

WORCESTER YMCA

England & Wales · Charity number 1102766

Details

Status	Registered
Legal form	Charitable company
Company number	05056873
Registered	2004-03-22
Register	View on the Charity Commission register

Contact

Address	Worcestershire Y M C A Ltd Gordon Anstis House Loxley Close Redditch B98 9JS
Phone	01527 61643
Email	enquiries@ymcaworcestershire.org.uk

Activities

Objects: A) 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. B) TO LEAD YOUNG PEOPLE TO THE LORD JESUS CHRIST AND TO FULLNESS OF LIFE IN HIM. C) TO PROVIDE OR ASSIST IN THE PROVISION IN THE INTERESTS OF SOCIAL WELFARE OF FACILITIES FOR RECREATION AND OTHER LEISURE TIME OCCUPATION FOR MEN, WOMEN AND CHILDREN WITH THE OBJECT OF IMPROVING THEIR CONDITIONS OF LIFE. D) TO PROVIDE OR ASSIST IN THE PROVISION OF EDUCATION FOR PERSONS OF ALL AGES WITH THE OBJECT OF DEVELOPING THEIR PHYSICAL, MENTAL OR SPIRITUAL CAPACITIES. E) TO RELIEVE OR ASSIST IN THE RELIEF OF PERSONS OF ALL AGES WHO ARE IN CONDITIONS OF NEED, HARDSHIP OR DISTRESS BY REASON OF THEIR SOCIAL, PHYSICAL OR ECONOMIC CIRCUMSTANCES. F) TO PROVIDE RESIDENTIAL ACCOMMODATION FOR PERSONS OF ALL AGES WHO ARE IN NEED, HARDSHIP OR DISTRESS BY REASON OF THEIR SOCIAL, PHYSICAL OR ECONOMIC CIRCUMSTANCES.

Activities: Working from our own accommodation centre and accommodation centres of other organisations we provide youth work including the support of young people towards independent living, "move on" accommodation and support for vulnerable adults. There are educational, training, vocational, sports and recreational opportunities available to the public.

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** General Charitable Purposes, Education/training, The Advancement Of Health Or Saving Of Lives, The Prevention Or Relief Of Poverty, Accommodation/housing, Religious Activities, Arts/culture/heritage/science, Amateur Sport, Economic/community Development/employment
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- **Area of benefit:** NOT DEFINED. IN PRACTICE WORCESTER
- Worcestershire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£1,629,729	£1,526,154	£1,545,782	55
2024-03-31	£1,256,560	£1,501,689	£1,442,207	54
2023-03-31	£1,079,480	£1,311,172	£2,098,042	53
2022-03-31	£950,425	£1,191,350	£2,127,496	54
2021-03-31	£1,213,126	£1,187,787	£2,368,421	55

Trustees

Name	Role	Appointed
LINDSAY SARTORI	Chair	2021-12-10
Harvinder Khatkar		2025-03-17
Melanie Braden		2023-07-17
Philip Norman Smiglarski		2024-03-18
Rev Gail Rogers		2023-07-17
Rev Michael Sermon		2023-11-20
Robert John Pearce		2024-12-09

WORCESTER YMCA

England & Wales - Charity number 1102766

Accounts

Company no. 05056873
Charity no. 1102766

Worcester YMCA
Report and Consolidated Audited
Financial Statements
31 March 2025

Worcester YMCA

Reference and administrative details

For the year ended 31 March 2025

Company number	05056873
Charity number	1102766
Registered office and operational address	Gordon Anstis House Loxley Close Redditch B98 9JS
Trustees	Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows: Lindsay Sartori Chair Melanie Braden Emma Cartwright Harvinder Khatkar Appointed 17 March 2025 Robert Pearce Appointed 9 December 2024 Rev Gail Rogers Rev Michael Sermon Philip Smiglarski
Chief executive officer	Annette Daly
Company secretary	Annette Daly
Bankers	Unity Trust Bank plc Nine Bridley Place Birmingham B1 2HB
Solicitors	MFG Solicitors LLP Adam House Birmingham Road Kidderminster Worcestershire DY10 2SH
Auditors	Godfrey Wilson Limited Chartered accountants and statutory auditors 5th Floor Mariner House 62 Prince Street Bristol BS1 4QD

Worcester YMCA

Report of the trustees

For the year ended 31 March 2025

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice - Accounting and Reporting by Charities (effective from January 2019).

Structure, governance and management

Constitution

The Charity is a charitable company limited by guarantee and not having a share capital, with members required to contribute up to a maximum of £1 each should there be a deficiency on winding up. The Charity is governed by its Articles of Association.

Organisational structure

The Charity is governed by its board of volunteer trustee directors, responsible for overseeing strategy and policy, approving annual budgets & accounts, who work in conjunction with the senior executive staff who recommend strategy, policy and exercise operational management. They hold at least four meetings per annum to consider business and progress against agreed plans plus hold strategic discussions and consider future work and direction. On appointment trustees receive induction including Charity Commission guidance. Attendance at meetings, interests and skills are monitored and reviewed annually. The YMCA movement offers support, development and benchmarking information. Codes of Governance and Conduct have been adopted.

The Charity is part of the worldwide YMCA movement and is affiliated to the National Council of YMCAs in England and Wales and through them to the World Council of YMCAs. It receives no funds from either the National Council or the World Council but pays an affiliation fee to the National Council of YMCAs.

The Charity has two wholly owned subsidiary undertakings Little Treasures Limited and First Class Nursery (Kidderminster) Limited, which both operate nurseries and contribute to the overall objectives and activities of the group. The Charity itself is also a subsidiary of another charity, YMCA Worcestershire Limited.

The Board of Trustees oversees and endorses or challenges the short and medium term strategies recommended by the senior executive staff. The Board of Trustees aims to ensure the long term interests of the Charity are not adversely affected by decisions taken in the medium term and ensures the ethos and values of the Charity are maintained.

The day-to-day control of the Charity's operations is exercised by the senior management team made up of the Chief Executive, Head of Housing and Support, Head of Operations, and the Head of HR. The senior management team attends Trustees' meetings. In setting the salaries of the senior management team the Board of Trustees considers charity benchmark information and that from other appropriate organisations within the YMCA movement.

The Charity is organised so that those for whom activities are provided and key stakeholders are involved in the design, monitoring and evaluation of that provision; clear access to senior management and the trustees is integral to the structure and is part of our engagement process.

Worcester YMCA

Report of the trustees

For the year ended 31 March 2025

Recruitment and appointment to the Board of Trustees

The Board of Trustees consists of up to fifteen elected members who are appointed for a three-year term, but who may stand for re-election at the end thereof up to a total of two further terms. Trustees who are co-opted during the year are appointed up until the next Annual General Meeting when they are eligible for election. Trustees are elected by the Members of the Charity at the Annual General Meeting. Worcestershire YMCA Limited is the sole member of Worcester YMCA.

All Board members acknowledge their commitment to the Christian ethos of the Charity.

The Directors of the company are also charity trustees for the purposes of charity law and throughout this report are collectively referred to as the Trustees. Trustees give their time voluntarily and receive no benefits from the charity in respect of this commitment. Any expenses reclaimed from the charity or payments made to them are set out in the notes to the accounts.

It is the aim of the Trustees to have the Board of Trustees primarily made up of individuals from the community it serves and simultaneously achieve a rich diversity of perspectives and experience, competent to oversee the operations of the Charity. The Trustees seek to recruit new members accordingly. The perspectives, experience and skills of individual Trustees are considered to ensure a balance across the Board of Trustees. Potential Trustees are made aware of the aims and purposes of the YMCA Movement and must indicate their desire to join the Movement and accept the responsibilities involved.

Trustee induction and training

As part of their induction programme, new Trustees are provided with a welcome pack including copies of literature produced by the Charity Commission and the YMCA Movement, including the YMCA Code of Governance. Background information relating to the Charity including copies of the Articles of Association, latest financial information, copies of minutes and policies are included in the welcome pack. The Board of Trustees schedule four meetings per annum for ordinary business plus meetings to consider the work of the Charity and future direction.

As part of the YMCA Movement, Trustees have access to its trustee development programme and training, support and benchmarking information. The Board of Trustees undertakes periodic background and skills audits and as a result identifies certain characteristics it will require of future members. Attendance at Trustees' meetings is monitored.

The Charity works in partnership with other organisations, funders and commissioners that are compatible with its ethos and values.

Code of governance

The Charity's Board has adopted the National YMCA Code of Governance, based on the National Housing Federation Code of Governance. During the year, the Board conducted an assessment of compliance with the Governance and Financial Viability Standard and is satisfied that the Association fully complies.

Worcester YMCA

Report of the trustees

For the year ended 31 March 2025

Corporate governance - internal financial control

The Board takes ultimate responsibility for ensuring the Charity maintains a robust system of internal controls, tailored to our operating environment. These controls are designed to provide reasonable assurance regarding:

- The reliability of financial information, both internal and public;
- The proper maintenance of accounting records; and
- The safeguarding of assets against unauthorised use or disposal.

The Board of Trustees receives and reviews regular reports from management and from the external auditors to provide reasonable assurance that control procedures are in place and are being followed. Formal procedures have been established for instituting the appropriate action to correct weaknesses identified from the above reports.

While no system can offer absolute assurance against misstatement or loss, the Board is responsible for establishing and maintaining effective internal financial controls. Key elements of our system include:

- Formal policies and procedures, with documented key systems and clear rules for delegated authorities, which enable control monitoring and restrict unauthorised asset use;
- Experienced and qualified staff managing important business functions;
- Annual appraisal procedures to uphold performance standards;
- Forecasts and budgets that allow the Board and management to monitor key business risks, financial objectives, and progress against annual and medium-term financial plans;
- Prompt and regular management accounts providing relevant, reliable, and up-to-date financial and other information, with significant budget variances investigated as needed; and
- Formal authorisation procedures for all significant new initiatives, major commitments, and investment projects, involving Board members and other relevant parties.

Principal risks and uncertainties and risk management

The Charity maintains a risk register covering governance, operational, financial, external and compliance risks. The Board of Trustees receives and reviews regular reports from management including major risks facing the Charity and action taken to reduce or mitigate the effects of those risks.

Governance Risks

- **Strategic Planning:** A clear strategic plan ensures the organisation has a focused direction.
- **Board Assessment:** The Board's skills and commitment are regularly assessed to ensure effective leadership.
- **Conflict of Interest Policies:** Strict policies on conflicts of interest and private benefit promote a culture of collective responsibility.
- **Regular Reporting:** Comprehensive reporting ensures Trustees have the necessary information for informed and effective oversight.
- **Alignment with Charitable Objects:** All work is consistently aligned with the organisation's charitable objectives.

Worcester YMCA

Report of the trustees

For the year ended 31 March 2025

Operational Risks

- **Safeguarding:** Rigorous safeguarding policies and mandatory training are in place to prioritise the safety of all individuals.
- **Business Continuity:** We have developed and tested business continuity and IT disaster recovery plans to ensure service continuity.
- **Property Management:** Proactive maintenance and regular compliance checks are conducted to manage our properties.
- **Workforce Management:** We use robust recruitment processes and provide continuous staff development to manage our workforce effectively.
- **Technology & Cybersecurity:** Our IT systems are secure, and we provide ongoing cybersecurity training to mitigate technology risks.

Financial Risks

- **Income Diversification:** We actively diversify our income streams to avoid over-reliance on a single source.
- **Reserve Policy:** We maintain a Free Reserves Policy to create a financial buffer against unexpected events.
- **Budgeting & Cost Control:** We use rigorous budgeting, including detailed cash flow projections and strict cost controls.
- **Financial Controls:** We have robust financial controls and proactive debt management to ensure accountability and accuracy.
- **Lending Covenant Monitoring:** We regularly communicate and monitor lending covenants to maintain strong relationships with financial stakeholders.

Environmental and External Risks

- **Continuous Monitoring:** We continuously monitor economic and policy trends to anticipate and respond to external challenges.
- **Financial Resilience:** We strengthen our financial resilience through income diversification and by maintaining financial reserves.
- **Flexible Service Delivery:** We have developed flexible service delivery models to adapt to changing needs and circumstances.
- **Property Resilience:** We invest in property resilience and emergency preparedness to protect our assets.
- **Stakeholder Engagement:** We engage in ongoing stakeholder engagement and advocacy to help us navigate the external environment.

Compliance Risks

- **Legal Framework:** We maintain a comprehensive legal register and regularly review our policies to ensure they remain current and compliant.
- **Oversight and Monitoring:** The Board and senior leadership provide continuous oversight and monitoring to ensure compliance is upheld.
- **Expertise:** We use external legal experts when necessary to ensure we have access to specialised legal advice.
- **Training and Procedures:** We have implemented rigorous procedures and provide targeted training in key areas, including safeguarding, data protection (UK GDPR), and employment law.
- **Statutory Submissions:** We ensure the timely submission of all statutory returns to meet our legal obligations.

