minimum of 1.6% from April 2019. The scheme is administered by Legal and General. In addition, those employees who were in the YMCA Pension Plan and members of the Leadership Team make contributions of 8% of salary to the stakeholder pension scheme and the employer's contribution is 15%. During the period a total of 34 employees benefited from the scheme at a cost of £146,371.

In 2007 Guildford YMCA commenced a scheme with Aviva. This is also a group personal plan arrangement and the contributions are expressed as a percentage of the employee's salary. This scheme was to replace the now closed defined benefit scheme discussed above. The cost for the year was £1,474 (2021: £1,346) in respect of 1 employees (2021: 1).

With the introduction of auto enrolment, the schemes were closed to new entrants on 31 January 2014 and the Charity now offers a stake holder defined contribution pension scheme in line with legislative requirements administered by Legal and General.

At the end of the year there was a liability of £45,930 relating to all the schemes that was settled the following month.

20. OPERATING LEASE COMMITMENTS

The future minimum lease payments of leases are as set out below.

	2022	2021
	£	£
Land and Buildings:		
Within one year	**1,217,989**	1,186,558
Between one and five years	**2,442,001**	2,555,192
In more than five years	**1,088,941**	588,824
	4,748,931	4,330,574
Equipment:		
Within one year	**13,669**	16,256
Between one and five years	**8,173**	8,310
In more than five years	**-**	-
	21,842	24,566

21. GROUP AND RELATED UNDERTAKINGS

During the year ended 31 March 2021, YMCA DLG had the following related and associated undertakings:

	Relationship	**Status**	**Regulated by Social Housing Regulator**
YMCA DLG Services Ltd	100% subsidiary	Trading Company	Non-regulated

22. CONTINGENT LIABLITIES

At the 31 March 2022 there were contingent liabilities in respect of grants received in relation to the following properties:

- Crawley Foyer - Social Housing Grant of £873,140 and Local Authority Grant of £1,500,226
- Worthing Foyer - Social Housing Grant of £823,632
- Guildford Y Centre – Social Housing Grant of £3,211,744
- Guildford Foyer - Social Housing Grant of £2,021,986
- Horsham Y Centre - Social Housing Grant of £4,057,690
- Eastbourne Y Centre - Social Housing Grant of £771,910
- Eastbourne Foyer – Social Housing Grant of £1,525,000
- Hastings Foyer – Social Housing Grant of £1,614,950

There is potential for repayment or recycling of these grants in the event the sites are disposed of and/or taken out of social housing use. Guildford Y Centre was sold in June 2022 and the grant has been retained by the organisation to recycle. All other properties remain in social housing and the organisation has no plans to change the status of these sites.

On the purchase of Horsham Y Centre and Eastbourne Y Centre from YMCA England and Wales, grants were received for £873,000 and £247,500 respectively. If YMCA DLG resigns as a member of YMCA England and Wales Federation, or disassociates itself from the organisation, or ceases to participate in any of its operations, the grants will become refundable. It is considered unlikely that this will occur.

Of the £16.4m housing grants liability, £10.4m is within creditors. On implementation of FRS102 in the 2016 Financial Statements the Trustees elected to treat the grants held at the time for Crawley Foyer and Guildford Y Centre under the performance model and recognise them in reserves. All other grants are treated under the accruals model and amortised over the life of the related structure. To date £0.86m has been transferred to reserves.

23. CAPITAL COMMITMENTS

At the year-end there were no capital commitments.

24. POST BALANCE SHEET EVENT

Guildford Y Centre which has 112 units of accommodation for students was sold to a non-social housing provider for £4.125m on the 21st June 2022. As stated in note 22, the social housing grant of £3.2m has been retained by the organisation to recycle into another social housing project. If the grant is not recycled within three years then it will become repayable to Homes England together with interest calculated daily at the prevailing Bank of England rate.

On implementation of FRS102 in the 2016 Financial Statements, the Trustees elected to revalue Guildford Y Centre on a one-off basis as permitted under the transitional provisions of FRS102, this valuation being deemed cost in subsequent years. The net book value of the Guildford Y Centre at 31 March 2022 was £2.74m. The associated grant of £3.2m was treated under the performance model on implementation of FRS102 and recognised as an increase in reserves. In the 2022-23 accounts the grant will be reinstated as a creditor in the Statement of Financial Position as required by the Housing SORP with an exceptional expense recognised in the Statement of Comprehensive Income.

YMCA DOWNSLINK GROUP

England & Wales - Charity number 1079570

Accounts

YMCA DOWNSLINK GROUP

ANNUAL REPORT 2021

Safer, Smarter, Stronger

(A Company Limited by Guarantee)
Registered company number: 3853734
Registered charity number: 1079570
Registered housing provider: 4644

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Welcome to YMCA DownsLink Group's Annual Report 2020/2021

1. CHAIR'S INTRODUCTION

I joined the Board in June 2020 succeeding John Slater as Chair in October 2020. John handed on a dynamic and ambitious YMCA, and I have enjoyed getting to know the organisation and working with such a skilled and committed Board and Leadership Team.

Our organisational year has been defined by the Covid 19 pandemic. We have spent the year operating under a business continuity plan, safer, smarter, stronger. With our aims to keep people safe, use of technology to support service delivery and to support staff and protect the organisation through the Covid crisis.

We have worked hard to contain the impact and spread of the virus amongst staff, clients (beneficiaries) and residents. In March 2020 we quickly adapted services to ensure our essential housing services remained open and the mental health and targeted youth work we provide transitioned to digitally accessible services. It is a testament to the hard work of the organisation that through the lockdowns we were still able to provide services to over 6000 children, young people & residents, which is only a 30% reduction on our normal annual reach.

Our staff have shown great commitment to the work of the organisation and supporting our service users and residents through the pandemic; including our key workers continuing to staff our supported housing through lockdown, counsellors and youth workers adapting and delivering digital engagement model, and central services teams as they transitioned to remote working without any business interruption.

As a Board we prioritised supporting staff through salary enhancements for key workers during lockdown, developing flexible homeworking options and where we furloughed staff topping up the government assistance programme to ensure staff's livelihoods weren't impacted through the pandemic.

One of our strategic priorities this year was the further development and investment in the safeguarding of children & vulnerable adults. We have seen year on year 50% increases in safeguarding alerts with safeguarding now being rated as the organisation's biggest risk area. Safeguarding alerts have been dominated by the impact of increasing levels of mental health needs in YMCA DLG's services leading to increased self-harm and suicide ideation amongst the young people we work with. This year we strengthened the central safeguarding team employing a Head of Safeguarding and two safeguarding officers. We also recruited a specialist safeguarding trustee role and invested in external audit assurance to support governance responsibilities for safeguarding. At a service level we focused on the training and development of staff and the development of safeguarding recording systems.

As we went into business continuity in March 2020, we reset the annual budget to ensure we protected the organisation's long-term finances. The government's furlough scheme was an important contribution to YMCA DLG's financial viability; we were also grateful for the financial support of our key partners and the generosity of people linked to a successful fundraising year.

As the year went on and the longer-term implications of the pandemic became clearer, we needed to take some difficult decisions and refocus some services. These changes did reduce the total workforce by 14 roles, refocusing youth involvement & resident engagement work and we were sad to say goodbye to some long serving staff who have made significant contributions to the organisation.

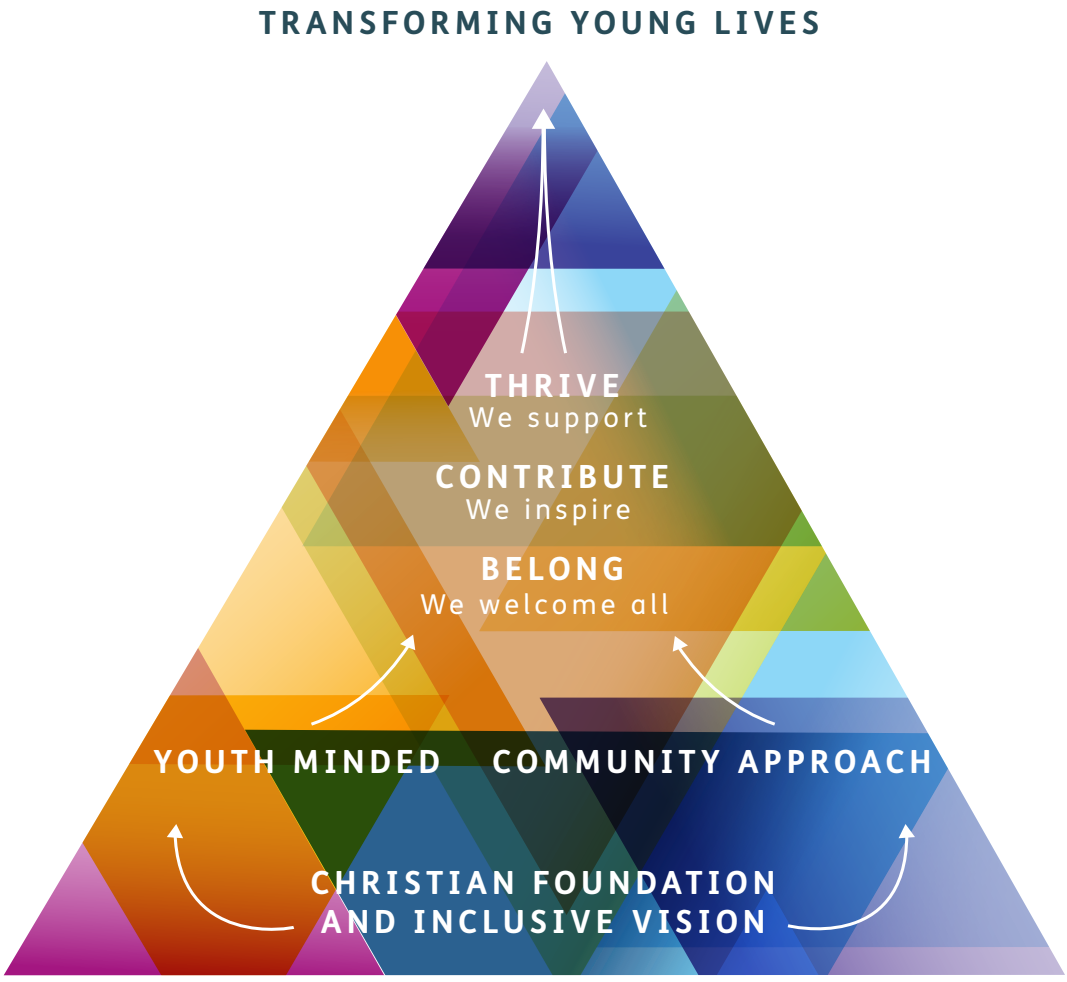
Over the year we felt it was important to respond directly to the issues raised by the Black Lives Matter movement. We recognise that the organisation should be more racially diverse than it is, and this is especially true in the decision-making functions of our YMCA. Consequently, the Board recently approved a new Equity, Diversity and Inclusion Plan to ensure we are taking a lead on this important societal issue.

This year we had a number of trustees step down from the Board and would like to thank John Slater, Peter Jeffrey, Deborah Pepper and Andrew Wilson for their service to the organisation and I would like to welcome Erin Barnes our new safeguarding specialist trustee, who joined us this year. On behalf of the Board, a huge thanks to the organisation's staff and volunteers for working through an exceptionally difficult year and our partners and supporters for their continuing support of our YMCA.