Worcester YMCA

Report of the trustees

For the year ended 31 March 2025

Financial review

Reserves

The Charity makes adequate provision, by way of financial reserves, to enable the discharge of statutory and contractual obligations and to support continuity of business in the face of potential risks.

The Board of Trustees considers there are sufficient assets to meet obligations as they arise. Net current assets of the Group are £1,088,189 (2024: £1,105,592) and total funds and reserves are £1,545,782 (2024: £1,442,207).

The overall funds of the Group have increased as a consequence of a Group surplus of £103,575 (2024: decreased as a consequence of a Group deficit of £245,129) arising from income exceeding operational expenditure in the year under review. It should be noted that central costs have not been apportioned between YMCA Worcestershire Limited and the Charity for operational reasons.

The Charity does not trade for profit, but plans for income to exceed expenditure each year, ensuring a margin of safety to manage the unexpected, its Articles of Association prevent the distribution of reserves, which are instead applied to further the charity's aims and objectives.

The Board of Trustees has reviewed its reserves policy and the designation of reserves. The policy is to aim to maintain funds in reserves at least sufficient to fund 2 months total Group expenditure, being £254,359, to cover the eventuality of a material decline in incoming resources and to hold at least half of that amount in cash at bank.

Free reserves are traditionally calculated as net assets, £1,545,782, less restricted funds, £nil, less fixed assets, £1,192,387, which amount to a surplus of £353,395. However, the nature of the Charity means adjustment should be made for long term liabilities which are secured against the housing properties in fixed assets, £716,021. By that calculation, the adjusted Group free reserves are £1,069,416. Therefore, the adjusted Group free reserves exceed the reserves target by £815,057. Free reserves have been built up from operating surpluses over several years such that free reserves exceed the minimum required by the reserves policy. The Charity and Group plan to hold and build upon free reserves to support continuity of activity in the face of potential risks. The Board of Trustees will regularly review this policy having regard to the changing financial, regulatory and competitive environment in which the charity operates.

Pension deficit

As explained in note 21, Worcester YMCA participated in a contributory pension plan providing defined benefits based on final pensionable pay for employees of YMCAs in England, Scotland and Wales. At 31 March 2024, the pension deficit for the Charity and the group was £18,773 (2024: £27,622) as shown on the balance sheet. A corresponding pension deficit reserve is also held on the balance sheet.

Worcester YMCA 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, 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.

Worcester YMCA

Report of the trustees

For the year ended 31 March 2025

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 the 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.

Worcester YMCA 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. Further details are included in the note 21 of the financial statements and accounting policy.

The valuation as of 1 May 2023, showed a YMCA Pension Plan deficit of £9.1 million. Consequently, Worcester YMCA were advised to make annual contributions of £9,642 from 1 May 2023, with no uplift in subsequent years. At 31 March 2025, the current recovery period is three years commencing 1 May 2024.

Fundraising

Fundraising plays an increasingly important role in enabling us to achieve our charitable objectives and deliver vital services. We are committed to ensuring that all our fundraising activities are conducted to the highest ethical and professional standards, in full compliance with all relevant legislation and best practice guidelines.

Our approach to fundraising is underpinned by the following principles:

1. **Legal Compliance:** We adhere strictly to all applicable laws and regulations governing fundraising in the United Kingdom. This includes, but is not limited to, the Charities Act 2011 (and its amendments, such as the Charities (Protection and Social Investment) Act 2016), data protection legislation (including GDPR and the Data Protection Act 2018), and any specific licensing requirements for activities such as street collections, house-to-house collections, lotteries, and raffles.
2. **Commitment to the Code of Fundraising Practice:** While our fundraising activities currently fall below the threshold requiring mandatory registration with the Fundraising Regulator, we are fully committed to applying and upholding the standards set out in the Code of Fundraising Practice. This code mandates that our fundraising activities are:
 - **Legal:** Operating within the bounds of the law;
 - **Open:** Transparent about our processes and willing to provide information;
 - **Honest:** Acting with integrity and not misleading the public about our cause or how donations will be used; and
 - **Respectful:** Treating all members of the public, particularly those who may be vulnerable, fairly and with respect, avoiding undue pressure or unreasonably persistent approaches.

3. **Charity Commission Requirements:** We ensure that all funds raised are used exclusively for our stated charitable purposes. We comply with Charity Commission guidance on fundraising, including:
- **Responsible Management of Funds:** Ensuring safe and secure handling of donations and that fundraising costs are proportionate;
 - **Clear Appeal Wording:** All appeals clearly state the identity of our charity, the purpose for which funds are being raised, and how they will be used. Where applicable, we clearly outline what will happen to any surplus funds or if insufficient funds are raised for a specific appeal;
 - **Transparency and Accountability:** We provide comprehensive information on our fundraising activities, demonstrating where money comes from and how it is expended. We have robust procedures for dealing with complaints, ensuring they are accessible and handled promptly and sensitively; and
 - **Due Diligence:** We undertake appropriate due diligence on all significant donations and partnerships to protect the charity's reputation and ensure funds are ethically sourced.
4. **Best Practice and Ethical Conduct:** Beyond regulatory requirements, we strive for excellence in fundraising by:
- **Supporter Care:** Building and maintaining positive, respectful relationships with our supporters, ensuring they have a positive experience when engaging with us;
 - **Protection of Vulnerable People:** Taking all reasonable steps to treat potential donors fairly, particularly those in vulnerable circumstances, and ensuring that donations are not accepted where an individual lacks the capacity to make an informed decision;
 - **Training and Oversight:** Ensuring that all staff and volunteers involved in fundraising are adequately trained and understand their responsibilities regarding ethical conduct and compliance. We regularly review our fundraising practices to identify areas for improvement; and
 - **Risk Management:** Proactively identifying and managing any reputational, financial, or operational risks associated with our fundraising activities.

Employment of disabled persons

The Charity operates an equal opportunities employment policy and is committed to be Disability Confident. Employers will be positive about their abilities. Employers who use the symbol make five commitments to action, relating to recruitment, communication of vacancies, offering interviews, anticipating reasonable adjustments and supporting people who become disabled.

Objects and activities

As a Christian charity committed to helping people, especially the young, particularly at times of need, without discrimination, our faith calls us to stand alongside people on their personal journey, and help them develop in body, mind and spirit.

Accordingly, demonstrating our Christian faith and sharing it through social action we are active in working towards our vision of an inclusive future, where everyone can reach their true potential. We aim to be recognised as the leading provider of activities which inspire transformation. The Charity's objects are:

Worcester YMCA

Report of the trustees

For the year ended 31 March 2025

To advance the Christian faith, including by:

- a) Promoting a Christian environment 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;
- 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;
- c) Providing or assisting 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;
- d) 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;
- e) 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
- f) 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.

Our aims mean we work with others to deliver activities through which all young people can be offered the opportunity to develop in body, mind and spirit so they have hope of experiencing life in all its fullness.

Key strategic objectives

Our medium to long-term strategy focuses on three key areas:

- **Building on our foundations:** We are building on the strength of the YMCA's Early Years presence across the County;
- **Empowering young people:** We provide opportunities that prepare young people, including those who are marginalised, for adult life and the world of work. This is achieved through positive activities, alternative curricula, employability skills, health and wellbeing initiatives, volunteering, community and family engagement, and targeted mentoring; and
- **Strengthening partnerships:** We work with churches and other Christian organisations to deliver high-quality youth work and opportunities for religious education. Through the global YMCA movement, we provide wider opportunities to improve outcomes for young people.

Achievements and performance

Measuring our success

We measure the success of our strategy through a continuous cycle of planning and review:

- **Annual Planning:** Before each financial year, we produce plans as part of our budgetary cycle, which are submitted to the Board of Trustees for approval;
- **In Year Monitoring:** Throughout the year, senior management meets regularly to monitor both financial and non-financial performance. Progress is reported, and any variances are explained to
- **Annual Review:** The Trustees and senior management conduct an annual review. A report is then presented to all members at the Annual General Meeting.

Worcester YMCA

Report of the trustees

For the year ended 31 March 2025

Review of activities

Operating from our own centres and accommodation units, as well as those of other organisations, we provide a range of services. These include preschool nurseries, youth work, support for young people moving towards independent living, 'move on' accommodation, and support for vulnerable adults.

Key charitable activities

The two most significant charitable activities contributing to our objectives this year were:

- Residential Accommodation; and
- Children and Youth Services.

Our strategy

Our strategy is to build on the strength of the YMCA's Early Years and families presence across the County. We work in partnership with others to improve the health of mothers and their babies. We also work with older children and their families to make them better informed and empower them to improve their lives.

Additionally, we provide opportunities to prepare young adults, including the marginalised, for adult life and the world of work. This is accomplished through positive activities, employability skills, health and wellbeing initiatives, volunteering, community and family engagement, and targeted mentoring. In partnership with the global YMCA movement and other Christian organizations, we aim to deliver high-quality youth work and religious education to improve outcomes for young people.

Housing and Support

We provide 14 units of accommodation and support for young people aged 18-35 who are in training, education, or employment. This offers quality social housing at affordable rents in a city with high housing demand. Our accommodation enables residents to maintain their employment and training. We are continuously looking for new partners and networks to enhance our support for residents, helping them sustain their tenancies and transition when they are ready.

Nurseries

Our trading subsidiaries, First Class Nursery (Kidderminster) Limited and Little Treasures Limited, continue to provide excellent care and development for young children. They operate at a very high standard in a challenging market. The nurseries enhance our group's provision and contribute to the diversification of our income sources. Our curriculum is built on a framework that offers stimulating learning experiences, guided by Christian values. This helps children develop their spiritual, social, moral, and cultural understanding, fostering lifelong learning in a supportive environment tailored to

Value for money

Value for money is a core part of our sustained service strategy. By consolidating activities across the group, we continue to find opportunities to increase value for money and dilute costs over a broader base.

Public benefit

The Board of Trustees has considered the Charity Commission's guidance on public benefit when planning our activities. Our work directly benefits communities and young people within Worcestershire. We support parents, children, young people, and vulnerable adults through a wide range of activities, including flexible childcare, out-of-school programs, formal and informal education, leisure activities, health and wellbeing support, and residential accommodation.

Worcester YMCA

Report of the trustees

For the year ended 31 March 2025

We are committed to responding to the needs of the community and allowing their input to influence our developments. Consultation takes place through various channels, including surveys, one-to-one sessions, and informal meetings. We regularly review our services against current best practices and regulatory guidelines, and we have established formal procedures for addressing comments and complaints to ensure continuous improvement.

Plans for future periods

Our assessment of this year's performance will inform our medium to long-term strategy. Our core charitable objects remain relevant, and we have engaged with staff to develop short-to-medium-term plans for consolidating our activities in response to reduced public spending. The organisation has also begun to invest in its infrastructure to provide a more comprehensive and cohesive offer to a wider range of potential beneficiaries.

Further analysis of our financial performance can be found in notes 2 to 7 of the financial statements.

Statement of responsibilities of the trustees

The trustees (who are also directors of the charity for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

The trustees are required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and the group and the incoming resources and application of resources, including the net income or expenditure, of the charity and the group for the year. In preparing those financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and the group and which enable them to ensure that the financial statements comply with the Companies Act 2006. The trustees are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Worcester YMCA

Report of the trustees

For the year ended 31 March 2025

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

Godfrey Wilson Limited were appointed as auditors to the group and parent charity during the year and have expressed their willingness to continue in that capacity.

Approved by the trustees on 26 September 2025 and signed on their behalf by

A handwritten signature in black ink, appearing to read 'Lindsay Sartori', written in a cursive style.

Lindsay Sartori - Chair

Independent auditors' report

To the members of

Worcester YMCA

Opinion

We have audited the financial statements of Worcester YMCA (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 March 2025 which comprise the consolidated statement of financial activities, consolidated and parent charity balance sheets, consolidated statement of cash flows and the related 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 the 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 and parent charity's affairs as at 31 March 2025 and of the group's 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.

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 and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 6 to the financial statements, 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 and parent charity'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. 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.

Independent auditors' report

To the members of

Worcester YMCA

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.

Opinion 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' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- and the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charity and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' 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 charity, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charity 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out in the trustees' report, 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 they 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 and the parent charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report

To the members of

Worcester YMCA

Our 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 procedures we carried out and the extent to which they are capable of detecting irregularities, including fraud, are detailed below:

- (1) We obtained an understanding of the legal and regulatory framework that the group and parent charity operates in, and assessed the risk of non-compliance with applicable laws and regulations. Throughout the audit, we remained alert to possible indications of non-compliance.
- (2) We reviewed the group and parent charity's policies and procedures in relation to:
 - Identifying, evaluating and complying with laws and regulations, and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risk of fraud, and whether they were aware of any actual, suspected or alleged fraud; and
 - Designing and implementing internal controls to mitigate the risk of non-compliance with laws and regulations, including fraud.
- (3) We inspected the minutes of trustee meetings.
- (4) We enquired about any non-routine communication with regulators and reviewed any reports made to them.
- (5) We reviewed the financial statement disclosures and assessed their compliance with applicable laws and regulations.
- (6) We performed analytical procedures to identify any unusual or unexpected transactions or balances that may indicate a risk of material fraud or error.
- (7) We assessed the risk of fraud through management override of controls and carried out procedures to address this risk. Our procedures included:
 - Testing the appropriateness of journal entries;
 - Assessing judgements and accounting estimates for potential bias;
 - Reviewing related party transactions; and
 - Testing transactions that are unusual or outside the normal course of business.

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. Irregularities that arise due to fraud can be even harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Independent auditors' report

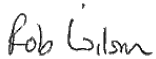
To the members of

Worcester YMCA

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 charity'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 charity'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 charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Date: 26 September 2025

Robert Wilson FCA
(Senior Statutory Auditor)

For and on behalf of:

GODFREY WILSON LIMITED

Chartered accountants and statutory auditors
5th Floor Mariner House
62 Prince Street
Bristol
BS1 4QD

Worcester YMCA

Consolidated statement of financial activities *(incorporating an income and expenditure account)*

For the year ended 31 March 2025

		Unrestricted	2025 Total	2024 Total
	Note	£	£	£
Income from:				
Donations	2	-	-	89,359
Charitable activities	3	88,767	88,767	77,499
Other trading activities	4	1,540,938	1,540,938	1,089,702
Investments		24	24	-
Total income		<u>1,629,729</u>	<u>1,629,729</u>	<u>1,256,560</u>
Expenditure on:				
Raising funds		1,323,953	1,323,953	1,092,001
Charitable activities		202,201	202,201	409,688
Total expenditure	5	<u>1,526,154</u>	<u>1,526,154</u>	<u>1,501,689</u>
Net income / (expenditure) and net movement in funds	6	103,575	103,575	(245,129)
Reconciliation of funds:				
Total funds brought forward		<u>1,442,207</u>	<u>1,442,207</u>	<u>1,687,336</u>
Total funds carried forward	19	<u><u>1,545,782</u></u>	<u><u>1,545,782</u></u>	<u><u>1,442,207</u></u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 19 to the accounts.

All income and expenditure in the prior period related to unrestricted funds.

Worcester YMCA

Consolidated balance sheets

As at 31 March 2025

	Note(s)	The group 2025 £	The group 2024 £	The charity 2025 £	The charity 2024 £
Fixed assets					
Intangible assets	9	-	19,466	-	19,466
Tangible assets	10	1,191,697	1,083,078	464,344	482,625
Investments	11, 12, 13	690	690	601,533	579,876
		<u>1,192,387</u>	<u>1,103,234</u>	<u>1,065,877</u>	<u>1,081,967</u>
Current assets					
Debtors less than 1 year	14	870,517	238,047	1,575,934	1,444,528
Cash at bank and in hand		<u>547,093</u>	<u>1,123,414</u>	<u>49,772</u>	<u>81,898</u>
		1,417,610	1,361,461	1,625,706	1,526,426
Liabilities					
Creditors: amounts falling due within 1 year	15	<u>(329,421)</u>	<u>(255,869)</u>	<u>(81,153)</u>	<u>(64,842)</u>
Net current assets		<u>1,088,189</u>	<u>1,105,592</u>	<u>1,544,553</u>	<u>1,461,584</u>
Total assets less current liabilities		2,280,576	2,208,826	2,610,430	2,543,551
Creditors: amounts falling due after more than 1 year	17	<u>(716,021)</u>	<u>(738,997)</u>	<u>(716,021)</u>	<u>(738,997)</u>
Defined benefit pension provision	21	<u>(18,773)</u>	<u>(27,622)</u>	<u>(18,773)</u>	<u>(27,622)</u>
Net assets	18	<u><u>1,545,782</u></u>	<u><u>1,442,207</u></u>	<u><u>1,875,636</u></u>	<u><u>1,776,932</u></u>
Funds	19				
Unrestricted funds					
Pension reserve		<u>(18,773)</u>	<u>(27,622)</u>	<u>(18,773)</u>	<u>(27,622)</u>
General funds		<u>1,564,555</u>	<u>1,469,829</u>	<u>1,894,409</u>	<u>1,804,554</u>
Total charity funds		<u><u>1,545,782</u></u>	<u><u>1,442,207</u></u>	<u><u>1,875,636</u></u>	<u><u>1,776,932</u></u>

These accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the trustees on 26 September 2025 and signed on their behalf by



Lindsay Sartori - Trustee

Worcester YMCA**Consolidated statement of cash flows****For the year ended 31 March 2025**

	2025	2024
	£	£
Cash flows from operating activities		
Net movement in funds	103,575	(245,129)
Adjustments for:		
Loan interest paid	48,403	50,049
Depreciation charges	31,021	30,957
Amortisation charges	19,466	209,236
Interest received	(24)	
(Increase) / decrease in debtors	(632,470)	274,972
Increase / (decrease) in creditors	50,576	(34,943)
Decrease in provision	(8,849)	(44,394)
Net cash (used in) / provided by operating activities	<u>(388,302)</u>	<u>240,748</u>
Cash flows from investing activities:		
Purchase of tangible fixed assets	(139,640)	-
Interest received	24	-
Net cash used in investing activities	<u>(139,616)</u>	<u>-</u>
Cash flows from financing activities:		
Loan interest paid	(48,403)	(50,049)
Net cash used in financing activities	<u>(48,403)</u>	<u>(50,049)</u>
(Decrease) / increase in cash and cash equivalents in the year	(576,321)	190,699
Cash and cash equivalents at the beginning of the year	<u>1,123,414</u>	<u>932,715</u>
Cash and cash equivalents at the end of the year	<u>547,093</u>	<u>1,123,414</u>

Analysis of net changes in debt are given in note 20.

Worcester YMCA

Notes to the financial statements

For the year ended 31 March 2025

1. Accounting policies

a) General information and basis of preparation

Worcester YMCA a charitable company limited by guarantee registered in England and Wales. The registered office address is Gordon Anstis House, Loxley Close, Redditch, B98 9JS.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities in preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

b) Group accounts

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiaries on a line by line basis. Transactions and balances between the charitable company and its subsidiaries have been eliminated from the consolidated financial statements. Balances between group companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

c) Going concern basis of accounting

The accounts have been prepared on the assumption that the charity is able to continue as a going concern, which the trustees consider appropriate having regard to the current level of unrestricted reserves. There are no material uncertainties about the charity's ability to continue as a going concern.

d) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from the government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of provision of childcare services is deferred until criteria for income recognition are met.

e) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item, is probable and the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

Worcester YMCA

Notes to the financial statements

For the year ended 31 March 2025

1. Accounting policies (continued)

e) Donated services and facilities (continued)

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity: this is normally upon notification of the interest paid or payable by the bank.

g) Funds accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Governance costs are the costs associated with the governance arrangements of the charity, including the costs of complying with constitutional and statutory requirements and any costs associated with the strategic management of the charity's activities. These costs have been allocated in full to charitable activities.

j) Tangible fixed assets

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Freehold buildings	10 to 50 years
Fixtures and fittings	20% straight line
Computer equipment	20% straight line
Motor vehicles	25% straight line

Items of equipment are capitalised where the purchase price exceeds £1,000. No depreciation is charged on assets under construction.

Notes to the financial statements

For the year ended 31 March 2025

1. Accounting policies (continued)

k) Intangible fixed assets

Intangible fixed assets are amortised at rates calculated to write off the assets on a straight line basis over their estimated useful economic lives. Impairment of intangible assets is reviewed where circumstances indicate that the carrying value of an assets may not be fully recoverable. Amortisation is provided at the following rates:

Goodwill	5 years straight line
----------	-----------------------

l) Investments in subsidiaries

The charitable company has two wholly owned subsidiaries, Little Treasures Limited, registered company number 04029930 and First Class Nursery (Kidderminster) Limited, registered company number 08887253. The subsidiaries are used for non-primary purpose trading activities. The subsidiary undertakings are valued at their net asset value less any cumulative impairment losses in the charitable company's accounts. Any gain or loss, whether realised or unrealised, is taken to the Statement of Financial Activities.

m) Listed investments

Listed investments traded on a recognised stock exchange are stated at fair value at the reporting date, which is deemed to be their market value. Any gain or loss, whether realised or unrealised, is taken to the Statement of Financial Activities.

n) Debtors

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

o) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

p) Creditors

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

q) Provisions

A provision is recognised in the balance sheet when the charity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

r) Financial instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently recognised at amortised cost using the effective interest method.

Worcester YMCA

Notes to the financial statements

For the year ended 31 March 2025

1. Accounting policies (continued)

s) Operating leases

Rentals paid under operating leases are charged to the statement of financial activities as they fall due.

t) Pension costs

The company operates a defined contribution pension scheme for its employees. There are no further liabilities other than that already recognised in the SOFA.

u) Defined benefit pension scheme

Worcester YMCA 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 Worcester YMCA.

As described in note 22 Worcester YMCA has a contractual obligation to make pension deficit payments of £9,642 pa over the period to April 2027, accordingly this is shown as a liability in these accounts. In addition, Worcester YMCA is required to contribute £2,968 pa (2024: 2,968) to the operating expenses of the Pension Plan and these costs are charged to the Statement of Comprehensive Income as made.

v) Accounting estimates and key judgements

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

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

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are depreciation, amortisation, deferred income and defined benefit pension scheme deficit provision as described in notes 1j, 1k, 1d and 1u respectively above.

2. Income from donations

	2025	2024
	Total	Total
	£	£
Grants	-	89,359
Total income from donations	-	89,359

In the current and prior period all income from donations was unrestricted.

No government grants were received in the current year or prior year.

Worcester YMCA

Notes to the financial statements

For the year ended 31 March 2025

3. Income from charitable activities

	2025	2024
	Total	Total
	£	£
General needs housing	<u>88,767</u>	<u>77,499</u>

In the current and prior period all income from charitable activities was unrestricted.

4. Income from other trading activities

	2025	2024
	Total	Total
	£	£
Nursery income	<u>1,540,938</u>	<u>1,089,702</u>

In the current and prior period all income from other trading activities was unrestricted.

Worcester YMCA

Notes to the financial statements

For the year ended 31 March 2025

5. Total expenditure

	Raising funds - cost of trading subsidiaries £	Charitable activities £	Support and governance costs £	2025 Total £
Staff costs (note 7)	1,074,607	14,610	-	1,089,217
Other staff costs	8,730	-	-	8,730
Premises costs	-	39,593	-	39,593
Vehicle costs	-	601	-	601
Other direct costs	90,494	-	-	90,494
Office expenses	63,997	-	6,262	70,259
Penalties	3,000	-	1,500	4,500
Repairs and maintenance	39,722	-	-	39,722
Depreciation and amortisation	12,740	-	37,747	50,487
Loan interest	-	-	48,403	48,403
Audit and accountancy fees	24,264	-	18,900	43,164
Pension deficit	-	-	2,807	2,807
Bad debt provision movement	1,846	-	31,778	33,624
Corporation tax	4,553	-	-	4,553
Sub-total	1,323,953	54,804	147,397	1,526,154
Allocation of support and governance costs	-	147,397	(147,397)	-
Total expenditure	1,323,953	202,201	-	1,526,154

Total governance costs were £43,164 (2024: £25,200)

Worcester YMCA

Notes to the financial statements

For the year ended 31 March 2025

5. Total expenditure (continued)
Prior period comparative

	Raising funds - cost of trading subsidiaries £	Charitable activities £	Support and governance costs £	2024 Total £
Staff costs (note 7)	881,002	102,525	-	983,527
Other staff costs	20,387	-	-	20,387
Premises costs	-	31,408	-	31,408
Vehicle costs	-	764	-	764
Other direct costs	78,796	106	-	78,902
Office expenses	55,027	-	8,398	63,425
Repairs and maintenance	18,499	-	-	18,499
Depreciation and amortisation	22,427	-	217,767	240,194
Loan interest	-	-	50,049	50,049
Audit and accountancy fees	16,200	-	10,613	26,813
Pension deficit	-	-	(28,898)	(28,898)
Bad debt provision movement	63	-	16,956	17,019
Corporation tax	(400)	-	-	(400)
Sub-total	1,092,001	134,803	274,885	1,501,689
Allocation of support and governance costs	-	274,885	(274,885)	-
Total expenditure	1,092,001	409,688	-	1,501,689

Worcester YMCA

Notes to the financial statements

For the year ended 31 March 2025

6. Net movement in funds

This is stated after charging:

	2025 £	2024 £
Depreciation	31,021	30,957
Amortisation	19,466	209,236
Operating lease payments	8,000	8,000
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	Nil	Nil
Auditors' examiner's remuneration (excluding VAT):		
▪ Statutory audit	22,500	21,000
▪ Other services	700	700
▪ Prior year under accrual	12,770	-

In common with other charities of our size and nature we use our auditors to assist with the preparation of the financial statements and to prepare and submit returns to the tax authorities.