Fran Beckett
Chair of Board of Trustees

2. YMCA DLG MISSION

The organisation shares a common vision with the wider YMCA Federation of England & Wales. A vision that all young people can belong, contribute & thrive in their local community. As a local YMCA Association, we translate this vision into four missional priorities



- Helping young people belong in their local community
- Keeping children & young people safe
- Supporting children & young people's emotional wellbeing & mental health
- Helping young people achieve

Helping young people belong in their local community

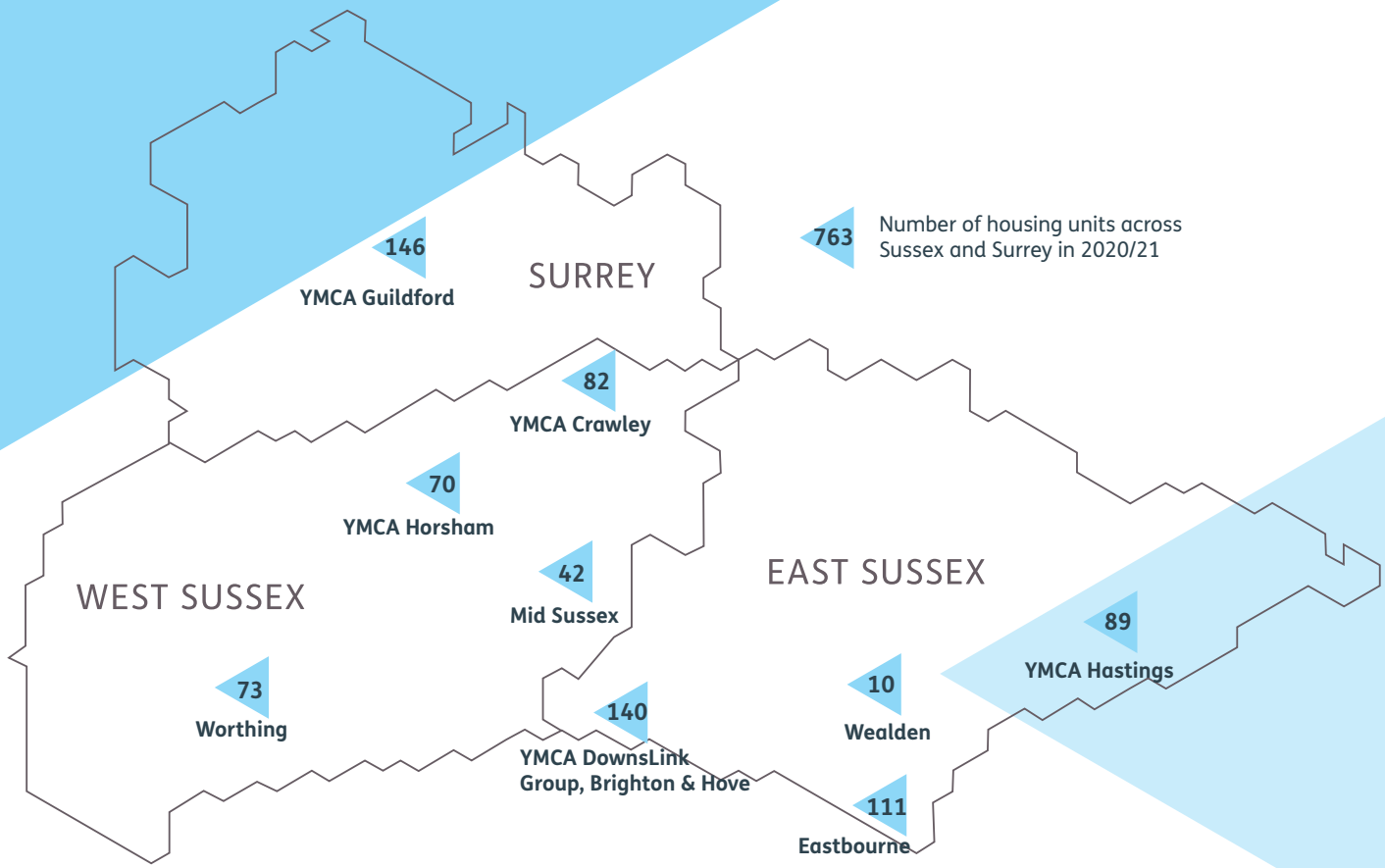
One of the most important ways we help young people belong in their local community is the investment we make in developing and running supported accommodation for homeless and vulnerable young people.

Over the year we maintained our supported housing stock at **763 units of accommodation**. This stock base enabled us to offer **1181 young people a safe place to stay** last year.

Over the year we established the new rough sleeper service, St Patricks in Brighton. We were pleased to play an active role, through this service, to support the Covid pandemic 'everyone in' programme and establish a partnership with Arch Health supporting step down from hospital accommodation for rough sleepers.

Move on accommodation from supported housing, in Sussex & Surrey, is in short supply and we were very disappointed to have to pull out of a modular build development project in Brighton due to being unable to secure a development contract within the resources we had available. In this year's accounts we have included the £304k write off of costs incurred trying to bring this scheme to fruition.

YMCA DLG is particularly proud of its work with young asylum seekers. At YMCA Guildford Foyer we provided accommodation to 23 young asylum seekers, some the most marginalised and vulnerable young people in our communities. Read Kian's story on the next page.



Kian's story

Kian arrived in the UK to seek asylum in October 2020 and was required, under Covid rules, to quarantine for 14 days at the Guildford Foyer, whilst Social Services looked for a more permanent placement.

Quarantine was 'very difficult'. He was alone in a new country and was not allowed to come out of his room due to the protective restrictions. When he was allowed out of his room, Kian did not want to be at the Foyer or in Guildford and felt that no one was listening to him about being moved to London. He wanted to join a football academy and pursue his dreams to become a professional footballer. He says that playing football is the only time that he feels free from his troubles.

It was tough, he was very isolated in a new country and under lock down conditions. After some adjustment and a lot of 1:1 support, Kian settled at the Foyer and decided to stay until the right place in London became available. He engaged in English lessons and improved quickly. He began to trust staff and was a permanent feature at the front desk, always looking for opportunities to improve on his English. He enrolled in college and has joined in with the local football opportunities.

Kian will shortly be moving to London to join a football academy and enrolling in a new college in September. Kian found the asylum journey and restrictions of Covid very challenging for his mental health but looks forward to his future in London and is grateful for the support, care and understanding that he has received at the YMCA Guildford Foyer.

We would like to take the opportunity to recognise the important partnerships connected with our supported housing work and how these partnerships help support the housing needs of so many young people.

Keeping children and young people safe

YMCA YAC
Advice and support for young people aged 13-25

YMCA SAFE SPACE
Support and first aid for people intoxicated, distressed or injured during a night out

YMCA WiSE PROJECT
Supporting children and young people to stay safe in their relationships

The single biggest priority for YMCA DLG is the safety and welfare of the children, young people and residents we support. Our experience on the ground has reflected many of the national headlines of increasing mental health problems, rising levels of vulnerability and child poverty in our society. We have seen a significant rise in the vulnerability of young people living in our supported housing. A detailed analysis of the needs profile revealed the growing impact of mental health and increasing percentage of care leavers.

NO. CURRENT RESIDENTS (EXCLUDES STUDENT HOUSING)	**538**
% Young people who have been in care	23%
% residents 16 to 18 years old at referral	40%
% Have a diagnosed mental health issue	33%
% Have expressed suicidal thoughts and/or have suicide ideation	6%
% Have attempted suicide whilst in the project	1%
Safeguarding alerts as % of residents	10%
Max % of residents for whom we were carrying out welfare checks at any one time	15%

This increasing level of need in our supported housing and increasing referral thresholds in our community counselling services saw the number of safeguarding alerts rise by 54% from 1,077 in 2020 to 1,664 in 2021. This is even more significant noting that the total number of young people we supported last year dropped by 30% linked to Covid lock downs

A significant focus of our targeted youth work services is to keep children and young people safe. It is over 15 years since we first started campaigning on the issue of the exploitation of young people. This campaigning developed into our WISE service (what is sexual exploitation). Last year the service worked with 111 young people and 259 professionals to support our aim to keep children & young people safe. The case study below demonstrates how important this work is.

Tina's story

Tina (not her real name) found the support she received from YMCA WiSE invaluable following a difficult period in her life when she had been groomed by two older men.

At 17 Tina and a friend had been befriended by two much older men, invited to parties and given alcohol. Following an incident Tina was referred to the YMCA WiSE service that supports children and young people at risk of, or subject to sexual exploitation. It was recognised that Tina was very vulnerable and had already been subjected to grooming at an earlier age.

The YMCA WiSE worker was able to give Tina a good deal of helpful information around healthy relationships, recognising grooming, growing self-esteem and assertiveness and the issue of consent. They met every week, and Tina appreciated being in a safe place where they could discuss anything that was on her mind. They carried on meeting for about six months, and during that time Tina's self-confidence grew significantly. Role play sessions helped her to grow in assertiveness. She even shared her discomfort about the family's lodger who was behaving inappropriately, and he was asked to leave the family home.

They were able to address other issues too, such as Tina having had no money of her own. As the family income was low, the YMCA WiSE worker supported Tina and her Mum to claim a Personal Independence Payment, which enabled Tina to buy herself some clothes and materials for her college course.

At the end of her time with YMCA WiSE Tina was very positive about the value of having someone she could talk to confidentially about private issues that she couldn't share with her family or friends. She started volunteering in a charity shop, completed a first year at college and plans to go on to a second year. With a new understanding of what a healthy relationship looks like, she started a relationship with a boyfriend her own age.

With support from her YMCA WiSE worker Tina grew significantly over the course of six months and is now well on the way to building a more positive future for herself.

Supporting children & young people's mental health & emotional wellbeing

YMCA DIALOGUE
Counselling and therapeutic support for children, young people and families

YMCA Dialogue is our Children & Young People's emotional health and wellbeing service. The service operates across Sussex through two large community counselling and therapy services and 46 individual counselling and therapy contracts with schools. Last year our YMCA Dialogue services offered 2,896 children & young people mental health and emotional wellbeing support.

YMCA Dialogue saw the single biggest change in responding to Covid. Moving from face-to-face service to a digital service overnight. Below is an account of what that change felt and looked like by one of our therapists.

Lape Odebode works within the West Sussex Dialogue Counselling Service as a Counselling Coordinator. She reflects, below, on the last year of working as a counsellor through the Covid-19 pandemic.

A lot of change can happen in 12 months!

Yet while it has been a year of significant challenges, I feel very proud of the way YMCA Dialogue Services adapted and provided support for children and young people who experience difficulties with their mental health.

As a Counselling Coordinator, my working week is a diverse range of activities including providing therapy sessions for children and young people, writing reports, attending meetings and training, assessing new referrals, and providing consultation and advice for external agencies. No day is the same!

I am based in one of YMCA DLG's Youth Information and Advice Centres (YACs), and pre-pandemic, I also used to provide therapy sessions for young people in a local college and run a weekly young women's group in a housing project, so I was used to working with young people in different locations throughout the week.

At the start of the pandemic in March 2020, our service model changed instantly, and we moved from face-to-face therapy sessions to providing remote support. This required a quick response of contacting young people and external professionals to notify them of the change, with the aim of minimising as much disruption to therapy sessions as possible. As a service we also moved to maintaining our client files electronically to support a safe and accessible way for our service to begin 'working from home'-this was a big transition!

Initially these major changes required some adjusting to, (and a lot of document scanning!), but I soon understood the new system and received needed technical equipment to support video calls over the NHS Attend Anywhere platform that we use for our therapy sessions.

Interestingly, and thankfully, I had a smooth transition into virtual working. A typical 'Clinical Day' for me involves 4 regular therapy sessions, and 1 assessment session for a child or young person who is accessing our support for the first time. For many of my clients, the pandemic presented an additional layer of disadvantage, for example, further isolation due to the social restrictions, and an increase in symptoms of anxiety and depression. Weekly therapy is something that many clients experience as being positively impactful on their wellbeing, and it has been encouraging to receive feedback how the continued support throughout the pandemic, has been valued.

Sometimes during everyday activity, it can be hard to see the wider impact of our support, however I have found that the end of a course of therapy with a child or young person can be a positive time of reflection. I recently had my last virtual therapy session with a young woman, who I will call E, who experienced an unexpected home move,

breakdown in parental support, end of a significant peer relationship, and a decline in her mental wellbeing all within the last year of the pandemic. For E, her therapy sessions presented a safe (virtual!) space in which she could express her emotions, learn strategies to support her mental health, develop the confidence to talk about her difficult experiences, and connect with wider support. In our final session, we reflected on the increase in E's confidence, E shared about all that she was 'taking away' with her, and I was reminded about the importance of what we do. In addition to E, I have many other stories of young people who have valued receiving therapy during the pandemic, as well as positive feedback from parents and school staff members.

While I sometimes miss the 'in-person' experience of providing therapy, the last year has contributed to a deep desire to support the mental health of children and young people. I have also learnt about the importance, as therapists, of engaging in self-care to support us in the process.

With that in mind, I am going to end this reflection to go out for a walk before my next meeting!

Schools and children and young people's education were massively disrupted this year by Covid. We were pleased to be able to work with over **50 schools across Sussex to ensure children and young people were able to access counselling** support through YMCA Dialogue.

The work of YMCA Dialogue is delivered through a number of important partnerships and we would like to recognise and thank our partners for their support over the past year.

Brighton & Hove City Council

west sussex county council

NHS Sussex Partnership NHS Foundation Trust

Helping young people achieve

YMCA POSITIVE PLACEMENTS

Supporting young people in their journey towards education, employment or training

YMCA CHAPLAINCY

Providing a non-judgemental space to discuss, explore, listen and support

YMCA MORE THAN A ROOM

Housing, support and groupwork, enabling young people to live independently and achieve their work and learning goals

We are proud that our work is focused on supporting the most marginalised young people in our local communities to achieve their potential. Covid has further increased the inequalities amongst young people, with those young people who experience poverty and exclusion slipping further behind in terms of their life chances. We measure how many young people who live in our supported housing are accessing education, employment and training. Over Covid that slipped from an 53% average to an average of 38% with homeless young people really struggling to access further education and entry employment opportunities seriously declining. We have a huge concern about this trend and we intend to continue the investment of over £300k a year of our own charitable funds into our More Than a Room Programme into prioritising how we help young people achieve.