7. Staff costs and numbers

Staff costs were as follows:

	2025 £	2024 £
Salaries and wages	985,080	906,365
Social security costs	77,689	55,663
Pension costs	26,448	21,499
	<u>1,089,217</u>	<u>983,527</u>

No employee earned more than £60,000 during the year or prior year.

The key management personnel of the charitable company comprise of staff employed by the parent charity only. Therefore, there are no key management personnel costs in the year or prior year.

	2025 No.	2024 No.
Average headcount	<u>55</u>	<u>54</u>

8. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The subsidiary companies distribute any profits to the charity and therefore ordinarily no corporation tax is payable. During the current year one of the subsidiaries, First Class Nursery (Kidderminster) Limited incurred a tax charge of £4,553 (2024: £400 tax credit).

Worcester YMCA

Notes to the financial statements

For the year ended 31 March 2025

9. Intangible fixed assets

	Group Goodwill £	Charity Goodwill £
Cost		
At 1 April 2024 & 31 March 2025	1,087,428	997,428
Amortisation		
At 1 April 2024	(1,067,962)	(977,962)
Charge for the year	(19,466)	(19,466)
At 31 March 2025	(1,087,428)	(997,428)
Net book value At 31 March 2025	-	-
At 31 March 2024	19,466	19,466

10. Tangible fixed assets

Group	Computer and other equipment £	Motor vehicles £	Land and buildings £	Total £
Cost				
At 1 April 2024	86,981	10,788	1,251,800	1,349,569
Additions in year	-	-	139,640	139,640
Disposals in year	(84,601)	-	-	(84,601)
At 31 March 2025	2,380	10,788	1,391,440	1,404,608
Depreciation				
At 1 April 2024	(84,986)	(10,788)	(170,717)	(266,491)
Charge for the year	(357)	-	(30,664)	(31,021)
On disposal	84,601	-	-	84,601
At 31 March 2025	(742)	(10,788)	(201,381)	(212,911)
Net book value At 31 March 2025	1,638	-	1,190,059	1,191,697
At 31 March 2024	1,995	-	1,081,083	1,083,078

Land and building additions includes £133,295 of assets under construction.

Worcester YMCA

Notes to the financial statements

For the year ended 31 March 2025

10. Tangible fixed assets (continued)

Charity	Computer and other equipment £	Motor vehicles £	Land and buildings £	Total £
Cost				
At 1 April 2024	5,596	10,788	585,000	601,384
Disposals in year	<u>(5,596)</u>	<u>-</u>	<u>-</u>	<u>(5,596)</u>
At 31 March 2025	<u>-</u>	<u>10,788</u>	<u>585,000</u>	<u>595,788</u>
Depreciation				
At 1 April 2024	(5,596)	(10,788)	(102,375)	(118,759)
Charge for the year	-	-	(18,281)	(18,281)
On disposal	<u>5,596</u>	<u>-</u>	<u>-</u>	<u>5,596</u>
At 31 March 2025	<u>-</u>	<u>(10,788)</u>	<u>(120,656)</u>	<u>(131,444)</u>
Net book value				
At 31 March 2025	<u>-</u>	<u>-</u>	<u>464,344</u>	<u>464,344</u>
At 31 March 2024	<u>-</u>	<u>-</u>	<u>482,625</u>	<u>482,625</u>

11. Investments

	The group		The charity	
	2025	2024	2025	2024
	£	£	£	£
COIF charities investment	690	690	690	690
Investment in subsidiaries	<u>-</u>	<u>-</u>	<u>600,843</u>	579,186
Market value at 31 March 2025	<u>690</u>	<u>690</u>	<u>601,533</u>	<u>579,876</u>
			2025	2024
			£	£
Investment in subsidiaries - charity only				
Value at 1 April 2024			579,186	616,330
Gains / (losses)			<u>21,657</u>	<u>(37,144)</u>
Value at 31 March 2025			<u>600,843</u>	<u>579,186</u>

Worcester YMCA

Notes to the financial statements

For the year ended 31 March 2025

12. Subsidiary undertakings

Little Treasures Limited

The charity owns 100% of the issued share capital of Little Treasures Limited, a company limited by shares incorporated in England and Wales (company number 04029930). Its net assets totalled £600,840 as at 31 March 2025 (2024: £604,381). Its profit for the year to 31 March 2025 was £151,402 (2024: £12,976).

The results below include a property held at revaluation and a revaluation reserve of £274,344 (2024: £279,551). At a group level the property has been restated to historic cost so that the group accounting treatment of recognising properties at cost is applied consistently.

	2025 £	2024 £
Turnover	1,118,217	792,372
Cost of sales	<u>(820,171)</u>	<u>(672,800)</u>
Gross profit	298,046	119,572
Administrative expenses	<u>(146,644)</u>	<u>(106,596)</u>
Operating profit	<u>151,402</u>	<u>12,976</u>
Profit on ordinary activities	151,402	12,976
Corporation tax	<u>-</u>	<u>-</u>
Profit for financial year	<u><u>151,402</u></u>	<u><u>12,976</u></u>

Profits gift aided to the parent undertaking were £154,943 (2024: £29,638).

The aggregate of the assets, liabilities and funds was:

	2025 £	2024 £
Assets	1,370,554	1,172,390
Liabilities	<u>(769,714)</u>	<u>(568,009)</u>
Funds	<u><u>600,840</u></u>	<u><u>604,381</u></u>

Worcester YMCA

Notes to the financial statements

For the year ended 31 March 2025

12. Subsidiary undertakings (continued)

First Class Nursery (Kidderminster) Limited

The charity also owns 100% of the issued share capital of First Class Nursery (Kidderminster) Limited, a company limited by shares incorporated in England and Wales (company number 08887253). Its net assets totalled £2 as at 31 March 2025 (2024: net liabilities, £25,196). Its profit for the year to 31 March 2025 was £60,711 (2024: loss £20,482).

	2025 £	2024 £
Turnover	422,721	297,329
Cost of sales	<u>(310,070)</u>	<u>(267,783)</u>
Gross profit	112,651	29,546
Administrative expenses	<u>(47,722)</u>	<u>(50,428)</u>
Operating loss	<u>64,929</u>	<u>(20,882)</u>
Loss on ordinary activities	64,929	(20,882)
Corporation tax	<u>(4,218)</u>	<u>400</u>
Profit / (loss) for financial year	<u><u>60,711</u></u>	<u><u>(20,482)</u></u>

Profits gift aided to the parent undertaking were £35,513 (2024: £nil).

The aggregate of the assets, liabilities and funds was:

	2025 £	2024 £
Assets	944,262	1,018,283
Liabilities	<u>(944,260)</u>	<u>(1,043,479)</u>
Funds	<u><u>2</u></u>	<u><u>(25,196)</u></u>

13. Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2025 £	2024 £
Gross income	279,247	196,497
Results for the year	<u><u>98,704</u></u>	<u><u>(250,336)</u></u>

Worcester YMCA

Notes to the financial statements

For the year ended 31 March 2025

14. Debtors : amounts due within 1 year

	The group		The charity	
	2025	2024	2025	2024
	£	£	£	£
Rental debtors	13,341	1,815	13,341	1,815
Other debtors	109,214	101,010	11,378	5,521
Corporation tax rebate due	-	4	-	-
Amounts owed by group undertakings	747,962	135,218	1,551,215	1,437,192
	870,517	238,047	1,575,934	1,444,528

15. Creditors : amounts due within 1 year

	The group		The charity	
	2025	2024	2025	2024
	£	£	£	£
Bank loans and overdrafts	26,412	26,188	26,412	26,188
Trade creditors	89,966	11,830	15,656	3,214
Other taxation and social security	12,241	32,594	-	-
Accruals	75,725	63,799	37,650	35,440
Deferred income (see note 16)	112,545	111,722	1,435	-
Corporation tax payable	4,553	-	-	-
Other creditors	7,979	9,736	-	-
	329,421	255,869	81,153	64,842

16. Deferred income

	The group		The charity	
	2025	2024	2025	2024
	£	£	£	£
At 1 April 2024	111,722	89,896	-	-
Deferred during the year	112,545	111,722	1,435	-
Released during the year	(111,722)	(89,896)	-	-
At 31 March 2025	112,545	111,722	1,435	-

Deferred income relates to nursery income invoiced in advance of the services being offered and rents received in advance.

Worcester YMCA

Notes to the financial statements

For the year ended 31 March 2025

17. Creditors : amounts falling due after 1 year

	The group		The charity	
	2025	2024	2025	2024
	£	£	£	£
Bank loans and overdrafts	716,021	738,997	716,021	738,997
Analysis of debt maturity	The group		The charity	
Debt due after more than one year:	2025	2024	2025	2024
	£	£	£	£
Repayable between one and two years	24,355	21,714	24,355	21,714
Repayable between two and five years	82,456	74,475	82,456	74,475
Repayable in five years or more	609,210	642,808	609,210	642,808
	716,021	738,997	716,021	738,997

There are two secured bank loans on the properties at 2 Stanley Road, Worcester, WR5 1BR and at Broomhall Grange, Norton Road, Broomhall, WR5 2PD. The loans from Unity Bank are charged at commercial rates of 1.5% above Bank of England base rate and are repayable over 25 years. The loans are secured with fixed charges over the assets of the charity, its parent, Worcestershire YMCA, and its subsidiary, Little Treasures Limited.

In the prior year only the Charity had failed to meet its financial covenant under the loans in respect of the EBITDA measure. Based on communications and discussions with the bank and the understanding that sufficient funds are held by Worcestershire YMCA Limited, the ultimate parent charitable company, that could be provided to the Charity to enable it to satisfy the EBITDA measure, there is no indication that any action, beyond the issue of a reservation of rights letter, will take place. The carrying amount of the loans that were at 31 March 2024 was £765,185. The current year carrying value of these loans is £742,433.

18. Analysis of net assets between funds

All assets and liabilities are allocated to unrestricted funds in both the current and prior year.

Worcester YMCA

Notes to the financial statements

For the year ended 31 March 2025

19. Group movements in funds

	At 1 April 2024 £	Income £	Expenditure £	At 31 March 2025 £
General funds	1,469,829	1,629,729	(1,535,003)	1,564,555
Pension reserve	(27,622)	-	8,849	(18,773)
Total unrestricted funds	1,442,207	1,629,729	103,575	1,545,782
Total funds	1,442,207	1,629,729	103,575	1,545,782

The pension reserve reflects the balance owed to the YMCA Pension Plan as at the year end date and any in year movements, as detailed in note 21.

Prior year comparative

	At 1 April 2023 £	Income £	Expenditure £	At 31 March 2024 £
General funds	1,759,352	1,256,560	(1,546,083)	1,469,829
Pension reserve	(72,016)	-	44,394	(27,622)
Total unrestricted funds	1,687,336	1,256,560	(1,501,689)	1,442,207
Total funds	1,687,336	1,256,560	(1,501,689)	1,442,207

20. Analysis of changes in net debt

	At 1 April 2024	Cash flows	At 31 March 2025
Cash	1,123,414	(576,321)	547,093
Loans falling due within 1 year	(26,188)	(224)	(26,412)
Loans falling due after 1 year	(738,997)	22,976	(716,021)
	358,229	(553,569)	(195,340)

Worcester YMCA

Notes to the financial statements

For the year ended 31 March 2025

21. Provisions for liabilities: defined benefit pension scheme deficit contribution liability		
Group and charity	2025	2024
	£	£
Present value of provision	18,773	27,622

Reconciliation of opening and closing provisions

	2025	2024
	£	£
Provision at the start of the year	27,622	72,016
Deficit contributions paid	(8,937)	(12,528)
Unwinding of the discount factor (interest expense)	916	3,457
Impact of change in the rate of discount	(828)	-
Impact of reduction to repayment period	-	(35,323)
Provision at the end of the year	18,773	27,622

Assumptions

	2025	2024
	£	£
Rate of discount	5.60%	4.80%

The discount rates shown above are the equivalent single discount rates which, when used to discount future recovery plan contributions due, would give the same results as using the pwc pension accounting trends median figure to discount the same recovery plan contributions.

Worcester YMCA 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 Worcester YMCA 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 RPI capped at 5% p.a.), and the average life expectancy from normal retirement age (of 65) for a current male pensioner of 21.5 years, female 24.0 years, and 23.1 years for a male pensioner, female 25.7 years, retiring in 20 years' time. The result of the valuation showed that the actuarial value of the assets was £103.1m, which 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.

Worcester YMCA

Notes to the financial statements

For the year ended 31 March 2025

21. Provisions for liabilities: defined benefit pension scheme deficit contribution liability (continued)

The valuation prepared as at 1 May 2023 showed that the YMCA Pension Plan had a deficit of £9.1 million. Worcester YMCA has been advised that it will need to make monthly contributions of £9,642 from 1 May 2024. 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 5.6% (2024: 4.8%). The current recovery period is 3 years commencing 1 May 2024.

22. Operating lease commitments

The group and charity had operating leases at the year end with total future minimum lease payments as follows:

	The group		The charity	
	2025	2024	2025	2024
	£	£	£	£
Amount falling due:				
Within 1 year	8,000	8,000	8,000	8,000
Within 1 - 5 years	32,000	32,000	32,000	32,000
Over 5 years	157,333	165,333	157,333	165,333
	<u>197,333</u>	<u>205,333</u>	<u>197,333</u>	<u>205,333</u>

23. Financial instruments at fair value

	The group		The charity	
	2025	2024	2025	2024
	£	£	£	£
Financial assets measured at fair value	<u>690</u>	<u>690</u>	<u>601,533</u>	<u>579,876</u>

Financial assets measured at fair value comprise listed investments and investments in subsidiaries.

24. Related party transactions and ultimate controlling entity

The group's ultimate parent undertaking and controlling party is the Worcestershire YMCA, a registered charity in England and Wales (number: 516872) and company limited by guarantee (number: 01944516). Copies of the consolidated financial statements are available from the Charity Commission. The balance owing from the controlling party at 31 March 2025 was £747,962 (2024: £135,218). Transactions between the entities during the year have not been disclosed in accordance with section 33 of FRS 102. All trustees of the parent undertaking are trustees in common with the charity.

The charitable company has a wholly owned subsidiary undertaking called Little Treasures Limited, a registered company in England and Wales (number: 04029930). The company gifts available taxable profits to its parent undertaking. The balance owing to the charity at 31 March 2025 was £439,197 (2024: £313,893). Transactions between the entities during the year have not been disclosed in accordance with section 33 of FRS 102.

Worcester YMCA

Notes to the financial statements

For the year ended 31 March 2025

24. Related party transactions and ultimate controlling entity (continued)

The charitable company has a wholly owned subsidiary undertaking called First Class Nursery (Kidderminster) Limited, a registered company in England and Wales (number: 08887253). The company gifts available taxable profits to its parent undertaking. The balance owing to the charity at 31 March 2025 was £926,843 (2024: £959,503). Transactions between the entities during the year have not been disclosed in accordance with section 33 of FRS 102.

Lindsay Sartori, trustee, is also a director of both subsidiary undertakings.

WORCESTER YMCA

England & Wales - Charity number 1102766

Accounts

Company no. 05056873
Charity no. 1102766

Worcester YMCA
Report and Consolidated Audited
Financial Statements
31 March 2024

Worcester YMCA

Reference and administrative details

For the year ended 31 March 2024

Company number 05056873

Charity number 1102766

Registered office and operational address Gordon Anstis House
Loxley Close
Redditch
B98 9JS

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Lindsay Sartori	Chair
Melanie Braden	appointed 17 July 2023
Emma Cartwright	
Michael Higley	resigned 17 July 2023
Simon Hill	resigned 18 March 2024
Rev Gail Rogers	appointed 17 July 2023
Rev Michael Sermon	appointed 20 November 2023
Philip Smiglarski	appointed 18 March 2024

Chief executive officer Annette Daly

Company secretary Annette Daly

Bankers Unity Trust Bank plc
Nine Bridley Place
Birmingham
B1 2HB

Solicitors MFG Solicitors LLP
Adam House
Birmingham Road
Kidderminster
Worcestershire
DY10 2SH

Auditors Godfrey Wilson Limited
Chartered accountants and statutory auditors
5th Floor Mariner House
62 Prince Street
Bristol
BS1 4QD

Worcester YMCA

Report of the trustees

For the year ended 31 March 2024

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice - Accounting and Reporting by Charities (effective from January 2019).

Structure, governance and management

Constitution

The Charity is a charitable company limited by guarantee and not having a share capital, with members required to contribute up to a maximum of £1 each should there be a deficiency on winding up. The Charity is governed by its Articles of Association.

Organisational structure

The Charity is governed by its board of volunteer trustee directors, responsible for overseeing strategy and policy, approving annual budgets & accounts, who work in conjunction with the senior executive staff who recommend strategy, policy and exercise operational management. They hold at least four meetings per annum to consider business and progress against agreed plans plus hold strategic discussions and consider future work and direction. On appointment trustees receive induction including Charity Commission guidance. Attendance at meetings, interests and skills are monitored and reviewed annually. The YMCA movement offers support, development and benchmarking information. Codes of Governance and Conduct have been adopted.

The Charity is part of the worldwide YMCA movement and is affiliated to the National Council of YMCAs in England and Wales and through them to the World Council of YMCAs. It receives no funds from either the National Council or the World Council but pays an affiliation fee to the National Council of YMCAs.

The Charity has two wholly owned subsidiary undertakings Little Treasures Limited and First Class Nursery (Kidderminster) Limited, which both operate nurseries and contribute to the overall objectives and activities of the group. The Charity itself is also a subsidiary of another charity, YMCA Worcestershire Limited.

The Board of Trustees oversees and endorses or challenges the short and medium term strategies recommended by the senior executive staff. The Board of Trustees aims to ensure the long term interests of the Charity are not adversely affected by decisions taken in the medium term and ensures the ethos and values of the Charity are maintained.

The day-to-day control of the Charity's operations is exercised by the senior management team made up of the Chief Executive, Head of Housing and Support, Head of Business Development, Head of HR and Head of Finance. The senior management team attends Trustees' meetings. In setting the salaries of the senior management team the Board of Trustees considers charity benchmark information and that from other appropriate organisations within the YMCA movement.

The Charity is organised so that those for whom activities are provided and key stakeholders are involved in the design, monitoring and evaluation of that provision; clear access to senior management and the trustees is integral to the structure and is part of our engagement process.

Worcester YMCA

Report of the trustees

For the year ended 31 March 2024

Recruitment and appointment to the Board of Trustees

The Board of Trustees consists of up to fifteen elected members who are appointed for a three-year term, but who may stand for re-election at the end thereof up to a total of two further terms. Trustees who are co-opted during the year are appointed up until the next Annual General Meeting when they are eligible for election. Trustees are elected by the Members of the Charity at the Annual General Meeting. Worcestershire YMCA Limited is the sole member of Worcester YMCA.

All Board members acknowledge their commitment to the Christian ethos of the Charity.

The Directors of the company are also charity trustees for the purposes of charity law and throughout this report are collectively referred to as the Trustees. Trustees give their time voluntarily and receive no benefits from the charity in respect of this commitment. Any expenses reclaimed from the charity or payments made to them are set out in the notes to the accounts.

It is the aim of the Trustees to have the Board of Trustees primarily made up of individuals from the community it serves and simultaneously achieve a rich diversity of perspectives and experience, competent to oversee the operations of the Charity. The Trustees seek to recruit new members accordingly. The perspectives, experience and skills of individual Trustees are considered to ensure a balance across the Board of Trustees. Potential Trustees are made aware of the aims and purposes of the YMCA Movement and must indicate their desire to join the Movement and accept the responsibilities involved.

Trustee induction and training

As part of their induction programme, new Trustees are provided with a welcome pack including copies of literature produced by the Charity Commission and the YMCA Movement, including the YMCA Code of Governance. Background information relating to the Charity including copies of the Articles of Association, latest financial information, copies of minutes and policies are included in the welcome pack. The Board of Trustees schedule four meetings per annum for ordinary business plus meetings to consider the work of the Charity and future direction.

As part of the YMCA Movement, Trustees have access to its trustee development programme and training, support and benchmarking information. The Board of Trustees undertakes periodic background and skills audits and as a result identifies certain characteristics it will require of future members. Attendance at Trustees' meetings is monitored.

The Charity works in partnership with other organisations, funders and commissioners that are compatible with its ethos and values.

Code of governance

The Charity's Board of Trustees has adopted the National YMCA Code of Governance based on the National Housing Federation's Code of Governance.

Corporate governance - internal financial control

The Board of Trustees acknowledges its 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;
- maintenance of proper accounting records; and
- safeguarding of assets against unauthorised use or disposal.

Worcester YMCA

Report of the trustees

For the year ended 31 March 2024

The Board of Trustees receives and reviews regular reports from management and from the external auditors to provide reasonable assurance that control procedures are in place and are being followed.

Formal procedures have been established for instituting the appropriate action to correct weaknesses identified from the above reports.

It is the Trustees' responsibility to establish and maintain systems of internal financial control. Such systems can only provide reasonable and not absolute assurance against financial misstatement or loss. Key elements include ensuring that:

- formal policies and procedures are in place, including the documentation of key systems and rules relating to the 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;
- annual appraisal procedures have been established to maintain standards of performance;
- forecasts and budgets are prepared which allow the Trustees and management to monitor the key 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; and
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Trustees and others.

Principal risks and uncertainties and risk management

The Charity maintains a risk register covering governance, operational, financial, external and compliance risks. The Board of Trustees receives and reviews regular reports from management including major risks facing the Charity and action taken to reduce or mitigate the effects of those risks.

Risk	Mitigation and further actions to be taken
Governance - loss of key staff	Trustees continue to act as champions for each area of policy, policies are reviewed regularly, skills and role descriptions are identified, a training matrix identifies skills gaps, training is budgeted and undertaken, the strategic plan is approved by the Board of Trustees, appraisals are conducted regularly.
Operational – project / service development	The charity has adopted models to demonstrate how and why new and existing projects are in line with charitable objects and to better define and communicate our activities. To continue to enhance development of new plans in line with objects.
Financial - dependency on limited income sources	Strategic plans aim to change the mix of income and the provision of services that are less dependent on Government policy. Specific opportunities identified. Further action: Review strategic plan in line with income dependencies. Realise opportunities identified and monitor success of diversification plans and organisational capability to ensure they match future requirements.
Environmental or external factors - changing	Networking and lobbying to minimize adverse policy changes and their effects. Regular market scanning. Members of YMCA policy groups and relevant local groups. Further action: Engage a wider audience particularly potential service users in the provision of data and case studies for influencing policy and ensure other initiatives in diversification are coordinated. Conduct research with target audiences.

Worcester YMCA

Report of the trustees

For the year ended 31 March 2024

Compliance - diversification of activities	Systems to ensure compliance with legislation, regulation and reporting are robust. Further action: identify and monitor the effect on existing compliance of diversifying activity and consider any new compliance such diversification will introduce.
--	--

Financial review

Reserves

The Charity makes adequate provision, by way of financial reserves, to enable the discharge of statutory and contractual obligations and to support continuity of business in the face of potential risks.

The Board of Trustees considers there are sufficient assets to meet obligations as they arise. Net current assets of the group are £1,105,592 (2023: £1,168,996) and total funds and reserves are £1,442,207 (2023: £1,687,336).

The overall funds of the group have decreased as a consequence of a group deficit of £245,129 (2023: £372,841) arising from operational expenditure exceeding income in the year under review. It should be noted that central costs have not been apportioned between YMCA Worcestershire Limited and the Charity for operational reasons.

The Charity and group does not trade for profit, but plans for income to exceed expenditure each year, ensuring a margin of safety to manage the unexpected, its Articles of Association prevent the distribution of reserves, which are instead applied to further the charity's aims and objectives.

The Board of Trustees has reviewed its reserves policy and the designation of reserves. The policy is to aim to maintain funds in reserves at least sufficient to fund 2 months total expenditure, being £250,282, to cover the eventuality of a material decline in incoming resources and to hold at least half of that amount in cash at bank.

Free reserves are traditionally calculated as net assets, £1,442,207, less restricted funds, £nil, less fixed assets, £1,103,234, which amount to a surplus of £338,973. However, the nature of the Charity means adjustment should be made for long term liabilities which are secured against the housing properties in fixed assets, £738,997. By that calculation, the adjusted free reserves are £1,077,970. Therefore, the adjusted free reserves exceed the reserves target by £827,688. Free reserves have been built up from operating surpluses over several years such that free reserves exceed the minimum required by the reserves policy. The Charity plans to hold and build upon free reserves to support continuity of activity in the face of potential risks. The Board of Trustees will regularly review this policy having regard to the changing financial, regulatory and competitive environment in which the charity operates.

Pension deficit

As explained in note 21, Worcester YMCA participated in a contributory pension plan providing defined benefits based on final pensionable pay for employees of YMCAs in England, Scotland and Wales. At 31 March 2024, the pension deficit for the Charity and the group was £27,622 (2023: £72,016) as shown on the balance sheet. A corresponding pension deficit reserve is also held on the balance sheet.