Our YMCA Chaplaincy services, and associated volunteer chaplains, were unable to deliver their normal hosted meals across our supported housing projects this year, because of Covid. But they did ensure our residents still had access to home cooked food bringing in meals that young people could collect. We would like to thank all our volunteers who continued to support us and our residents through the Covid pandemic.

YMCA DLG volunteer chaplains at the Crawley Foyer Garden

Below is a fantastic case study from our Brighton young families' scheme about how we support young people to achieve. The Brighton young families' scheme provides young families with housing and housing related support to support them to live independently and fulfilling family lives.

T and R's journey as residents of the Brighton Young Families Project began 15 months ago, during which time their personal progress and achievements have been inspiring.

Alongside raising their firstborn child and living independently for the first time, T and R have always maintained their engagement with the service for a positive future. R gained experience in part-time work in landscaping and plastering jobs. Inspired by his father and grandfather who are still in the trade, he has gone on to study Construction for which he is now at a diploma level, as well as completing a Level 1 Sports course at Brighton MET.

T is currently studying Nail Tech and Beauty Therapy – something that she always wanted to do but had to delay when she became pregnant. Never losing sight of this, T re-engaged after the birth of their first child and continues to do so through the pregnancy and birth of their second child – as well as also engaging in a sports course at a local college, including A Level English and GSCSE Maths skills.

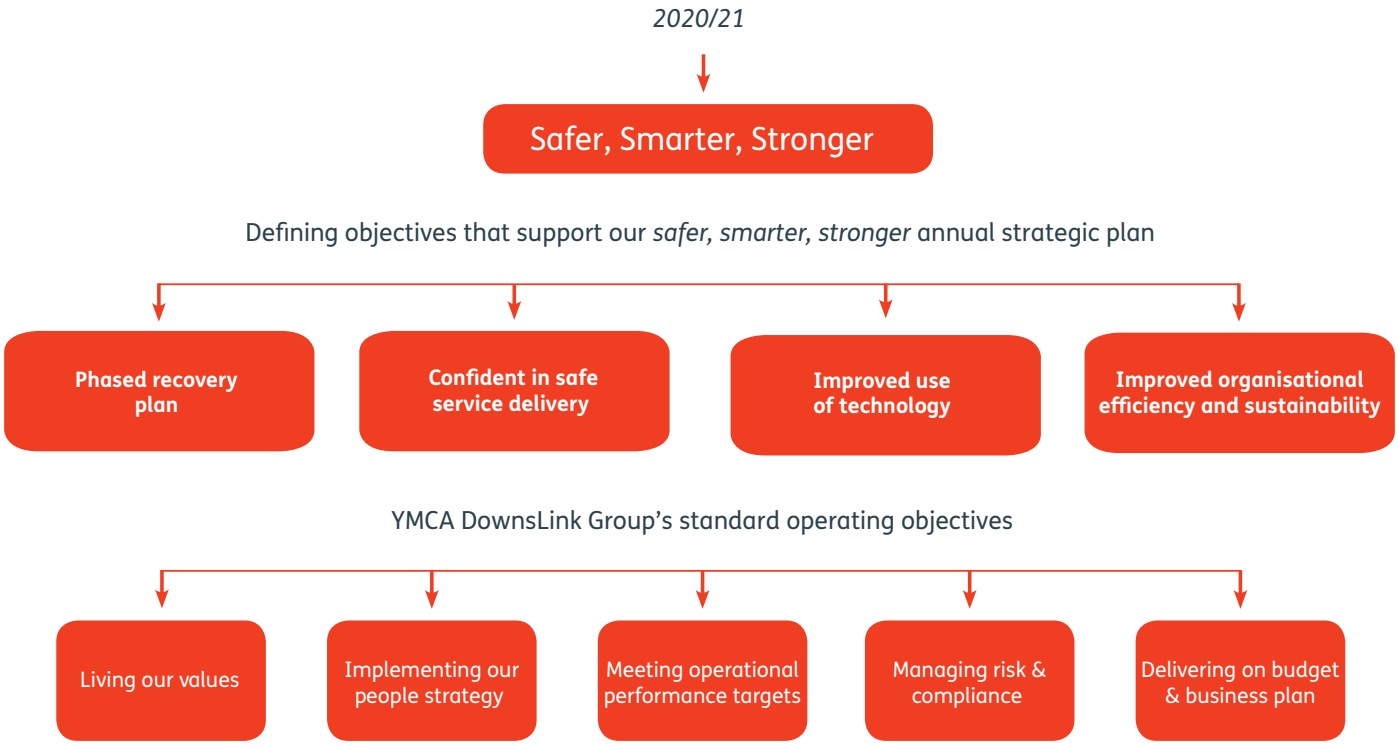
With the recent birth of their second child, T and R's ability to successfully manage both their family and education/work lives is commendable. They are a wonderful family unit and have been an excellent example for other young families to follow, being always a positive and welcoming influence around the project. They engage well with staff support – regularly attending and taking part in key work sessions focused on employment and education goals, budgeting, and home management, as well as with group work activities such as bake offs, art and craft challenges and parent and child coffee mornings (subject to Covid restrictions!).

They have both made it clear how important the mutual trust and support between them as a couple and as parents has been in their achievements, with T praising the BYFP staff team for their positive impact, specifically mentioning support given during a challenging time with their older child and her nursery school; funding and grants for equipment for their studies; and the long-term support around their independent living skills - enabling them to set up an account and begin bidding for their own property via Homemove.

Looking to the future – T and R are excited to make this natural move away from supported accommodation and take the next step in their lives. Once she has completed the English and Maths qualifications on her MET course, T would like to progress to university and study criminology and law as well as continuing to build on her nail and beauty training. R surely has a bright future in trades and in his lifelong (but still growing) passion for sport and fitness but has stated very clearly that his deepest fulfilment comes from his family and supporting them, no matter what he or T go on to do in the coming years.

3. ORGANISATIONAL PERFORMANCE AND STRATEGIC OBJECTIVES

This year we report on our performance against our ***interim strategy: Safer, Smarter, Stronger*** summarised below:



This section sets out how we performed in the following areas:

- Living our values
- Implementing our People Strategy
- Meeting operational performance targets
- Managing risk and compliance
- Delivering on budget and business plans

Living our values

YMCA DLG values are:

- **We welcome all**
  We offer people the space they need to feel secure, respected, heard and valued; and we always protect, trust, hope and persevere
- **We inspire**
  We strive to inspire each person we meet to realise their full potential in all they do
- **We support**
  We are committed to the wellbeing of the communities we serve and believe in the positive benefit of participation, locally and in the wider world

What do YMCA DLG clients say about us?

This year's clients' survey presented us with some really useful insights into what clients felt we were doing well, and where we could improve. As a result of client feedback we feel we are performing well against 2 of our values in particular. We want to do more to improve how the people we work with feel inspired:

We Welcome All: 91% found staff and volunteers welcoming

We Support: 87% of clients felt supported in YMCA DLG services

We Inspire: 68% felt inspired to achieve their goals

"From the first time I met my Counsellor, he was a very kind and warm soul. Made me feel like I was valid in everything I feel/do."

"I feel the level of welcoming people of different backgrounds and cultures at Eastbourne Foyer is really good."

"If it wasn't for the support I've had, I wouldn't of coped at all and would have been in a dark place."

"I'm not sure what my dream goal is but the staff here completely understand your situation and they help with a bit of advice that you can either take that advice and use it or you can ignore it it's completely up to you.."

Compliments and Feedback
This year we collected over **350 compliments** from stakeholders including clients, family members and other professionals, here are a few:

Parents and carers

"Thank you. You are so appreciated. You are the first person he has trusted and opened up to for a very long time. You are offering him something he has needed his whole life." **- Parent of a client at YMCA YAC**

"He really benefits from coming to counselling, he is talking much more about the things that worry him rather than letting it build up and become explosive." **- Parent/carer of a counselling client at YMCA Dialogue**

Professionals that work with us

"[The YMCA Dialogue counsellor] has been wonderful in helping us through these tricky times and we very much appreciate her professionalism and care for both staff and pupils. Secondly, a big thank you to YMCA Dialogue for all your services too." - **School**

"It's always a pleasure working with YMCA DLG - even when there are tricky times for whatever reason, the staff and management have a drive to improve relationships and find better ways of working, because we all know it will benefit the young people and it's great to work with this shared ethos" **- Senior Mental Health Practitioner**

"I have been working with [staff member at YMCA YAC] in order to support a homeless client into permanent housing. This has proved extremely difficult for a variety of reasons, but [the YAC worker] has shown considerable resilience, patience and commitment. I wanted my appreciation of her work to be formally recorded" **- Professional**

Implementing our People Strategy

Reward and Recognition Plan
We need to employ staff with the right skills for their role. Salaries offered are usually significantly lower than those available for comparable roles in the commercial or public sectors.

As part of our People Strategy, in 2020 we committed to reviewing our approach to reward and recognition, to ensure that every person in YMCA DLG is fairly rewarded for the work that they do, in a way which is affordable for the organisation.

In 2021, we completed the first phase of this review. We developed a new Pay Policy and designed a new salary structure which aimed to ensure that salaries were internally consistent and externally benchmarked against the market.

Our new salary structure links every role to a job level and a job family (ensuring greater consistency), and over the next three years we aim to ensure that everyone at DLG is paid between 90-100% of the mid-point (market tested).

In July 2021, 79% of staff received the first phased salary uplift. We aim for every member of staff to reach their target salary within the next three years, and we commit to ensuring that the gap between the highest paid employee remains between 5-8 times (ratio 5:1-8:1) the base salary of the lowest paid employee (not including apprentices).

It is our intention to report on our salary ratio every year in this report. Once the uplifts are complete in July 2021, the salary ratio at YMCA DLG will be 5.6-1.

Equity, Diversity and Inclusion
Our aim is for YMCA DLG to be an organisation that people want to join, where they feel welcome and want to stay. This is reflected on our organisational values, which underpin our People Strategy.

Early in 2020, YMCA DLG's active Diversity and Inclusion Forum (comprised of colleagues, trustees and service users) embarked on developing a new action plan which aims to ensure our YMCA becomes a more inclusive organisation and employer so that we can continue to play our part in addressing some of society's most deep-rooted inequalities.

The plan recognises the organisation has a way to go – and that we intend to share our learnings and questions along the way. It is centred around three goals: becoming a more inclusive organisation, becoming a more inclusive employer and becoming a more inclusive service provider.

In 2021/22, we will focus on creating a more systemic approach to enable us to take practical action across the organisation, clarifying the organisation's stance to equity, diversity and inclusion, and making a commitment to sustained action through providing visible leadership and demonstrating a willingness to change.

We have agreed we will also have a sustained focus on efforts to become an anti-racist organisation, recognising that this requires individual, organisational as well as societal change. The individual change starts with education – and all members of the Leadership Team and the board of trustees will complete unconscious bias training by the end of this financial year. As leaders, we recognise that we need to commit to deep personal understanding and reflection if we are to achieve our goal of creating a more inclusive organisation at YMCA DLG.

Meeting operational performance

Missional KPIs

		Target	End 19/20	Annual Position	Trend on 19/20
Total reach (no of children, young people)	All	Trend Up	10,800	**6,439**	↓
Total of number of accommodation units	CAPS	Trend Up	763	**763**	↔
Positive move-on rates from YMCA accommodation	CAPS	70%	78%	**90%**	↑
Supporting wellbeing: number of clients in Dialogue	CYP	Trend Up	3152	**2896**	↓
Number of Dialogue schools contracts - missional	CYP	trend up	n/a	**46**	↓
Helping young people achieve: More than a room, YP in EET (employment/education/training) as % of total	CAPS	70%	53%	**38%**	↓
Number of young people involved in influencing opportunities (e.g. interviewing staff, focus groups - excl surveys)	All	Trend up	3032	**607**	↓

The table shows the end of year report to the Board

- Overall, YMCA DLG's reach reduced as we saw services have to restrict access, or close completely during the pandemic lockdowns; we are proud to have reached over 6,400 individuals keeping most services running during difficult times
- 2,900 clients' wellbeing supported through YMCA Dialogue counselling and therapeutic services despite the barriers of lockdown and reduction in face-to-face meetings
- 1,181 residents in YMCA DLG accommodation
- 90% of residents leaving YMCA DLG, moved on in a positive, planned way
- A decline in residents' employment/ education status - unfortunately only 38% of 16–25-year-olds were in employment, education or training at the end of the year, demonstrating the devastating impact of Covid-19 on young people's opportunities – many of the residents we support work in hospitality or retail, which was badly hit by lockdown rules

Improvement in CAPs recruitment and retention performance

Last year we had a high turnover of staff in accommodation projects indicating there was work to do to improve staff experience and retention. This year, work included progression pathways for staff, management training and a review of pay with a plan to improve salaries where they had been identified as moving up to a target level. We have also improved our recruitment and application process, use of social media and employment brand. We saw a reduction in total turnover of 10% over the year to 24%. As this figure is for total turnover, it has been impacted by the reduction in posts from restructuring at the end of this year.
We are just behind the target of 20% or less, however we believe that as the People Strategy continues, we will achieve this.