Worcester YMCA

Report of the trustees

For the year ended 31 March 2024

Worcester YMCA 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, 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 the 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.

Worcester YMCA 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. Further details are included in the note 21 of the financial statements and accounting policy 1)u).

A valuation prepared as at 1 May 2020 showed that the YMCA Pension Plan had a deficit of £39 million. Worcester YMCA was advised that it would need to make contributions of £12,528 per annum from 1 May 2023, increasing by 3% per annum for each subsequent year. At 31 March 2023, the recovery period was 6 years commencing 1 May 2023. After the 2023 year-end, a three-year valuation was completed as at 1 May 2023. That valuation showed that the YMCA Pension Plan had reduced to a deficit of £9.1 million. Worcester YMCA has been advised to reduce its contributions to £9,642 per annum from 1 May 2024, with no uplift in subsequent years, for a reduced recovery period of 3 years commencing 1 May 2024.

Fundraising

The Charity does not seek to raise funds from the public and therefore has nothing to report on its fundraising approach and standards.

Employment of disabled persons

The Charity operates an equal opportunities employment policy and is committed to be a Disability Employer.

Objects and activities

As a Christian charity committed to helping people, especially the young, particularly at times of need, without discrimination, our faith calls us to stand alongside people on their personal journey, and help them develop in body, mind and spirit.

Worcester YMCA

Report of the trustees

For the year ended 31 March 2024

Accordingly, demonstrating our Christian faith and sharing it through social action we are active in working towards our vision of transforming communities so that all young people truly belong, contribute and thrive. We aim to be recognised as the leading provider of activities which inspire transformation. The Charity's objects and principal activities are to:

- relieve or assist in the relief of persons of all ages who are in conditions of need, hardship or distress by reason of their social, physical or economic circumstances;
- to provide or assist in the provision of education for persons of all ages with the object of developing their physical, mental or spiritual capacities;
- 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;
- lead young people to the Lord Jesus Christ and to fullness of life in Him;
- provide residential accommodation for persons of all ages who are in need, hardship or distress by reason of their social physical or economic circumstances; and
- 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.

Our aims mean we work with others to deliver activities through which all young people can be offered the opportunity to develop in body, mind and spirit so they have hope of experiencing life in all its fullness.

Achievements and performance

The key elements of our medium to long-term strategy are:

Build on the strength of YMCA's Early Years presence across the County; Provide opportunities that prepare young people, including the marginalised, for adult life and the world of work through positive activities, alternative curriculum, employability skills, health and wellbeing, volunteering, community and family engagement, and targeted mentoring support. In addition, we will work with churches and other Christian organisations to deliver high quality youth work and opportunities for religious education. With the global YMCA movement, we will provide wider opportunities for young people, to improve outcomes.

We measure the success of the strategy:

Annually, prior to the commencement of the financial year, when plans are produced as part of our budgetary cycle. These are submitted to the Board of Trustees for approval by the beginning of the year. During the year, the senior management meet regularly to monitor performance in both financial and non-financial terms.

Progress is reported and variances explained to Board of Trustees throughout the year. An annual review is conducted by the Trustees and senior management and an Annual General Meeting is also held and a report presented by the Trustees and senior management to members.

Review of activities

Working from our own centres and accommodation units of other organisations, we provide preschool nurseries, youth work including the support of young people towards independent living, 'move on' accommodation and support for vulnerable adults.

Worcester YMCA

Report of the trustees

For the year ended 31 March 2024

The two most significant charitable activities contributing to the achievement of our objectives in the year were:

Residential Accommodation; and
Children and Youth Services.

During the year we continued our work in providing 14 units of accommodation and support to young and vulnerable people in the city.

Further analysis of the income and expenditure on operations can be found in notes 2 to 8 inclusive to the financial statements.

Strategy: Build on the strength of YMCA's Early Years and families presence across the County, work with older children and partnership working. We will work in partnership with others to improve health of mothers and their babies and work with older children and their families to make them better informed and benefit from their knowledge to improve their lives.

Provide opportunities that prepare young adults, including the marginalised, for adult life and the world of work through positive activities, employability skills, health and wellbeing, volunteering, community and family engagement, and targeted mentoring support. In addition, we will work with churches and other Christian organisations to deliver high quality youth work and opportunities for religious education. With the global YMCA movement, we will provide wider opportunities for young people, to improve outcomes.

Housing and Support

We offer 14 units of accommodation for young people aged 18-35 in training, education or employment. This has enabled Worcester YMCA to provide quality social housing accommodation at affordable rents in the city at a time of high housing demand and high rents within the private sector. This means our residents can maintain employment and training. We continue to find ways to enhance our offer for residents through sourcing any relevant partners or networks who can assist in the short and medium terms to help them sustain their tenancies and move on when appropriate.

Nurseries

The Charity's trading subsidiaries, First Class Nursery (Kidderminster) Limited and Little Treasures Limited have continued their work in providing excellent care and development to young people to a very high standard in what is an ever changing and very challenging market environment. The nurseries enhance our provision across the group and contribute to the diversification of income sources.

A curriculum statement of intent provides a framework for setting out the aims of a programme of education, including the knowledge and skills gained at each stage, developing a framework over time into a structure and narrative. In line with the organisation's objectives, our statement enables children to live life to its fullest by offering stimulating learning experiences with Christian values at its heart. Our nurseries develop children's spiritual, social, moral and cultural understanding. They provide a holistic curriculum that fosters lifelong learning. The nurseries have created learning environments that build upon children, prior learning experiences and are tailor made for the families we support. All nurseries follow the curriculum set in line with Government guidance for the education sector.

Worcester YMCA

Report of the trustees

For the year ended 31 March 2024

Value for money

Value for money forms part of our sustained service strategy. The consolidation of activities across the group continues to present opportunities to increase value for money and dilute costs over a broader base.

Public benefit

The Board of Trustees has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charitable company's aims and objectives and in planning future activities. In particular, the Trustees have considered how planned activities will contribute to the aims and objectives set.

Communities and particularly young people within the County of Worcestershire benefit from our work.

We work with parents of children, children, young people and vulnerable adults. Our activities include affordable flexible childcare; work with school age children outside school throughout the year; work with young people and adults in formal and informal education, leisure activities including health and wellbeing and in support towards independent living. We engage in preventative work and offer residential accommodation.

We recognise the importance of responding to the needs of the community and allowing them to influence the charitable company's developments.

We consult with participants in our activities, potential participants and partner organisations. Consultation takes place through a variety of routes including formal surveys, one to one sessions and informal meetings. We aim to continuously improve our services, responding to comments and complaints made by people who participate in our activities. Informal comments are dealt with by the management of the particular delivery arm of the Charity. Formal issues may be raised in accordance with our service delivery policies and procedures and will be reported to the Board of Trustees. Services are regularly reviewed against current developments in recommended practice and guidelines issued by regulatory and similar bodies.

Plans for future periods

Our assessment of performance in the year is used to inform our medium to long term strategy. Our objects remain relevant and appropriate. We have engaged with staff more widely to assist in the short to medium term plans for the organisation as it deals with consolidating activities in the face of reduced public spending. The organisation has begun to invest in its infrastructure to ensure a comprehensive and cohesive offer can be made to more potential beneficiaries.

Statement of responsibilities of the trustees

The trustees (who are also directors of the charity for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Worcester YMCA

Report of the trustees

For the year ended 31 March 2024

The trustees are required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and the group and the incoming resources and application of resources, including the net income or expenditure, of the charity and the group for the year. In preparing those financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and the group and which enable them to ensure that the financial statements comply with the Companies Act 2006. The trustees are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

Godfrey Wilson Limited were appointed as auditors to the group and parent charity during the year and have expressed their willingness to continue in that capacity.

Approved by the trustees on 30 September 2024 and signed on their behalf by



Lindsay Sartori - Chair

Independent auditors' report

To the members of

Worcester YMCA

Opinion

We have audited the financial statements of Worcester YMCA (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 March 2024 which comprise the consolidated statement of financial activities, consolidated and parent charity balance sheets, consolidated statement of cash flows and the related 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 the 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 and parent charity's affairs as at 31 March 2024 and of the group's 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.

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 and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 6 to the financial statements, 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 and parent charity'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. 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.

Independent auditors' report

To the members of

Worcester YMCA

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.

Opinion 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' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' 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 parent charity and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' 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 charity, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charity 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out in the trustees' report, the trustees 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 they 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 and the parent charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report

To the members of

Worcester YMCA

Our 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 procedures we carried out and the extent to which they are capable of detecting irregularities, including fraud, are detailed below:

- (1) We obtained an understanding of the legal and regulatory framework that the charity operates in, and assessed the risk of non-compliance with applicable laws and regulations. Throughout the audit, we remained alert to possible indications of non-compliance.
- (2) We reviewed the charity's policies and procedures in relation to:
 - Identifying, evaluating and complying with laws and regulations, and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risk of fraud, and whether they were aware of any actual, suspected or alleged fraud; and
 - Designing and implementing internal controls to mitigate the risk of non-compliance with laws and regulations, including fraud.
- (3) We inspected the minutes of trustee meetings.
- (4) We enquired about any non-routine communication with regulators and reviewed any reports made to them.
- (5) We reviewed the financial statement disclosures and assessed their compliance with applicable laws and regulations.
- (6) We performed analytical procedures to identify any unusual or unexpected transactions or balances that may indicate a risk of material fraud or error.
- (7) We assessed the risk of fraud through management override of controls and carried out procedures to address this risk. Our procedures included:
 - Testing the appropriateness of journal entries;
 - Assessing judgements and accounting estimates for potential bias;
 - Reviewing related party transactions; and
 - Testing transactions that are unusual or outside the normal course of business.

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. Irregularities that arise due to fraud can be even harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Independent auditors' report

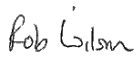
To the members of

Worcester YMCA

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 charity'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 charity'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 charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Date: 30 September 2024

Robert Wilson FCA
(Senior Statutory Auditor)

For and on behalf of:

GODFREY WILSON LIMITED

Chartered accountants and statutory auditors
5th Floor Mariner House
62 Prince Street
Bristol
BS1 4QD

Worcester YMCA

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2024

		Unrestricted	2024 Total	Restated 2023 Total
	Note	£	£	£
Income from:				
Donations	2	89,359	89,359	750
Charitable activities	3	77,499	77,499	72,039
Other trading activities	4	1,089,702	1,089,702	1,006,691
Total income		<u>1,256,560</u>	<u>1,256,560</u>	<u>1,079,480</u>
Expenditure on:				
Raising funds		1,092,001	1,092,001	916,008
Charitable activities		409,688	409,688	536,313
Total expenditure	5	<u>1,501,689</u>	<u>1,501,689</u>	<u>1,452,321</u>
Net expenditure and net movement in funds	6	(245,129)	(245,129)	(372,841)
Reconciliation of funds:				
Total funds brought forward		<u>1,687,336</u>	<u>1,687,336</u>	<u>2,060,177</u>
Total funds carried forward		<u><u>1,442,207</u></u>	<u><u>1,442,207</u></u>	<u><u>1,687,336</u></u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 19 to the accounts.

All income and expenditure in the prior period related to unrestricted funds.

Prior period expenditure, tangible fixed assets, intangible fixed assets and investments have been reclassified to reflect the requirements of the Charities SORP (FRS 102) and to be comparable with the current year. The restatements to tangible fixed assets, intangible fixed assets and investments are disclosed in note 25.