Managing Risk and Compliance

Risk Management KPIs

		Target	End 19/20	Annual Position	Trend
Number of incidents	All	Monitor Trend	191	**285**	↑
Number of safeguarding incidents	All	Monitor Trend	1077	**1664**	↑
Fire Risk Assessments,Gas Safety **and** 5 yr electrical inspections	All	100%	99%	**100%**	↔
Actions from above completed, none overdue	All	0	n/a	**0**	n/a
Compliance with water testing at properties that require it	CAPS	100%	67%	**91%**	↑
Maintenance response target	CAPS	95%	89%	**88%**	↓
Reportable personal data breaches	All	0	0	**1**	↑
No of complaints	All	trend down	71	**87**	↑
% complaints upheld	All	trend down	n/a	**40%**	n/a
No of subject access requests received	All	monitor	6	**14**	↓

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This table shows the KPIs that were reported to the Board at the end of year on risk management.

Landlord and Health and Safety obligations
This year we have continued to keep a close eye on health and safety in buildings and even through lockdown we ensured we were meeting our obligations by continuing to test equipment, and ensure the right checks and assessments were carried out. This work is overseen by the Audit and Risk Committee which receives regular reports on compliance performance. We have implemented a new weekly report which ensures better oversight from managers about actions that are due, and important health and safety checks that are coming up.

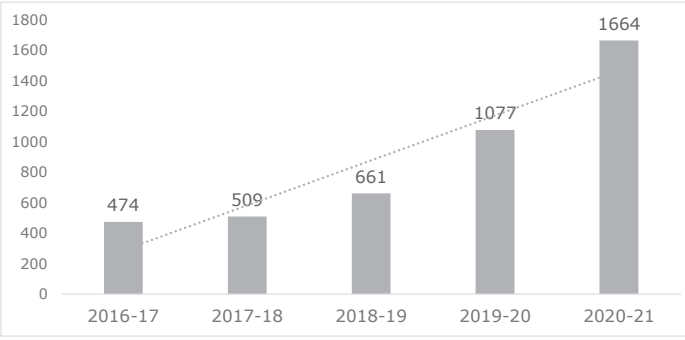
Fire Safety
Improvements to fire safety at YMCA DLG have been a key priority; we commissioned an external assessment of fire safety policy and procedure and conducted an inhouse review. Improvements to regular reporting on fire safety related repairs and maintenance have strengthened the fire safety approach at YMCA DLG; we recognised where we need to improve as a result of the reviews and have an improvement plan which we are working to, approved by committee.

Embedding highest standards in safeguarding
We achieved a significant improvement in safeguarding practice through:

- achieving our target for employees undertaking mandatory safeguarding training
- trustees completing further training this year in safeguarding and governance
- three external safeguarding audits for assurance
- implemented internal high risk case reviews with the safeguarding team working alongside staff and managers to oversee high risk cases

The above steps have resulted in improved quality of reports and improved oversight of concerns. This ultimately helps us keep clients safe, where necessary working with statutory agencies to get the right support to people.

The chart below shows this year has seen another year of increased alerts reflecting both the difficult times children and young people face (particularly a rise in mental health concerns during lockdowns) and improved reporting and awareness of staff.



Safeguarding alerts across YMCA DLG for last 5 years

There is a robust reporting policy and where concerns reach the threshold for reporting to statutory services (about 50% of the cases this year), we work in partnership with Social Care and Police to keep people safe.

We also saw an increase in incidents most notably in the first six months of the year, during pandemic restrictions.

Complaints
We had an increase of 14% in complaints, a total of 87 for 2020-21. The most frequent type of complaint was related to anti-social behaviour, from neighbours, which spiked in the first 6 months of the year during the first lockdown.

"I am replying to say that I have received your email. Thank you for taking my complaint seriously and handling it professionally."
- YMCA DLG resident

We launched new complaints training for complaint leads and improved the monitoring of complaints to accurately report on outcomes and learning.

Information Technology – IT security and data protection
We embarked on a discovery exercise, holding 8 workshops with staff and managers looking at IT. This was to develop a clear 5-year strategy for IT development work to ensure we have the right systems, secure storage and access to data to manage risk in the organisation. The strategy will be approved by the Board in 2021-22.

Covid-19 recovery planning
We are proud of the work we did to ensure business continuity, to protect people and adapt client-facing services during the crisis. The senior management team developed a clear plan to prioritise services and conducted risk assessments to ensure the right measures were and are in place to prevent the spread of the virus in YMCA DLG's services and work. The work of staff following these procedures was successful and we did not see contagion between staff this year, and only one confirmed outbreak amongst residents which we contained through self-isolation of the project and residents.

Delivering on Budget and Business Plan

The 2020/21 business plan responded to the challenge of the Covid 19 pandemic in developing an organisation which is 'safer, smarter and stronger'.

In addition to taking steps to mitigate the impact of the pandemic, we had the following specific goals:

Review of central services
We concluded our review of YMCA DLG's central services functions, which included benchmarking our central service functions against similar organisations. The results of this review focused on strengthening our systems and processes which has been fed into the 5 year IT strategy above. In addition we are investing in an Executive Director of People and Culture to strengthen and develop our corporate services and will do further work on our procurement processes.

Investment in Modular build development project in Brighton
Unfortunately, due to increasing costs we took the decision to terminate this project and write off costs accumulated to date (see Finance section below).

Investment in Hastings Foyer
This is an acquisition of a large residential building in Hastings which is being converted into a 47 unit Foyer scheme. The scheme is nearing completion and is expected to be available to let from October 2021. It benefits from a significant capital funding grant from Homes England to support the acquisition costs and revenue contract funding from East Sussex County Council.

Continued investment in Empty Homes
11 Empty Homes units were completed during the year compared to a forecast of 18 units. In addition, the development of 6 West Sussex County Council refocus properties were forecast to complete during the year and have been rolled over into 2021/22.

Eastbourne asset review
This was delayed due to the pressure of responding to the pandemic. The review has now started and will be reported to the Board in October this year as part of the wider Business Plan refresh work.

Fundraising achievements

Fundraising KPIs

		Target	End 19/20	Annual Position	Trend
Financial value of trusts and foundation applications - income received	All	£203k pa	£101.5k	**£246,667**	↑
Number of trust applications completed	All	trend up	n/a	**37**	n/a
Financial value of corporates	All	£25k pa	0	**£27,580**	↑
Number of potential Supporters opting in	All	trend up	800	**1219**	↑
Number of regular supporters	All	trend up	24	**47**	↑
traffic to website	F&C	trend up	17,086	**67,108**	↑
social media followers - facebook	F&C	trend up	1201	**4,490**	↑
social media followers - Twitter	F&C	trend up	2998	**3,043**	↑

This was the first full year's implementation of the new Fundraising Strategy and despite the impact of Covid, we had a strong year. It ended with a final fundraised income, excluding amounts brought forward and carried forward, of £442,254. Trust funding was particularly strong, and we were extremely grateful to have received a continuation of support from The Blagrave Trust, the National Lottery and BBC Children in Need. With a targeted approach to trust funding we were also successful in applications to new trust funders like Garfield Weston and Nationwide.

The impact of Covid meant that our outreach strategy had to be more focussed on digital engagement and we had strong results with our Covid Emergency Appeal, our Love in Box Christmas Campaign and our annual Sleep Easy event which we moved to being a digital based event with supporters taking part at home.

Impactful, simplified messaging, enabled us to increase the awareness of the organisation within our local community which drove increased traffic to the website and hugely increased our social media following. We were also increasingly proactive in our approach to our supporter base and to local companies which has enabled us to increase engagement within both sectors.

We would like to take this opportunity to thank all of the donors for their generous and continued support and we hope they will be excited to take part in our planned new events and engagement opportunities in 2021/22.

Fundraising Team

4. REVIEW OF FINANCIAL PERFORMANCE 2020-21

Financial KPIs

		Target	End 19/20	Annual Position	Trend
Staying within budget	Finance	y/n	y	**y**	↔
Compliance with loan covenant	Finance	y/n	y	**y**	↔
Achieving full cost recovery	All	y/n	n	**y**	↔
Void loss as a % of gross rent	CAPS	3%	4.5%	**4%**	↓
Income collected as % of gross rent charged - *excl students*	CAPS	97%	98.5%	**99%**	↑

This year, the greatest driving force has been Covid-19 creating unprecedented economic uncertainty. The Job retention ('furlough') scheme enabled us to retain the staff who work within our face-to-face missional activities, although towards the end of the year we had to make the difficult decision to restructure some of these activities to ensure the ongoing viability of the organisation, resulting in some redundancies costing £94,000. With construction costs increasing, we took the decision not to proceed with the modular development in Brighton that would have provided 30 self-contained move-on flats, as it was no longer a viable option.

The development costs of £304,000 have been written off in this year's accounts. We are a participating employer in the YMCA pension plan and, following the triennial revaluation of the scheme in May 2020, the deficit had increased resulting in a charge to our annual accounts of £179,000.

Income and Expenditure Summary	**2021**	**2020**	**Movement**
	£'000	**£'000**	
Income	16,203	15,099	7.3%
Operating Costs	(15,638)	(15,120)	-3.4%
Underlying operating surplus / (deficit)	565	(21)	2,790.5%
Pension revaluation	(179)	7	-2,657.1%
One off development and redundancy costs	(398)	-	-100.0%
Operating (deficit)	**(12)**	**(14)**	14.3%
Net Interest & investment revaluation	(62)	(71)	12.7% -
Deficit for the year	**(74)**	**(85)**	**12.9%**

With the above costs included, we are pleased to be reporting a deficit of only £74,000 (2020: £85,000). Our income for the year increased by 7.3% to £16,203,000 (2020 - £15,099,000) benefiting from: the Job Retention Scheme; a full year of two Brighton and Hove based housing projects that commenced the previous year and improved voids in housing projects. This excluded our student accommodation at 'The Bridge' based in Guildford where we suffered poor occupancy rates during the pandemic. The continuation of our fundraising strategy meant that we were ahead of our target at the end of the year, mainly due to successful applications to Trusts and Foundations.

Operating costs increased by 7.3% in line with income growth to £16,214,000 (2020- £15,113,000). We continued to pay staff on furlough at 100%, of which the Government scheme funded 80%, offset by savings on travel and meetings.

Earnings before interest, taxation, depreciation and amortisation (EBITDA), on which our banking covenants are based, were £434,000 (2020 - £395,000) giving us clear headroom to meet our bank covenants.

Our principal bank covenant is the requirement for our EBITDA to be 1.2 times our debt servicing costs (interest and capital repayment) and we have achieved this consistently.

The charity has accumulated reserves of £9,901,000 including restricted reserves of £236,000. These reserves are entirely invested in property and therefore used to meet the charity's strategic objectives of supporting vulnerable young people to belong, contribute and thrive. As a registered social housing provider, as well as a charity, our financial viability is managed by means of a rolling five-year business plan, which takes into account cash flows, borrowings, bank covenant compliance and the repairs and maintenance of our existing properties together with the acquisition and development of new projects. Furthermore, the business plan is subjected to a series of stress tests, which are reviewed by the Board together with mitigation plans. This ensures the charity remains financially viable into the future.

The charity also has a cash management policy to hold a minimum of £1,500,000 cash which is more than a month of cash outflow. At the end of the financial year the charity had cash cover of 2.1 months (2020 was 1.6 months) compared to a target of just over 1 month. In addition to this, the charity monitors its 'certain' income levels linked to property asset income and contracted income against its fundraised income. Currently 85% of our annual income falls into certain income criteria, an increase on last year due to a reduction in our uncertain income from the student accommodation.

We retain a £2,500,000 loan facility with Charity Bank, of which £1,000,000 remains to be drawn down for the acquisition of the Hastings Foyer which is due to complete during the next financial year. In addition, we have a £450,000 loan on a fixed interest rate with the Rosaz Trust which is repayable no earlier than September 2044.

5. YMCA DLG PLANS FOR 2021-22

We are proud of what we achieved in 2020-21 even though we did not complete all the intended work planned for the year. The long running nature of the Covid situation affected our ability to complete the following in particular:

- Long term homeworking policy was paused and will be replaced this year with a hybrid working policy in Autumn of 2021
- Rent strategy – was paused but will be completed in 2021-22

Our key aims this year are to:

1. Implement a Covid recovery plan ensuring we respond and develop the organisation in line with the changing national guidance on Covid recovery
2. Develop a new long-term strategy and business plan for the organisation with an agreed focus on rebalancing mission, people and financial resources. This reflects the significant growth the organisation has experienced over the past five years and the need to underpin that growth through better systems and processes. It also reflects the toll responding to the pandemic alongside ever-increasing social need amongst our service users and residents has taken on our staff together with the importance of ensuring that we live our values as an organisation in the expectations we have of our staff.

The priorities we will focus on in developing our new five-year strategy are:

- Operational review of our service against our missional priorities, risk thresholds & financial operating rules
- Review our referral thresholds to ensure that our services are safe for service users, residents and staff and reflect our YMCA vision and values. Working closely with our partners to set clearer referral thresholds and service model and delivery expectations
- A specific review of our services delivered through YMCA Guildford and how these support our mission and business plan
- Continue to invest in our people strategy through the implementation of our equity, diversity & inclusion plan, the establishment of our new staff reward & recognition plan and the development of our organisational culture to underpin our new five year strategy
- Develop and commence implementation of our new IT strategy

List of Trustees and Advisers

Registered Office
Reed House, 47 Church Road
Hove, East Sussex BN3 2BE

Charity Number: 1079570
Company Number: 3853734
Homes England Registered Number: 4644

List of Board Members
Fran Beckett, Chair Appointed 18 Jun 2020
John Slater, Chair Resigned 16 Oct 2020
Ingrid Beatty, Vice Chair
Peter Jeffrey (resigned 3 Dec 2020)
John Holmstrom
James Lister
Richard Nerurkar
Deborah Pepper (Resigned 16 Oct 2020)
Caroline Stearman (resigned 3 Dec 2020)
Andrew Wilson (resigned 3 Dec 2020)
David George (resigned 3 Dec 2020)
Michael Chawatama
Andrew Taylor
Michael Gercke
Erin Barnes (appointed 27 Jan 2021)

Audit and Risk Committee
Michael Gercke, Trustee and Chair
Peter Jeffrey, Trustee (resigned 3 Dec 2020)
John Holmstrom, Trustee
Carol Long, Independent member

People and Participation Committee
Ingrid Beatty, Trustee and Chair
Deborah Pepper, Trustee (resigned 16 Oct 2020)
Andrew Wilson, Trustee (resigned 3 Dec 2020)
Caroline Stearman, Trustee (resigned 3 Dec 2020)
Michael Chawatama, Trustee

Business Planning and Finance Committee
Andrew Taylor, Trustee and Chair
John Slater, Trustee (resigned 16 Oct 2020)
Peter Jeffrey, Trustee, (resigned 3 Dec 2020)
Michael Gercke, Trustee,
Fran Beckett, Trustee

Executive Team
Charles Walker, Chief Executive Officer
Anne Cairns, Chief Operating Officer
Simon Braid, Director of Finance
Jayne Grier, Director of People & Culture (from 14 Jun 21)

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Internal Auditors Mazars
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Company Secretary
Kirsty Bunning
Reed House
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Hove BN3 2BE

6. TRUSTEES' STATEMENTS ON REGULATORY COMPLIANCE AND INTERNAL CONTROLS

Regulator of Social Housing

Housing regulation standards
Over the year we reviewed our compliance with the different social and affordable rent regimes and standards that form part of wider social housing regulation and have sought legal advice. From this review we have concluded that up to 314 properties we have not calculated affordable rents in line with the rent standard, so are not fully compliant with the Housing Regulator's rent standard. We have therefore reported ourselves to the Housing Regulator and are in the process of quantifying the precise financial impact. Our initial sampling, 40% of affected rents, suggests that the difference is not material to the accounts

Value for Money
We continue to focus on Value for Money (VfM) as part of YMCA DLG's strategic development plans. VfM means managing the resources, both staff and monetary, economically, efficiently and effectively, achieving the optimum balance between all three in order to achieve the mission, values and objectives. We regularly monitor these by reviewing key performance indicators, impact measures and conducting an annual client satisfaction survey.

During the year we have undertaken a reward and recognition exercise as part of our people strategy to recruit and retain quality staff. The work involved developing a salary structure that rewards staff fairly for the work they do, is internally consistent, externally benchmarked and affordable to the organisation.

After an initial pandemic related slow down, much of the classroom-based learning was switched to remote learning seeing an improved uptake and attendance from quarter 2 onwards. We made use of 53% of the apprenticeship levy pot with 9 staff benefitting to a value of £15,000.

YMCA DLG's fundraising strategy is progressing with successful applications to Trusts and Foundations enabling us to fund missional work in areas where public finances are being cut. We continued the project review in terms of financial performance and social and missional impact and had to make the difficult decision to close and restructure some areas.

The pandemic has resulted in the organisation reviewing working practices. Future plans include more home working, better use of the offices, virtual meetings and savings in time and travel. During the last year, transport costs reduced by £100,000, a saving that we are looking to maintain. A review of the YMCA DLG vehicle fleet is underway, to optimise the number of vehicles in use and improve our environmental credentials. We disposed of one underutilised minibus and are currently renting three vans rather than running older unreliable vehicles.

During the year we renewed utility contracts, contracting with the Green Energy Advice Bureau to assist with administration, streamlining the process of moving new properties onto the contract and reducing the period of paying standard rates to the incumbent supplier. The roll out of smart meters for gas has continued, reaching 70% of properties, resulting in more accurate costings and savings in staff time. We have started a programme with the electricity supplier to replace the meters.

Value for money metrics
The revised Value for Money Standard issued by the Regulator for Social Housing requires the publication of value for money metrics. These are not entirely applicable to the charity given the breadth of its charitable activities. An explanation of the metrics is set out below where necessary.

1. Reinvestment percentage: 1% (2020 2%)
The reinvestment percentage considers the investment in properties (existing stock as well as new supply) as a percentage of the value of total properties held, demonstrating the scale of investment in relation to the size of the asset base.

During 2020/21 the charity undertook a refurbishment programme at the Worthing Foyer.

2. New supply (Social housing units) delivered percentage: 4% (2020 15%)
The new supply percentage 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 metric does not include social housing properties transferred from another provider.

YMCA DLG only provides supported social housing, is not a volume developer and owns less than half the units operated. The percentage increase demonstrates new social housing units entering the market as a whole. The charity took on 13 new units during the year, however 13 units came to the end of their lease resulting in the number of units remaining static 0%. (2020 7%).

3. Gearing: -5% (2020 2%)
The gearing percentage assesses how much of the adjusted assets are made up of debt and the degree of dependence on debt finance, demonstrating the proportion of borrowing in relation to the size of the asset base.

The negative figure reflects the amount of cash held pending investment in the Hastings Foyer. Our main lender, Charity Bank, requires gearing of less than 70%.

4. EBITDA major repairs included interest cover %: 363% (2020 328%)
The interest cover metric is a key indicator for liquidity and investment capacity and seeks to measure the level of surplus generated compared to interest payable; the measure avoids any distortions stemming from the depreciation charge.

Our main lender, Charity Bank, requires debt servicing cover of at least 1.2 times

5. Headline social housing cost per unit: £13,923 (2020 £12,658)
As a specialist supported housing provider, this reflects the extent of support provided to YMCA DLG residents, the cost of the Empty Home's development programme, and the fact that we own only 43% of the units we manage. In addition, one off costs include a significant increase to the holiday pay provision due to the pandemic and restructuring costs are included in the calculation.

6. Operating margin (housing): 3.9% (2020 2.1%)
Operating margin (overall): 1.8% (2020 -0.1%)

The operating margin demonstrates the profitability of operating assets before exceptional expenses are taken into account.

7. Return on capital employed: -0.1% (2020 -0.1%)
This metric compares the operating surplus to total assets less current liabilities and it measures the efficient investment of capital resources.

The National Housing Federation Code of Governance
As a Registered Provider we comply with the National Housing Federation (NHF) Code of Governance.

We have one area in which our formal constitution does not meet the NHF Code of Governance requirements. The YMCA constitution allows for up to 15 trustees whereas the NHF Code requires no more than 12. At the time of this report YMCA DLG has 10 trustees and so complies with the Code.

The Housing Ombudsman

Complaints
This year, the Housing Ombudsman launched a new Complaints Code against which we have self-assessed and reported our compliance against, publishing the self-assessment on our website.

The Board approved a new complaints policy and procedure which is compliant with the Housing Ombudsman's Complaints Code and we have an implementation plan to ensure we comply with the Code.

The Charity Commission

Constitution of the charity
YMCA DownsLink Group is governed by its Articles of Association and was incorporated on 24 September 1999 as a company limited by guarantee, taking over the charity Hove YMCA. The charity has since evolved through a number of YMCA mergers, including Mid Sussex, Horsham and Lewes & District, Guildford and finally Eastbourne & Wealden in 2018.

The charity has Directors' and Officers' Liability insurance in place. The Board of Trustees is the central decision-making body of the Company, and it comprises of 10 trustees at the time of signing.

Board and committee meetings
The Board meets at least 6 times a year and this year there were more frequent meetings due to the pandemic. The sub-committees are

- People and Participation committee
- Audit and Risk committee
- Business Planning and Finance committee

These committees have defined Terms of Reference, and report to the Board at each meeting.

Code of Governance
YMCA DLG meets the requirements of the Charity Commission Code of Governance introduced in 2017. The trustees undertake an evaluation of the Board and its performance each year. This year we intended to carry out a full governance review as part of the developing our new five year strategy. With the Covid Pandemic forcing us to

operate under a business continuity plan for the year the governance review has been pushed back to 2021

At the time of this report YMCA DLG complies with all necessary regulations and reporting requirements set out by the Charity Commission. We reported one critical incident to the Charity Commission in March 2021 and can confirm that there were no other serious incidents reportable.

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

We demonstrate the public benefit of our work in pages 1 to 30 of this report.

Statement on investment powers
The trustees confirm that the investments made by the charity are made in accordance with the trustees' powers as provided in the Articles of Association.

Equity, Diversity and Inclusion
Inclusiveness is fundamental to the ethos of the YMCA Movement. At our YMCA, we have a wholehearted commitment to become an organisation where people want to work, where they feel welcome and want to stay. We also want to provide diverse, innovative, and distinctive services that transform young lives, based on our organisational values: we welcome all, we inspire, and we support.

The events of 2020, following the killing of George Floyd and the subsequent focus on racial justice and the Black Lives Matter movement, has seen staff and trustees place an increased emphasis on ensuring we fulfil these commitments.

As a board of trustees, we are committed to achieve equality of opportunity, diversity and inclusion in all DLG activities, and in our own composition (NHF Code of Governance, & Charity Code of Governance) seriously.

A member of the board sits on the YMCA DLG Diversity and Inclusion Forum (alongside staff and service users), and we welcome their efforts to renew our efforts towards inclusion through the development of a new Action Plan. The Plan sets out how we intend to reach our goals of being a truly inclusive organisation, employer, and service provider.

The Plan includes a commitment for all board members and the leadership team to undertake unconscious bias training, to evaluating our commitment to diversity and inclusion in our forthcoming governance review, and delegating responsibility to the People & Participation Committee to regularly review progress against the Plan.

This is only a start, and we commit to continuing a robust and honest conversation, so we can truly say we embed diversity and inclusion in all our efforts to offer access to life-changing opportunities for young people.

The Fundraising Regulator

YMCA DLG's fundraising approach is to support the generation of unrestricted funding to complement our contract and commercial income streams. We will also generate restricted fundraising income to support existing YMCA DLG projects from philanthropic trusts and foundations. It must be noted that some income may also be generated to support new strategically important projects or services.

YMCA DLG's fundraising strategy was launched in September 2019 which involved a team restructure as all our fundraising is organised within YMCA DLG. The new team was established by December and is led by Director of Fundraising and Communications, Nikki Mason. Nikki states, "*the fundraising approach is very much based on proactive awareness raising in local communities, organisations and groups to reach individuals, companies and organisations in our localities. This is supported by investment in both staff and resources in PR, social media, digital marketing and more specific corporate/trusts and foundation support.*" The achievements of this team are outlined on page 24.

We are registered with The Fundraising Regulator and have adopted and abide by the Code of Fundraising Practice, which ensures we have a strong fundraising framework and practice.

We have spent time interrogating our fundraising data to ensure that it is compliant with the Data Protection Act 2018; for example, we only send fundraising emails to contacts who have given us consent to do so, we record that consent and always offer the option to opt out of receiving further emails, in line with current legislation. We do not employ third parties to fundraise for us and this helps to ensure we are abiding by the Code.

For fundraising campaigns sent by post, these will only be authorised following the completion of a Legitimate Interests Assessment drawn using Information Commissioner's Office guidelines and again the option to ask us to stop sending fundraising material will be included in the communication. By taking these steps we aim to protect people (especially vulnerable people) from unwanted marketing or fundraising contact.

Most of our campaigns and marketing work is based around PR on social media, as opposed to postal or telephone campaigns; people have already opted in to receive information from us.

We have a clear complaints process which enables us to monitor all complaints received and the nature of the complaints. The process is available to the public through the website and through complaints leaflets. This year we received no complaints about our fundraising or marketing work.

The Information Commissioner's Office (ICO)

We are registered with the ICO (registration Z6157129) and comply with the Data Protection Act 2018. This year we reported ourselves for one personal data breach and the ICO was satisfied with the actions we took to resolve the breach.