Worcester YMCA

Consolidated balance sheets

As at 31 March 2024

	Note(s)	The group 2024 £	Restated The group 2023 £	The charity 2024 £	Restated The charity 2023 £
Fixed assets					
Intangible assets	9	19,466	228,702	19,466	218,952
Tangible assets	10	1,083,078	1,114,035	482,625	500,906
Investments	11, 12, 13	690	690	579,876	617,020
		<u>1,103,234</u>	<u>1,343,427</u>	<u>1,081,967</u>	<u>1,336,878</u>
Current assets					
Debtors	14	238,047	513,019	1,444,528	1,571,653
Cash at bank and in hand		<u>1,123,414</u>	<u>932,715</u>	<u>81,898</u>	<u>24,502</u>
		1,361,461	1,445,734	1,526,426	1,596,155
Liabilities					
Creditors: amounts falling due within 1 year	15	<u>(255,869)</u>	<u>(276,738)</u>	<u>(64,842)</u>	<u>(80,678)</u>
Net current assets		<u>1,105,592</u>	<u>1,168,996</u>	<u>1,461,584</u>	<u>1,515,477</u>
Total assets less current liabilities		2,208,826	2,512,423	2,543,551	2,852,355
Creditors: amounts falling due after more than 1 year	17	(738,997)	(753,071)	(738,997)	(753,071)
Defined benefit pension provision	21	<u>(27,622)</u>	<u>(72,016)</u>	<u>(27,622)</u>	<u>(72,016)</u>
Net assets	18	<u><u>1,442,207</u></u>	<u><u>1,687,336</u></u>	<u><u>1,776,932</u></u>	<u><u>2,027,268</u></u>
Funds					
Unrestricted funds	19				
Pension reserve		(27,622)	(72,016)	(27,622)	(72,016)
General funds		<u>1,469,829</u>	<u>1,759,352</u>	<u>1,804,554</u>	<u>2,099,284</u>
Total charity funds		<u><u>1,442,207</u></u>	<u><u>1,687,336</u></u>	<u><u>1,776,932</u></u>	<u><u>2,027,268</u></u>

These accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the trustees on 30 September 2024 and signed on their behalf by



Lindsay Sartori - Trustee

Worcester YMCA**Consolidated statement of cash flows****For the year ended 31 March 2024**

	2024	Restated
	£	2023
		£
Cash flows from operating activities		
Net movement in funds	(245,129)	(372,841)
Adjustments for:		
Loan interest paid	50,049	23,859
Depreciation charges	30,957	39,808
Amortisation charges	209,236	208,486
Decrease / (increase) in debtors	274,972	176,437
Increase / (decrease) in creditors	(34,943)	63,758
Increase / (decrease) in provision	(44,394)	(13,879)
Net cash provided by operating activities	240,748	125,628
Cash flows from investing activities:		
Purchase of tangible fixed assets	-	(2,384)
Net cash used in investing activities	-	(2,384)
Cash flows from financing activities:		
Loan interest paid	(50,049)	(23,859)
Net cash used in financing activities	(50,049)	(23,859)
Increase in cash and cash equivalents in the year	190,699	99,385
Cash and cash equivalents at the beginning of the year	932,715	833,330
Cash and cash equivalents at the end of the year	1,123,414	932,715

Analysis of net changes in debt are given in note 20.

Worcester YMCA

Notes to the financial statements

For the year ended 31 March 2024

1. Accounting policies

a) General information and basis of preparation

Worcester YMCA a charitable company limited by guarantee registered in England and Wales. The registered office address is Gordon Anstis House, Loxley Close, Redditch, B98 9JS.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities in preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

b) Group accounts

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiaries on a line by line basis. Transactions and balances between the charitable company and its subsidiaries have been eliminated from the consolidated financial statements. Balances between group companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

c) Going concern basis of accounting

The accounts have been prepared on the assumption that the charity is able to continue as a going concern, which the trustees consider appropriate having regard to the current level of unrestricted reserves. There are no material uncertainties about the charity's ability to continue as a going concern.

d) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from the government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of provision of childcare services is deferred until criteria for income recognition are met.

Worcester YMCA

Notes to the financial statements

For the year ended 31 March 2024

1. Accounting policies (continued)

e) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item, is probable and the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity: this is normally upon notification of the interest paid or payable by the bank.

g) Funds accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particularly areas of the charity's work or for specific projects being undertaken by the charity.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Governance costs are the costs associated with the governance arrangements of the charity, including the costs of complying with constitutional and statutory requirements and any costs associated with the strategic management of the charity's activities. These costs have been allocated in full to charitable activities.

j) Tangible fixed assets

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Freehold buildings	10 to 50 years
Fixtures and fittings	20% straight line
Computer equipment	20% straight line
Motor vehicles	25% straight line

Items of equipment are capitalised where the purchase price exceeds £1,000.

Worcester YMCA

Notes to the financial statements

For the year ended 31 March 2024

1. Accounting policies (continued)

k) Intangible fixed assets

Intangible fixed assets are amortised at rates calculated to write off the assets on a straight line basis over their estimated useful economic lives. Impairment of intangible assets is reviewed where circumstances indicate that the carrying value of an assets may not be fully recoverable. Amortisation is provided at the following rates:

Goodwill	5 years straight line
----------	-----------------------

Previously intangible fixed assets were amortised over 10 years straight line.

l) Investments in subsidiaries

The charitable company has two wholly owned subsidiaries, Little Treasures Limited, registered company number 04029930 and First Class Nursery (Kidderminster) Limited, registered company number 08887253. The subsidiaries are used for non-primary purpose trading activities. The subsidiary undertakings are valued at their net asset value less any cumulative impairment losses in the charitable company's accounts. Any gain or loss, whether realised or unrealised, is taken to the Statement of Financial Activities.

m) Listed investments

Listed investments traded on a recognised stock exchange are stated at fair value at the reporting date, which is deemed to be their market value. Any gain or loss, whether realised or unrealised, is taken to the Statement of Financial Activities.

n) Debtors

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

o) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

p) Creditors

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

q) Provisions

A provision is recognised in the balance sheet when the charity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Worcester YMCA

Notes to the financial statements

For the year ended 31 March 2024

1. Accounting policies (continued)

r) Financial instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently recognised at amortised cost using the effective interest method.

s) Operating leases

Rentals paid under operating leases are charged to the statement of financial activities as they fall due.

t) Pension costs

The company operates a defined contribution pension scheme for its employees. There are no further liabilities other than that already recognised in the SOFA.

u) Defined benefit pension scheme

Worcester YMCA 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 Worcester YMCA.

As described in note 21 Worcester YMCA has a contractual obligation to make pension deficit payments of £9,642 pa over the period to April 2027 (2023: £12,528 pa to April 2029), accordingly this is shown as a liability in these accounts. In addition, Worcester YMCA is required to contribute £3,073 pa (2023: 2,968) to the operating expenses of the Pension Plan and these costs are charged to the Statement of Comprehensive Income as made.

v) Accounting estimates and key judgements

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

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

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are depreciation, amortisation, deferred income and defined benefit pension scheme deficit provision as described in notes 1j, 1k, 1d and 1u respectively above.

Worcester YMCA

Notes to the financial statements

For the year ended 31 March 2024

2. Income from donations

	Restricted £	Unrestricted £	2024 Total £	2023 Total £
Grants	-	89,359	89,359	750
Total income from donations	-	89,359	89,359	750

In the prior period all income from donations was unrestricted.

No government grants were received in the current year or prior year.

3. Income from charitable activities

	Restricted £	Unrestricted £	2024 Total £	2023 Total £
General needs housing	-	77,499	77,499	72,039

In the prior period all income from charitable activities was unrestricted.

4. Income from other trading activities

	Restricted £	Unrestricted £	2024 Total £	2023 Total £
Nursery income	-	1,089,702	1,089,702	1,006,691

In the prior period all income from other trading activities was unrestricted.

Worcester YMCA

Notes to the financial statements

For the year ended 31 March 2024

5. Total expenditure

	Raising funds - cost of trading subsidiaries £	Charitable activities £	Support and governance costs £	2024 Total £
Staff costs (note 7)	881,002	102,525	-	983,527
Other staff costs	20,387	-	-	20,387
Premises costs	-	31,408	-	31,408
Vehicle costs	-	764	-	764
Other direct costs	78,796	106	-	78,902
Office expenses	55,027	-	8,398	63,425
Repairs and maintenance	18,499	-	-	18,499
Depreciation and amortisation	22,427	-	217,767	240,194
Loan interest	-	-	50,049	50,049
Audit and accountancy fees	16,200	-	10,613	26,813
Pension deficit	-	-	(28,898)	(28,898)
Bad debt provision movement	63	-	16,956	17,019
Corporation tax	(400)	-	-	(400)
Sub-total	1,092,001	134,803	274,885	1,501,689
Allocation of support and governance costs	-	274,885	(274,885)	-
Total expenditure	1,092,001	409,688	-	1,501,689

Total governance costs were £25,200 (2023: £32,580)

Worcester YMCA

Notes to the financial statements

For the year ended 31 March 2024

5. Total expenditure

Prior period comparative

	Raising funds - cost of trading subsidiaries £	Charitable activities £	Support and governance costs £	Restated 2023 Total £
Staff costs (note 7)	713,487	221,233	-	934,720
Other staff costs	992	571	-	1,563
Premises costs	-	26,932	-	26,932
Vehicle costs	-	378	-	378
Other direct costs	70,938	-	-	70,938
Office expenses	47,606	-	13,066	60,672
Repairs and maintenance	21,525	-	-	21,525
Depreciation and amortisation	27,791	-	220,502	248,293
Loan interest	-	-	23,859	23,859
Audit and accountancy fees	21,622	-	11,123	32,745
Pension deficit	-	-	13,879	13,879
Bad debt provision movement	9,511	-	4,770	14,281
Corporation tax	2,536	-	-	2,536
Sub-total	916,008	249,114	287,199	1,452,321
Allocation of support and governance costs	-	287,199	(287,199)	-
Total expenditure	<u>916,008</u>	<u>536,313</u>	<u>-</u>	<u>1,452,321</u>

Worcester YMCA

Notes to the financial statements

For the year ended 31 March 2024

6. Net movement in funds

This is stated after charging:

	2024 £	Restated 2023 £
Depreciation	30,957	39,808
Amortisation	209,236	208,486
Operating lease payments	8,000	8,240
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	Nil	Nil
Auditors' examiner's remuneration:		
▪ Statutory audit (excluding VAT)	21,000	27,150
▪ Other services (excluding VAT)	-	2,709

In common with other charities of our size and nature we use our auditors to assist with the preparation of the financial statements and to prepare and submit returns to the tax authorities.

7. Staff costs and numbers

Staff costs were as follows:

	2024 £	Restated 2023 £
Salaries and wages	906,365	826,518
Social security costs	55,663	52,819
Pension costs	21,499	55,383
	<u>983,527</u>	<u>934,720</u>

No employee earned more than £60,000 during the year or prior year.

The key management personnel of the charitable company comprise of staff employed by the parent charity only. Therefore, there are no key management personnel costs in the year or prior year.

	2024 No.	2023 No.
Average headcount	<u>54</u>	<u>53</u>

8. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The subsidiary companies distribute any profits to the charity and therefore no corporation tax is payable.

Worcester YMCA

Notes to the financial statements

For the year ended 31 March 2024

9. Intangible fixed assets

	Group Goodwill £	Charity Goodwill £
Cost		
At 1 April 2023 restated	1,087,428	997,428
Additions in year	-	-
At 31 March 2024	1,087,428	997,428
Amortisation		
At 1 April 2023 restated	(858,726)	(778,476)
Charge for the year	(209,236)	(199,486)
At 31 March 2024	(1,067,962)	(977,962)
Net book value At 31 March 2024	19,466	19,466
At 31 March 2023 restated	228,702	218,952

10. Tangible fixed assets

Group	Computer and other equipment £	Motor vehicles £	Land and buildings £	Total £
Cost				
At 1 April 2023 restated	86,981	10,788	1,251,800	1,349,569
Additions in year	-	-	-	-
At 31 March 2024	86,981	10,788	1,251,800	1,349,569
Depreciation				
At 1 April 2023 restated	(84,629)	(10,788)	(140,117)	(235,534)
Charge for the year	(357)	-	(30,600)	(30,957)
At 31 March 2024	(84,986)	(10,788)	(170,717)	(266,491)
Net book value At 31 March 2024	1,995	-	1,081,083	1,083,078
At 31 March 2023 restated	2,352	-	1,111,683	1,114,035

Worcester YMCA

Notes to the financial statements

For the year ended 31 March 2024

10. Tangible fixed assets (continued)

Charity	Computer and other equipment £	Motor vehicles £	Land and buildings £	Total £
Cost				
At 1 April 2023 restated	5,596	10,788	585,000	601,384
Additions in year	-	-	-	-
At 31 March 2024	<u>5,596</u>	<u>10,788</u>	<u>585,000</u>	<u>601,384</u>
Depreciation				
At 1 April 2023 restated	(5,596)	(10,788)	(84,094)	(100,478)
Charge for the year	-	-	(18,281)	(18,281)
At 31 March 2024	<u>(5,596)</u>	<u>(10,788)</u>	<u>(102,375)</u>	<u>(118,759)</u>
Net book value				
At 31 March 2024	<u>-</u>	<u>-</u>	<u>482,625</u>	<u>482,625</u>
At 31 March 2023 restated	<u>-</u>	<u>-</u>	<u>500,906</u>	<u>500,906</u>

11. Investments

	The group		The charity	
	2024	Restated 2023	2024	Restated 2023
	£	£	£	£
COIF charities investment	690	690	690	690
Investment in subsidiaries	-	-	579,186	616,330
Market value at 31 March 2024	<u>690</u>	<u>690</u>	<u>579,876</u>	<u>617,020</u>

	2024	Restated 2023
	£	£
Investment in subsidiaries - charity only		
Value at 1 April 2023	616,330	453,162
Gains / (losses)	<u>(37,144)</u>	<u>163,168</u>
Value at 31 March 2024	<u>579,186</u>	<u>616,330</u>

Worcester YMCA

Notes to the financial statements

For the year ended 31 March 2024

12. Subsidiary undertakings

Little Treasures Limited

The charity owns 100% of the issued share capital of Little Treasures Limited, a company limited by shares incorporated in England and Wales (company number 04029930). Its net assets totalled £604,381 as at 31 March 2024 (2023: £621,043). Its profit for the year to 31 March 2024 was £12,976 (2023: £98,333).