Companies Act 2006

The Companies (Miscellaneous Reporting) Regulations 2018 require trustees to have regard to the requirements of section 172 (10) of the Companies Act 2006 as to:

- The likely consequences of their decisions in the long term
- The interests of employees
- The need to foster relationships with suppliers, customers and other stakeholders

- The impact of our operations on the community and the environment
- The desirability of maintaining a reputation for high standards of business conduct

We confirm that we, as trustees, comply with this legislation; it applies to us because we have more than 250 employees.

Statement on internal financial controls and trustees' responsibilities

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

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

Controls and procedures in place include the following

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

Risk management is overseen by the Audit and Risk Committee and approved by the Board. It includes:

- a risk management strategy and policy
- a process for identifying and assessing risks, including strategic risks, operational risks and risks relevant to individual operational projects
- determining YMCA DLG's overall risk appetite
- engendering among all levels of staff a positive attitude towards risk management and ensuring this is embedded within YMCA DLG's operations
- management processes to ensure there are agreed mitigation responses to all significant risks and to offset the impact of adverse events
- ensuring a risk assurance process under which there are audit arrangements that cover the major risks on a regular basis

- decisions on which risks shall be insured
- arrangements to keep both the risks and risk management processes under review

The Audit and Risk Committee considers reports on risk at each of its meetings and these are reported at each Board meeting together with a formal report on risk management annually to the Board.

Trustees' Responsibilities
As trustees, we are also directors of YMCA DLG for the purposes of company law. We are responsible for preparing this trustees' report and the financial statements; this is in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (UK GAAP), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Company law requires us 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, we are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Social Housing SORP
- make judgments and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

We are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable us to ensure that the financial statements comply with the Companies Act 2006.

We 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.

Streamlined energy and carbon reporting
The UK government's Streamlined Energy and Carbon Reporting (SECR) requires organisations in scope to disclose energy use, greenhouse gas (GHG) emissions and actions taken to address energy efficiency. This includes:

- Scope 1 (Direct emissions): Emissions from activities owned or controlled by the organisation that release GHG into the atmosphere (e.g. gas from onsite boilers and fuel used by fleet vehicles)
- Scope 2 (Energy indirect): Emissions released into the atmosphere associated with the consumption of purchased electricity
- Scope 3 (Other indirect): Emissions that are a consequence of actions which occur at sources not owned or controlled and are not classed as scope 2 (e.g. staff mileage claims)

In addition, at least one intensity ratio, information on energy efficiency action and methodology used in calculation of disclosures must be provided.

The regulations are designed to increase awareness of energy costs and provide data to inform adoption of energy efficient measures, reducing the impact on climate change.

Emissions Performance

	Direct emissions		Energy indirect	Other indirect	Total
	Gas (Scope 1)	**Fuel for transport (Scope 1)**	**Electricity (Scope 2)**	**Business travel (Scope 3)**	
Energy consumption - kilowatt hours (kWh)	3,101,653	134,607	1,611,897	58,291	4,906,448
Greenhouse gas emissions - tonnes of carbon dioxide	569	31	376	14	990
Intensity ratio kWh per unit/resident	5,609	-	2,309	-	-
Intensity ratio kWh per FTE employee	-	449	-	194	-

The footprint is calculated in accordance with the Greenhouse Gas (GHG) Protocol and Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance. The activity data has been converted into greenhouse gas emissions using the UK Government GHG Conversion Factors for Company Reporting.

Intensity Ratios
Intensity ratios compare emissions data with an appropriate business metric or financial indicator. This allows comparison of energy efficiency performance over time and with other similar types of organisations. As most of our gas and electricity usage is within our residential properties, we are reporting kWh of gas and electricity per unit. The intensity ratios for transport fuel and staff mileage are based on a per head rate.

Exclusion Statement
This is our first SECR report as following the retendering of our utility contracts the data is now held in a more readily accessible format to support the calculation of the required metrics. Consequently, the data for the previous year is not available.

Energy Efficiency Action
During the reporting period we changed electricity provider to one with a higher renewable energy performance than the UK standard fuel mix. We are rolling out smart meters with 70% of our gas meters updated and starting a programme for electricity meters to be replaced. We have continued with our programme to replace old lighting with LED lights, and gas boilers have been replaced with more energy efficient ones at one of our hostels. The recycling of paper, glass and plastic has saved 1,730kg of carbon dioxide, the equivalent of 14 trees. Due to the pandemic, working practices changed with greater use of virtual meetings and a significant reduction in our Scope 3 transport costs. We have replaced 3 vans in our fleet with cleaner and more fuel efficient vehicles. Staff across the organisation are undertaking other energy and environmental initiatives including aspiring to have paperless offices, arranging for old technology to be recycled, and reducing single use plastics.

Statement as to disclosure of information to auditors
So far as we are aware, there is no relevant audit information (as identified by section 418 of the Companies Act 2006) of which the charity's auditors are unaware.

Each trustee has taken all the steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

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

This report, including both the trustees' Report and Strategic Report, was approved by the trustees on 29 September 2021, and was signed for and on behalf of the Board by:

Fran Beckett
Chair of Board of Trustees

8. AUDITOR'S REPORT

Opinion
We have audited the financial statements of YMCA DownsLink Group for the year-ended 31 March 2021 which comprise the consolidated and company statements of comprehensive income, the consolidated and company balance sheets, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2021 and of the group's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing from January 2019; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information
The trustees are responsible for the other information. The other information comprises the information included in sections 1-6. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report (contained within sections 1-5) and the Directors' Report (contained within section 6) prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report contained within the Report of the Board, the Operating and financial review and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Board, the operating and financial review or the strategic report.

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

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

Responsibilities of trustees for the financial statements
As explained more fully in the Statement of Responsibilities of the Trustee Board set out on page 37, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the regulation of registered charities and registered providers of social housing, and Health and Safety regulation, and we considered the extent to which non-compliance might have a material effect on the financial statements.

We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011 and the Housing and Regeneration Act 2008, and we considered other factors such as tax compliance.

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

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

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.

Adam Halsey (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditor

10 Queen Street Place
London EC4R 1AG

Date: 29 September 2021

9. FINANCIAL ACCOUNTS AND STATEMENTS

Consolidated Statement of Comprehensive Income, for Year Ended 31 March 2021

	Notes	Social Housing Activities	Trading Activities	Charitable Activities and Other Income	2021 Total	2020 Total
		£	£	£	£	£
Turnover from continuing operations						
Social housing lettings	2	**12,154,810**	**-**	**-**	**12,154,810**	10,924,288
Trading activities	10	**-**	**10,539**	**-**	**10,539**	85,967
Charitable activities and other income	4	**-**	**-**	**4,037,475**	**4,037,475**	4,088,691
		12,154,810	**10,539**	**4,037,475**	**16,202,824**	15,098,946
Operating costs						
Social housing lettings	3	**(11,986,763)**	**-**	**-**	**(11,986,763)**	(10,690,804)
Trading activities	10	**-**	**(10,230)**	**-**	**(10,230)**	(85,474)
Charitable activities and other costs	5	**-**	**-**	**(4,217,489)**	**(4,217,489)**	(4,336,872)
		(11,986,763)	**(10,230)**	**(4,217,489)**	**(16,214,482)**	(15,113,150)
Operating (deficit)/ surplus		**168,047**	**309**	**(180,014)**	**(11,658)**	(14,204)
Interest receivable and other income		**-**	**-**	**1,127**	**1,127**	6,162
Interest payable and similar charges		**(67,153)**	**-**	**-**	**(67,153)**	(71,948)
Unrealised gain / (deficit) on investments		**-**	**-**	**4,151**	**4,151**	(4,670)
(Deficit)/ Surplus on ordinary activities		**100,894**	**309**	**(174,736)**	**(73,533)**	(84,660)
Net movement in funds		**100,894**	**309**	**(174,736)**	**(73,533)**	(84,660)

The consolidated income and expenditure of the Charity and its subsidiary relate wholly to continuing operations.

These financial statements were approved and authorised for issue by the Directors on 29 September 2021 and signed on their behalf by:

Fran Beckett

Director
29 September 2021

Director
29 September 2021

The notes set out on pages 46 - 57, form part of these financial statements

Consolidated Statement of Financial Position as at 31 March 2021

Registered number: 3853734

	Notes	2021 Group	2021 Charity	2020 Group	2020 Charity
		£	£	£	£
FIXED ASSETS					
Social housing properties	9	**20,204,240**	**20,204,240**	20,423,154	20,423,154
Other properties	9	**464,929**	**464,929**	473,026	473,026
Other tangible assets	9	**379,351**	**379,351**	461,739	461,739
		21,048,520	**21,048,520**	21,357,919	21,357,919
Investment in subsidiary	10	**-**	**2**	-	2
		21,048,520	**21,048,522**	21,357,919	21,357,921
CURRENT ASSETS					
Debtors	12	**1,370,153**	**1,385,028**	1,490,111	1,573,387
Investments	11	**34,583**	**34,583**	30,432	30,432
Cash at bank and in hand		**2,840,843**	**2,815,658**	2,021,160	1,924,486
		4,245,579	**4,235,269**	3,541,703	3,528,305
CREDITORS					
Amounts falling due within one year	13	**(3,188,790)**	**(3,188,790)**	(2,913,477)	(2,910,573)
NET CURRENT ASSETS		**1,056,789**	**1,046,479**	628,226	617,732
TOTAL ASSETS LESS CURRENT LIABILITIES		**22,105,309**	**22,095,001**	21,986,145	21,975,653
CREDITORS					
Amounts falling due after one year	14	**(12,204,703)**	**(12,204,703)**	(12,012,006)	(12,012,006)
NET ASSETS		**9,900,606**	**9,890,298**	9,974,139	9,963,647
FUNDS					
Unrestricted funds	16	**9,664,633**	**9,654,325**	9,884,328	9,873,836
Restricted funds	15	**235,973**	**235,973**	89,811	89,811
		9,900,606	**9,890,298**	9,974,139	9,963,647

These financial statements were approved and authorised for issue by the Directors on 29 September 2021 and signed on their behalf by:

Fran Beckett

Director
29 September 2021

Director
29 September 2021

The notes set out on pages 46 - 57, form part of these financial statements

Consolidated Statement of Cash Flows for Year Ended 31 March 2021

	Notes	2021		2020	
		£	£	£	£
Cash flow from operating activities					
(Deficit)/ surplus for the year			**(73,533)**		(84,660)
Adjustments for non-cash items:					
Depreciation	8	**546,345**		514,283	
Decrease / (Increase) in debtors		**119,958**		(122,449)	
Increase in creditors		**519,079**		325,930	
Deficit on disposal of property		**10,363**		712	
Deficit on disposal of other assets		**416**		2,666	
Unrealised investment (gain) / loss		**(4,151)**		4,670	
Interest payable		**67,153**		71,948	
Interest receivable		**(1,127)**		(6,162)	
			1,258,036		791,598
Net cash inflow from operating activities			**1,184,503**		706,938
Cash flow from investing activities:					
Purchase of tangible fixed assets	9	**(248,143)**		(523,172)	
Sale of tangible fixed assets		**418**		180	
Interest received		**1,127**		6,162	
			(246,598)		(516,830)
Cash flow from financing activities:					
Loan interest paid		**(67,153)**		(71,948)	
Repayment of loan		**(51,069)**		(46,108)	
New loan		**-**		450,000	
			(118,222)		331,944
Increase / (decrease) in cash in the year			**819,683**		522,052
Net cash funds at beginning of year			**2,021,160**		1,499,108
Net cash funds at end of the year			**2,840,843**		2,021,160

Reconciliation of net cash flow to movement in (net debt)/net funds

	1 Apr 2020	Cash Flows	Non cash changes	31 Mar 2021
Cash	2,021,160	819,683	-	2,840,843
Debt due within one year	(51,070)	51,069	(52,304)	(52,305)
Debt due after one year	(1,852,822)	-	52,304	(1,800,518)
	117,268	870,752	-	988,020

The notes set out on pages 46 - 57, form part of these financial statements

Notes to the Financial Statements for Year Ended 31 March 2021

1. ACCOUNTING POLICIES

a) Status

YMCA DownsLink Group (YMCA DLG) Limited is incorporated under the Companies Act 2006 and registered with Companies House in England and Wales under number 3853734. Its registered office is Reed House, 47 Church Road, Hove, East Sussex BN3 2BE. It is also registered as a charity with the Charity Commission in England and Wales (number 1079570) and as a Registered Provider of Social Housing with the Homes and Communities Agency in England (number 4644).

The charity meets the definition of a public benefit entity under Financial Reporting Standard 102 applicable in the UK and Republic of Ireland (FRS102).

Basis of Preparation

The financial statements of the group and association are prepared in accordance with applicable legislation UK Generally Accepted Accounting Practice (UK GAAP) including FRS 102, and the Housing SORP 2014: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2015. A separate SORP for charities also exists. However, the RSHP SORP takes precedence over the Charities SORP as the former represents the more specialised guidance, but the Trustees may have regard to the Charities SORP where its recommendations are not contrary to the Housing SORP.

Basis of accounting

Assets and liabilities are initially recognised at historical cost or transaction values unless otherwise stated in the relevant accounting policy notes. Those assets measured at fair value are re-measured at each balance sheet date.

The main areas of estimation and judgement affecting the accounts:

- depreciation

Assets are depreciated over their expected useful economic lives as set out in note 1(h). These lives have been determined with reference to both internal experience and external comparisons but will be kept under review in future periods. It may be necessary to lengthen or shorten these lives depending on further actual experience.

- accrual for deficit contribution to the defined benefit pension scheme

As set out in note 1(g) a liability is recognised in respect of the present value of the expected future contributions to alleviate the pension deficit arising from past service. The liability recognised is affected by the discount rate applied and the undiscounted underlying liability will also vary depending on the results of the triennial actuarial valuation of the pension scheme. The triennial valuation was completed as at 1 May 2020 and the resulting changes to the schedule of contributions are included in YMCA DLG's financial statements for the year ended 31 March 2021.

- provisions

Full provision is made for the value of all personal debts relating to past residents in YMCA DLG's accommodation projects. It is possible that some of these amounts may be recovered or that amounts related to current residents and currently unprovided may prove to be irrecoverable.

Provisions are made for other items where is it considered probable that a liability has arisen and these are quantified based on the best available information. Such provisions are updated as more and better data become available.

In the opinion of the trustees none of the above items are likely to be subject to material estimation uncertainty but the largest area of uncertainly relates to the pension deficit contributions.

No complex financial instruments are held.

YMCA DLG is required by the Companies Act 2006 to prepare group accounts. The results, assets and liabilities of the subsidiary company YMCA DLG Services Ltd is included on a line by line basis.

Going concern

Having had regard to the group's financial position and its forecast financial performance and cash flows, the Trustees have a reasonable expectation that the Group 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.

b) Turnover
Turnover represents trading income, rent and service charges income receivable in the year net of rent and service charge losses from voids, revenue grants, including those from local authorities and Homes England, contracts and charitable receipts, all net of vat.

c) Supporting People Contract
The charity receives funding from Supporting People which is accounted for on an accruals basis, matching income and expenditure and disclosures are made in accordance with the relevant standards and legislation.

d) Donations and grants
Donations and grants other than Social Housing Grant are included when the criteria of entitlement, probability and measurability have been met. The associated Gift Aid tax recoverable is recognised on receipt.

Social Housing Grants (SHG) are recognised on the balance sheet as a liability and amortised over the life of the assets funded (accrual model) with the exception of SHGs related to those assets that were revalued at their deemed cost at 1 April 2015 where the grant was recognised in full as an addition to reserves (performance model).

e) Investment income
Investments are included in the financial statements at market value.

f) Empty Homes
The grant income is included on completion of the building work. If there are no associated development costs, a proportion of the grant income is released over the term of the lease and the balance on signing the lease.

g) Pension costs
YMCA DLG 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 DLG.

As described in note 19, YMCA DLG has a contractual obligation to make pension deficit payments over the period to April 2029. Accordingly, the present value of the liability is shown in note 19 to these accounts.

In addition, YMCA DLG is required to contribute £17,390 pa to the operating expenses of the Pension Plan and these costs are charged to the Statement of Comprehensive Income as made.

h) Fixed Assets

i) **Housing Properties**

Definition and recognition
Housing properties are properties held for the provision of social housing or to otherwise provide social benefit. Housing properties are principally properties available for rent and are stated at cost with the exception of those properties revalued at a deemed cost on adoption of FRS102.

Depreciation:
The major components of the properties are identified, and depreciation is charged to write off the cost of each component over their expected useful economic lives.

Depreciation is charged on a straight line basis over the following number of years:

Structure	50 - 100
Pitched Roof	50 - 75
Flat Roof, Windows, External Doors	25 - 30
Wiring, lift and heating systems	10 - 30
Bathrooms	5- 25
Kitchens	20

Freehold land is not depreciated.

Housing properties are assessed annually for impairment indicators. Where indicators are identified, an assessment for impairment is undertaken comparing the property's carrying amount to its recoverable amount. Where the carrying amount of a property is deemed to exceed its recoverable amount, the property is written down and the resulting impairment loss recognised as operating expenditure.

Expenditure on existing housing properties is capitalised when it is either capable of generating increased future rents, extends their useful economic lives or significantly reduces future maintenance costs. All other expenditure in respect of general repairs is charged to the income and expenditure account as it is incurred.

ii) **Other Fixed Assets**

Cost:

Individual fixed assets costing £500 or more and are of a capital nature for ongoing use by YMCA DLG are capitalised.

Depreciation:

Other fixed assets are depreciated in order to write off each asset over its estimated useful life at the following annual rates:

Freehold Land	Not depreciated
Motor Vehicles	25% on reducing balance basis
Fixtures, Fittings and Equipment	10 - 25% on cost
Leasehold Improvements	25 % on cost or over the remaining life of the lease whichever is shorter
Cycles	100% on cost

i) Stocks

Stocks are consistently valued at the lower of cost and net realisable value.

j) Volunteers, Donated Services and Facilities

The value of services provided by volunteers is not incorporated into these financial statements. Further details of the contribution made by volunteers can be found in the trustees' annual report.

k) Irrecoverable VAT

All expenditure is classified under activity headings that aggregate all costs related to that category. Irrecoverable VAT is charged directly where possible or apportioned as part of central costs.

l) Operating Leases

The charity classifies the lease of printing, photocopy, and catering equipment as operating leases. The title of the equipment remains with the lessor and the equipment is replaced every three to five years whist the economic life of such equipment is normally in excess of this. Rental charges are charged on a straight line basis over the term of the lease.

m) Commitments

Commitments which are legally binding are included as liabilities.

n) Taxation

The Charity is exempt from tax on income and gains falling within Sections 466 to 493 of the Corporation Tax Act 2010 to the extent that these are applied to its charitable objects.

o) Funds and Reserves

The Charity has various types of funds for which it is responsible and require separate disclosure:

Unrestricted reserves

Unrestricted reserves are reserves which are expendable at the discretion of the Trustees in the furtherance of the objects of the charity.

Restricted Reserves

Restricted reserves are funds which are expendable as directed by the donor.

Revaluation reserves

Revaluation reserves arise when investments are revalued.

2. TURNOVER FROM HOUSING ACTIVITIES

	2021	2020
	£	£
Rent and Service charges:		
Rent receivable	**3,468,662**	3,029,023
Service charge receivable	**4,765,409**	4,073,310
Personal service charge receivable	**234,067**	335,929
Amortised Government grant	**106,428**	106,430
	8,574,566	7,544,692
Other revenue:		
Supporting people	**1,844,501**	1,736,320
OLAC, Leaving care & Step down service	**356,398**	256,633
Empty homes development income	**383,373**	496,913
More than a room activities	**213,084**	375,823
Fundraising income	**86,047**	59,915
Job retention scheme	**393,530**	-
Other social housing income	**303,311**	453,992
	12,154,810	10,924,288
Rent and service charge losses from voids	**(761,309)**	(388,957)

3. OPERATING COSTS FROM HOUSING ACTIVITIES

	2021	2020
Housing accommodation – number of units	**763**	763
Managed Housing – number of units included in above total	**117**	141
	£	£
Housing Services	**5,596,275**	5,293,217
Housing Support	**2,297,285**	1,982,938
More than a room costs	**592,963**	624,300
Share of central overheads	**1,824,757**	1,527,674
Development costs	**334,666**	149,850
Repairs and maintenance	**778,774**	486,992
Rent losses from bad debts and provision	**44,047**	153,466
Depreciation of housing properties	**390,096**	372,561
Depreciation of equipment, fixtures & fittings, motor vehicles	**127,900**	99,806
	11,986,763	10,690,804

4. TURNOVER FROM CHARITABLE ACTIVITIES AND OTHER INCOME

	2021	2020
	£	£
Therapeutic Services	**2,135,797**	2,068,303
Support Services: Children, Young People and Families	**1,288,941**	1,740,895
Horsham YMCA Football Club	**70,549**	39,577
Fundraising income	**417,163**	195,966
Job retention scheme	**90,317**	-
Other Income	**34,708**	43,950
	4,037,475	4,088,691

5. OPERATING COSTS - CHARITABLE ACTIVITIES AND OTHER COSTS

	2021	2020
	£	£
Therapeutic Services	**2,256,098**	2,219,956
Support Services: Children, Young People and Families	**1,685,644**	1,821,578
Horsham YMCA Football Club	**50,266**	71,993
Depreciation	**28,349**	41,916
Other costs	**197,132**	181,429
	4,217,489	4,336,872

6. STAFF COSTS

	2021	2020
	£	£
Salaries and wages	**8,234,328**	7,379,368
Social security	**687,631**	607,413
Pension costs	**268,399**	222,778
Apprentice Tax	**26,040**	22,109
Life Assurance	**44,908**	28,349
Healthcare	**29,495**	28,256
Redundancy/Compensation	**50,319**	32,391
	9,341,120	8,320,664
The average number of employees paid during the year was:		
Full Time and Part Time Employees	**391**	386
Full Time equivalent	**300**	285

The full time equivalent number of staff receiving remuneration, including pension contribution in excess of £60,000:

£60,000 - £69,999	**2**	2
£70,000 - £79,999	**3**	1
£80,000 - £89,999	**1**	1
£90,000 - £99,999	**-**	-
£100,000 - £109,999	**1**	1

7. EMOLUMENTS OF DIRECTORS AND LEADERSHIP TEAM

None of the Directors received any remuneration in the current or prior year. No Directors (2020: 2) received reimbursed expenses (2020: £846). The Charity has Directors' and Officers' Liability insurance in place.

The aggregate emoluments of the Executive Team were £223,741 – 2.4 FTE (2020: £223,437 – 2.4 FTE). The remuneration of the Chief Executive comprised salary of £93,890, pension contributions of £14,084 and private health insurance of £602 (2020 £93,311, £13,997 and £641 respectively). The Chief Executive is a member of the current stakeholder pension scheme with no special terms or rights to enhanced benefits.

8. OPERATING SURPLUS

The operating surplus is stated after charging:	2021	2020
	£	£
Losses from bad debts	**52,374**	156,277
Operating Leases - equipment	**24,549**	21,028
- land and buildings	**1,337,093**	1,172,020
Deficit on disposal of fixed assets	**10,779**	3,378
Depreciation of equipment, fixtures & fittings, motor vehicles	**144,132**	129,605
Depreciation of properties and components	**402,213**	384,678
Auditor's remuneration: External audit	**27,550**	26,000

9. FIXED ASSETS

	Social Housing Properties	Other Properties
	£	£
Cost		
1st April 2020	**21,898,608**	**523,147**
Additions	**185,565**	**-**
Disposals	**(38,500)**	**-**
31st March 2021	**22,045,673**	**523,147**
Depreciation		
1st April 2020	**1,475,454**	**50,121**
Charge for the year	**394,116**	**8,097**
Eliminated on disposal	**(28,137)**	**-**
31st March 2021	**1,841,433**	**58,218**
Net Book Amount		
31st March 2021	**20,204,240**	**464,929**
31st March 2020	20,423,154	473,026

	2021	2020
Properties at cost comprise:	**£**	£
Freeholds	**15,844,088**	15,698,533
Long leaseholds	**6,724,732**	6,723,222
Cost of properties	**22,568,820**	22,421,755

The additions during the year are mainly a result of the refurbishment at Worthing Foyer.

OTHER TANGIBLE FIXED ASSETS

	Vehicles	Fixtures, Fittings and Equipment	Total
	£	£	£
Cost			
1st April 2019	**123,294**	**1,242,600**	**1,365,894**
Additions	**4,910**	**57,668**	**62,578**
Disposals	**(15,408)**	**(57,066)**	**(72,474)**
31st March 2020	**112,796**	**1,243,202**	**1,355,998**
Depreciation			
1st April 2019	**82,099**	**822,056**	**904,155**
Charge for the year	**14,238**	**129,894**	**144,132**
Eliminated on disposals	**(14,574)**	**(57,066)**	**(71,640)**
31st March 2020	**81,763**	**894,884**	**976,647**
Net Book Amount			
31st March 2021	**31,033**	**348,318**	**379,351**
31st March 2020	41,195	420,544	461,739

10. INVESTMENTS IN SUBSIDIARIES

The wholly owned trading subsidiary, YMCA DLG Services Limited, which is incorporated in England and Wales pays its profits chargeable to corporation tax to the charity by gift aid. The charity owns the entire issued share capital of 2 ordinary shares of £1 each. A summary of the trading results is shown below:

	2021	2020
	£	£
Turnover	**10,539**	85,967
Cost of sales and administrative expenses	**(10,230)**	(85,474)
Net Profit	**309**	493

11. INVESTMENTS

	2021		2020	
	Market Value	**Cost**	Market Value	Cost
	£	**£**	**£**	**£**
Blackrock Charinco Common Investment Acc Fund	**9,186**	**8,426**	9,049	8,426
Blackrock Charinco Common Investment Inc Fund	**3,605**	**3,664**	3,690	3,664
M & G Charifund	**21,792**	**24,282**	17,693	24,282
	34,583	**36,372**	30,432	36,372

12. DEBTORS

	2021		2020	
	Group	**Charity**	Group	Charity
	£	**£**	£	£
Accommodation debtors	**883,830**	**883,830**	881,907	881,907
Bad debt provision	**(494,735)**	**(494,735)**	(582,281)	(582,281)
Trade debtors	**483,477**	**483,477**	507,835	506,465
Prepayments	**367,836**	**367,836**	547,947	547,947
Accrued income and other debtors	**129,745**	**129,745**	134,703	134,703
Amounts owed by subsidiary undertakings	**-**	**14,875**	-	84,646
	1,370,153	**1,385,028**	1,490,111	1,573,387

13. CREDITORS FALLING DUE WITHIN ONE YEAR

	2021		2020	
	Group	**Charity**	Group	Charity
	£	**£**	£	£
Deferred income	**1,396,190**	**1,396,190**	1,312,101	1,312,101
Other creditors	**770,493**	**770,493**	566,907	566,907
Trade creditors	**547,604**	**547,604**	556,812	556,812
Other taxes & social security	**233,903**	**233,903**	240,677	237,773
Bank loan	**52,305**	**52,305**	51,070	51,070
Pension deficit	**81,867**	**81,867**	79,482	79,482
Housing Grants	**106,428**	**106,428**	106,428	106,428
	3,188,790	**3,188,790**	2,913,477	2,910,573

14. CREDITORS FALLING DUE AFTER ONE YEAR

	2021		2020	
	Group	**Charity**	Group	Charity
	£	**£**	£	£
Loans – Not wholly repayable within five years	**1,800,518**	**1,800,518**	1,852,822	1,852,822
Deferred Income – grants in advance	**832,415**	**832,415**	574,934	574,934
Dilapidations provision	**196,500**	**196,500**	200,000	200,000
Defined Benefit Pension Deficit	**579,739**	**579,739**	482,292	482,292
Housing Grants	**8,795,531**	**8,795,531**	8,901,958	8,901,958
	12,204,703	**12,204,703**	12,012,006	12,012,006
Loan Maturity Analysis				
In more than one year but not more than two years	**53,548**	**53,548**	52,305	52,305
In more than two years but not more than five years	**168,312**	**168,312**	164,407	164,407
In more than five years	**1,578,658**	**1,578,658**	1,636,110	1,636,110
	1,800,518	**1,800,518**	1,852,822	1,852,822

There is a loan facility in place with the Charity Bank for £2.5m at a rate of 2.25% plus base. The loan is secured on Crawley and Worthing Foyers. At the 31 March 2021 £1.5m had been drawn down of which £97,177 had been repaid.
There is an additional loan of £450,000 with The Rosaz Charity on a fixed 3% rate which is repayable no earlier than September 2044 and is unsecured.

15. RESTRICTED FUNDS – GROUP

	1 April 2020	**Income**	**Expenditure**	**Transfers**	**31 March 2021**
Funds	**£**	**£**	**£**	**£**	**£**
Special Needs Reserve	4,610	-	(900)	-	3,710
Young Homeless Fund	1,258	-	(433)	-	825
Legacy – Horsham Y Centre	47,265	-	(3,229)	-	44,036
Counselling	-	31,319	(13,416)	-	17,903
Homelessness Prevention	1,000	12,500	(6,190)	-	7,310
More than a room	24,362	3,500	(24,362)	-	3,500
Chaplaincy	-	35,982	(22,934)	-	13,048
Positive Placements	1,667	35,000	(9,807)	-	26,860
WiSE	9,649	239,200	(218,476)	-	30,373
Youth Advice Centres	-	87,375	(3,920)	-	83,455
Girls Mentoring Programme	-	2,795	(1,142)	-	1,653
Football club pitch upgrade	-	2,500	-	-	2,500
Living our values award	-	1,000	(200)	-	800
Total	89,811	451,171	(305,009)	-	235,973

RESTRICTED FUNDS – CHARITY

Funds	1 April 2020 £	Income £	Expenditure £	Transfers £	31 March 2021 £
Special Needs Reserve	4,610	-	(900)	-	3,710
Young Homeless Fund	1,258	-	(433)	-	825
Legacy – Horsham Y Centre	47,265	-	(3,229)	-	44,036
Counselling	-	31,319	(13,416)	-	17,903
Homelessness Prevention	1,000	12,500	(6,190)	-	7,310
More than a room	24,362	3,500	(24,362)	-	3,500
Chaplaincy	-	35,982	(22,934)	-	13,048
Positive Placements	1,667	35,000	(9,807)	-	26,860
WiSE	9,649	239,200	(218,476)	-	30,373
Youth Advice Centres	-	87,375	(3,920)	-	83,455
Girls Mentoring Programme	-	2,795	(1,142)	-	1,653
Football club pitch upgrade	-	2,500	-	-	2,500
Living our values award	-	1,000	(200)	-	800
Total	89,811	451,171	(305,009)	-	235,973

Restricted Funds

Special Needs Reserve – to fund exceptional requirements for those in supported housing

Young Homeless Fund – to fund temporary accommodation for the young homeless people of Guildford

Horsham Y Centre Legacy – to be spent on activities or equipment that will benefit the young people of Horsham

Counselling - to provide counselling to a West Sussex school for children and young adults with learning difficulties and provision of a BAME therapeutic offer in West Sussex

Homelessness Prevention – to deliver workshops in secondary schools

More than a room – to enable young people to live independently and achieve their work and learning goals

Chaplaincy – to provide pastoral care to residents and staff

Positive Placements – to recruit adult volunteers to be trained as mentors to support young people in their journey towards education, employment or training

WiSE – to support children and young people to stay safe in their relationships

Youth Advice Centres – to provide advice, support and guidance to young people

Girls mentoring programme – an early and effective mentoring initiative that matches trained volunteer mentors with female identifying young people to support them to overcome challenges and achieve their fullest potential in life

Football Club Pitch upgrade – towards an artificial grass pitch in Horsham

Staff Values Award - for a staff member and a volunteer who have demonstrated our values

16. RESERVES – GROUP

	1 April 2020	Income	Expenditure	Transfers	31 March 2021
	£	£	£	£	£
Unrestricted funds:					
General reserve	6,402	15,646,352	(15,240,189)	(378,275)	34,290
Fixed asset reserve	10,445,640	106,428	(557,123)	298,793	10,293,738
Pension reserve	(561,774)	-	(179,314)	79,482	(661,606)
Investment revaluation reserve	(5,940)	4,151	-	-	(1,789)
Total unrestricted funds	9,884,328	15,756,931	(15,976,626)	-	9,664,633
Restricted funds	89,811	451,171	(305,009)	-	235,973
	9,974,139	16,208,102	(16,281,635)	-	9,900,606

RESERVES – CHARITY

	1 April 2020	Income	Expenditure	Transfers	31 March 2020
	£	£	£	£	£
Unrestricted funds:					
General reserve	(4,090)	15,635,813	(15,229,959)	(377,782)	23,982
Fixed asset reserve	10,445,640	106,428	(557,123)	298,793	10,293,738
Pension reserve	(561,774)	-	(179,314)	79,482	(661,606)
Investment revaluation reserve	(5,940)	4,151	-	-	(1,789)
Total unrestricted funds	9,873,836	15,746,392	(15,966,396)	493	9,654,325
Restricted funds	89,811	451,171	(305,009)	-	235,973
	9,963,647	16,197,563	(16,271,405)	493	9,890,298

Within the fixed asset reserve is a revaluation amount of £2,547,827 relating to Crawley Foyer and Guildford Y Centre introduced on adoption of FRS102.

17. GUARANTEES

As part of its direct charitable work, YMCA DLG provides Letters of Guarantee to landlords to provide limited cover against lost rent and/or damage to property. The likely liability for guarantees in place at 31st March 2021 is under £1,000. This system enables more places to be facilitated with minimal exposure.

There is no provision for guarantees which may be called upon within these financial statements.

18. MEMBERS

YMCA DLG is limited by guarantee having no share capital. In accordance with the Memorandum of Association every Member is liable to contribute a sum of £1 in the event of the charity being wound up.

19. PENSION COMMITMENT

YMCA DLG 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 DLG 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.),
- the average life expectancy from normal retirement age (of 65) for a current male pensioner of 22.0 years, female 24.4 years, and for those retiring in 20 years' time, 23.7 years for a male pensioner, female 26.1 years.

The result of the valuation showed that the actuarial value of the assets was £146.1m. This represented 79% of the benefits that had accrued to members.

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

The valuation prepared as at 1 May 2020 showed that the YMCA Pension Plan had a deficit of £36 million. YMCA DLG has been advised that it will need to make monthly contributions of £6,839 from 1 May 2021. This amount is based on the current actuarial assumptions (as outlined above) and may vary in the future as a result of actual performance of the Pension Plan. The current recovery period is 8 years commencing 1st May 2021. As a result of the revaluation during the current year, the deficit increased by £179,314 less recovery payments made during the year of £79,482.

The table below sets out the value of the liabilities included in the Balance Sheet

	Within one year £'000	One to two years £'000	Two to five years £'000	After five years £'000	After more than one year £'000	TOTAL 2021 £'000	TOTAL 2020 £'000
As at 31 March 2021	81,867	80,890	246,972	251,877	579,739	661,606	-
As at 31 March 2020	79,482	78,688	240,722	162,882	482,292	-	561,774

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

Supplementary to the above scheme, employees starting with Sussex Central YMCA after 1 April 2001 were eligible to join a stakeholder pension scheme, which is a defined contribution scheme, into which the Charity pays contributions. The employee paid any sum up to legal thresholds but with a minimum contribution of £20 per month. The employer's contribution is set at a maximum of 6% of gross pensionable salary. The employee contribution has been increased to a minimum of 1.6% from April 2019. The scheme is administered by Legal and General. In addition, those employees who were in the YMCA Pension Plan and members of the Leadership Team make contributions of 8% of salary to the stakeholder pension scheme and the employer's contribution is 15%. During the period a total of 33 employees benefited from the scheme at a cost of £139,589.

In 1998 Guildford YMCA commenced a scheme with Prudential. This is a group personal plan arrangement. The contributions are expressed as a percentage of an employee's salary. During the year there were no employees in this scheme (2020: 1) resulting in no costs (2020: £378).

In 2007 Guildford YMCA commenced a scheme with Aviva. This is also a group personal plan arrangement and the contributions are expressed as a percentage of the employee's salary. This scheme was to replace the now closed defined benefit scheme discussed above. The cost for the year was £1,346 (2020: £4,897) in respect of 1 employees (2020: 5).

With the introduction of auto enrolment, the schemes were closed to new entrants on 31 January 2014 and the Charity now offers a stake holder defined contribution pension scheme in line with legislative requirements administered by Legal and General.

At the end of the year there was a liability of £44,717 relating to all the schemes that was settled the following month.

20. OPERATING LEASE COMMITMENTS

The future minimum lease payments of leases are as set out below.

	2021	2020
	£	£
Land and Buildings:		
Within one year	**1,186,558**	904,883
Between one and five years	**2,555,192**	2,202,793
In more than five years	**588,824**	207,387
	4,330,574	3,315,063
Equipment:		
Within one year	**16,256**	19,928
Between one and five years	**8,310**	24,566
In more than five years	**-**	-
	24,566	44,494

21. GROUP AND RELATED UNDERTAKINGS

During the year ended 31 March 2021, YMCA DLG had the following related and associated undertakings:

	Relationship	**Status**	**Regulated by Social Housing Regulator**
YMCA DLG Services Ltd	100% subsidiary	Trading Company	Non-regulated

22. CONTINGENT LIABLITIES

At the 31 March 2021 there were contingent liabilities in respect of grants received in relation to the following properties:

- Crawley Foyer - Social Housing Grant of £873,140 and Local Authority Grant of £1,500,226
- Worthing Foyer - Social Housing Grant of £823,632
- Guildford Y Centre – Social Housing Grant of £3,050,481
- Guildford Foyer - Social Housing Grant of £2,021,986
- Horsham Y Centre - Social Housing Grant of £4,057,690
- Eastbourne Y Centre - Social Housing Grant of £771,910
- Eastbourne Foyer – Social Housing Grant of £1,525,000

There is potential for repayment or recycling of these grants in the event the sites are disposed of and/or taken out of social housing use. All these assets remain in social housing and the organisation has no plans to change the status of these sites.

On the purchase of Horsham Y Centre and Eastbourne Y Centre from YMCA England and Wales, grants were received for £873,000 and £247,500 respectively. If YMCA DLG resigns as a member of YMCA England and Wales Federation, or disassociates itself from the organisation, or ceases to participate in any of its operations, the grants will become refundable. It is considered unlikely that this will occur.

23. CAPITAL COMMITMENTS

At the year-end we had committed capital expenditure of £2,742,500 less a grant from Homes England of £1,495,450 for the purchase of a supported living hostel based in Hastings.