The results below include a property held at revaluation and a revaluation reserve of £279,551 (2023: £284,758). At a group level the property has been restated to historic cost so that the group accounting treatment of recognising properties at cost is applied consistently.

	2024 £	Restated 2023 £
Turnover	792,372	740,519
Cost of sales	<u>(672,800)</u>	<u>(582,913)</u>
Gross profit	119,572	157,606
Other operating income		-
Administrative expenses	<u>(106,596)</u>	<u>(59,184)</u>
Operating profit	12,976	98,422
Interest receivable	<u>-</u>	<u>-</u>
Profit on ordinary activities	12,976	98,422
Corporation tax	<u>-</u>	<u>(89)</u>
Profit for financial year	<u>12,976</u>	<u>98,333</u>

Profits gift aided to the parent undertaking were £29,638 (2023: £127,799).

The aggregate of the assets, liabilities and funds was:

	2024 £	2023 £
Assets	1,172,390	1,327,818
Liabilities	<u>(568,009)</u>	<u>(706,775)</u>
Funds	<u>604,381</u>	<u>621,043</u>

Worcester YMCA

Notes to the financial statements

For the year ended 31 March 2024

12. Subsidiary undertakings (continued)

First Class Nursery (Kidderminster) Limited

The charity also owns 100% of the issued share capital of First Class Nursery (Kidderminster) Limited, a company limited by shares incorporated in England and Wales (company number 08887253). Its net liabilities totalled £25,196 as at 31 March 2024 (2023: net liabilities, £4,714). Its loss for the year to 31 March 2024 was £20,482 (2023: loss £9,604).

	2024 £	Restated 2023 £
Turnover	297,329	266,922
Cost of sales	<u>-</u>	<u>-</u>
Gross profit	297,329	266,922
Other operating income	-	-
Administrative expenses	<u>(318,211)</u>	<u>(274,079)</u>
Operating loss	(20,882)	(7,157)
Interest receivable	<u>-</u>	<u>-</u>
Loss on ordinary activities	(20,882)	(7,157)
Corporation tax	<u>400</u>	<u>(2,447)</u>
Loss for financial year	<u><u>(20,482)</u></u>	<u><u>(9,604)</u></u>
The aggregate of the assets, liabilities and funds was:		
	2024 £	2023 £
Assets	1,018,283	745,821
Liabilities	<u>(1,043,479)</u>	<u>(750,535)</u>
Funds	<u><u>(25,196)</u></u>	<u><u>(4,714)</u></u>

13. Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2024 £	2023 £
Gross income	196,497	199,839
Results for the year	<u><u>(250,336)</u></u>	<u><u>(173,306)</u></u>

Worcester YMCA

Notes to the financial statements

For the year ended 31 March 2024

14. Debtors

	The group		The charity	
	2024	2023	2024	2023
	£	£	£	£
Rental debtors	1,815	2,228	1,815	2,228
Other debtors	101,010	89,697	5,521	16,063
Corporation tax rebate due	4	-	-	-
Amounts owed by group undertakings	135,218	421,094	1,437,192	1,553,362
	<u>238,047</u>	<u>513,019</u>	<u>1,444,528</u>	<u>1,571,653</u>

15. Creditors : amounts due within 1 year

	The group		The charity	
	2024	2023	2024	2023
	£	£	£	£
Bank loans and overdrafts	26,188	21,177	26,188	21,177
Trade creditors	11,830	19,211	3,214	2,236
Other taxation and social security	32,594	36,638	-	13,001
Accruals	63,799	87,378	35,440	43,461
Deferred income (see note 16)	111,722	89,896	-	-
Corporation tax payable	-	19,612	-	-
Other creditors	9,736	2,826	-	803
	<u>255,869</u>	<u>276,738</u>	<u>64,842</u>	<u>80,678</u>

16. Deferred income

	The group	
	2024	2023
	£	£
At 1 April 2023	89,896	82,470
Deferred during the year	111,722	89,896
Released during the year	<u>(89,896)</u>	<u>(82,470)</u>
At 31 March 2024	<u>111,722</u>	<u>89,896</u>

Deferred income relates to nursery income invoiced in advance of the services being offered.

The charity had no deferred income.

Worcester YMCA

Notes to the financial statements

For the year ended 31 March 2024

17. Creditors : amounts falling due after 1 year

	The group		The charity	
	2024	2023	2024	2023
	£	£	£	£
Bank loans and overdrafts	<u>738,997</u>	<u>753,071</u>	<u>738,997</u>	<u>753,071</u>
Analysis of debt maturity	The group		The charity	
Debt due after more than one year:	2024	2023	2024	2023
	£	£	£	£
Repayable between one and two years	21,714	22,408	21,714	22,408
Repayable between two and five years	74,475	75,348	74,475	75,348
Repayable in five years or more	<u>642,808</u>	<u>655,315</u>	<u>642,808</u>	<u>655,315</u>
	<u>738,997</u>	<u>753,071</u>	<u>738,997</u>	<u>753,071</u>

There are two secured bank loans on the properties at 2 Stanley Road, Worcester, WR5 1BR and at Broomhall Grange, Norton Road, Broomhall, WR5 2PD. The loans from Unity Bank are charged at commercial rates of 1.5% above Bank of England base rate and are repayable over 25 years. The loans are secured with fixed charges over the assets of the charity, its parent, Worcestershire YMCA, and its subsidiary, Little Treasures Limited.

In the prior year the Charity had failed to meet its financial covenant under the loans in respect of the EBITDA measure. Based on communications and discussions with the bank and the understanding that sufficient funds are held by Worcestershire YMCA Limited, the ultimate parent charitable company, that could be provided to the Charity to enable it to satisfy the EBITDA measure, there is no indication that any action, beyond the issue of a reservation of rights letter, will take place. The carrying amount of the loan in breach was £774,248 at 31 March 2023.

18. Analysis of net assets between funds

All assets and liabilities are allocated to unrestricted funds in both the current and prior year.

Worcester YMCA

Notes to the financial statements

For the year ended 31 March 2024

19. Group movements in funds

	Restated At 1 April 2023 £	Profit / loss £	At 31 March 2024 £
General funds	1,759,352	(289,523)	1,469,829
Pension reserve	<u>(72,016)</u>	<u>44,394</u>	<u>(27,622)</u>
Total unrestricted funds	<u>1,687,336</u>	<u>(245,129)</u>	<u>1,442,207</u>
Total funds	<u><u>1,687,336</u></u>	<u><u>(245,129)</u></u>	<u><u>1,442,207</u></u>

Prior year comparative

	Restated At 1 April 2022 £	Profit / loss £	Restated At 31 March 2023 £
General funds	2,146,072	(386,720)	1,759,352
Pension reserve	<u>(85,895)</u>	<u>13,879</u>	<u>(72,016)</u>
Total unrestricted funds	<u>2,060,177</u>	<u>(372,841)</u>	<u>1,687,336</u>
Total funds	<u><u>2,060,177</u></u>	<u><u>(372,841)</u></u>	<u><u>1,687,336</u></u>

20. Analysis of changes in net debt

	At 1 April 2023	Cash flows	At 31 March 2024
Cash	932,715	190,699	1,123,414
Loans falling due within 1 year	(21,177)	(5,011)	(26,188)
Loans falling due after 1 year	<u>(753,071)</u>	<u>14,074</u>	<u>(738,997)</u>
	<u><u>158,467</u></u>	<u><u>199,762</u></u>	<u><u>358,229</u></u>

Worcester YMCA

Notes to the financial statements

For the year ended 31 March 2024

21. Provisions for liabilities: defined benefit pension scheme liability

Group and charity	2024 £	2023 £
Present value of provision	<u>27,622</u>	<u>72,016</u>

Reconciliation of opening and closing provisions

	2024 £	2023 £
Provision at the start of the year	72,016	85,895
Deficit contributions paid	(12,528)	(18,002)
Unwinding of the discount factor (interest expense)	3,457	4,123
Impact of reduction to repayment period	<u>(35,323)</u>	<u>-</u>
Provision at the end of the year	<u>27,622</u>	<u>72,016</u>

Assumptions

	2024 £	2023 £
Rate of discount	<u>4.80%</u>	<u>4.80%</u>

The discount rates shown above are the equivalent single discount rates which, when used to discount future recovery plan contributions due, would give the same results as using the pwc pension accounting trends median figure to discount the same recovery plan contributions.

Worcester YMCA 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 Worcester YMCA 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 RPI capped at 5% p.a.), and the average life expectancy from normal retirement age (of 65) for a current male pensioner of 21.5 years, female 24.0 years, and 23.1 years for a male pensioner, female 25.7 years, retiring in 20 years' time. The result of the valuation showed that the actuarial value of the assets was £103.1m, which 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.

Worcester YMCA

Notes to the financial statements

For the year ended 31 March 2024

21. Provisions for liabilities: defined benefit pension scheme liability (continued)

The valuation prepared as at 1 May 2020 showed that the YMCA Pension Plan had a deficit of £39 million. Worcester YMCA was advised that it would need to make contributions of £12,528 per annum from 1 May 2023, increasing by 3% per annum for each subsequent year. These amounts were based on the actuarial assumptions at 1 May 2020 (as outlined above) and it was understood that contributions may vary in the future as a result of actual performance of the Pension Plan. At 31 March 2023, agreed future deficit contributions were discounted using a rate of 4.8% (2022: 2.7%). At 31 March 2023, the recovery period was 6 years commencing 1 May 2023.

The valuation prepared as at 1 May 2023 showed that the YMCA Pension Plan had a deficit of £9.1 million. Worcester YMCA has been advised that it will need to make monthly contributions of £9,642 from 1 May 2024. 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 4.8% (2023: 4.8%). The current recovery period is 3 years commencing 1 May 2024.

22. Operating lease commitments

The group and charity had operating leases at the year end with total future minimum lease payments as follows:

	The group		The charity	
	2024	2023	2024	2023
	£	£	£	£
Amount falling due:				
Within 1 year	8,000	8,240	8,000	8,240
Within 1 - 5 years	32,000	32,000	32,000	32,000
Over 5 years	165,333	173,333	165,333	173,333
	<u>205,333</u>	<u>213,573</u>	<u>205,333</u>	<u>213,573</u>

23. Financial instruments at fair value

	The group		The charity	
	2024	2023	2024	2023
	£	£	£	£
Financial assets measured at fair value	<u>690</u>	<u>690</u>	<u>579,876</u>	<u>617,020</u>

Financial assets measured at fair value comprise listed investments and investments in subsidiaries.

24. Related party transactions

The group's ultimate parent undertaking and controlling party is the Worcestershire YMCA, a registered charity (number: 516872) and company limited by guarantee (number: 01944516). Copies of the consolidated financial statements are available from the Charity Commission. The group gifts available taxable profits to its parent undertaking. The balance owing from the controlling party at 31 March 2024 was £163,797 (2023: £439,310). Transactions between the entities during the year have not been disclosed in accordance with section 33 of FRS 102.

Worcester YMCA

Notes to the financial statements

For the year ended 31 March 2024

24. Related party transactions (continued)

All trustees of the parent undertaking are trustees in common with the charity.

The charitable company has a wholly owned subsidiary undertaking called Little Treasures Limited, a registered company in England and Wales (number: 04029930). The company gifts available taxable profits to its parent undertaking. The balance owing to the charity at 31 March 2024 was £313,893 (2023: £434,255). Transactions between the entities during the year have not been disclosed in accordance with section 33 of FRS 102.

The charitable company has a wholly owned subsidiary undertaking called First Class Nursery (Kidderminster) Limited, a registered company in England and Wales (number: 08887253). The company gifts available taxable profits to its parent undertaking. The balance owing to the charity at 31 March 2024 was £959,503 (2023: £679,798). Transactions between the entities during the year have not been disclosed in accordance with section 33 of FRS 102.

Lindsay Sartori, trustee, is also a director of both subsidiary undertakings.

25. Prior period restatement

The prior year comparatives have been restated for the treatment of goodwill and investments.

	Group £	Charity £
Funds carried forward at 31 March 2023 as previously stated	2,098,042	2,241,602
Adjustments to goodwill	(70,775)	218,952
Adjustments to investments	<u>(339,931)</u>	<u>(433,286)</u>
Funds at 31 March 2024 as restated	<u>1,687,336</u>	<u>2,027,268</u>

WORCESTER YMCA

England & Wales - Charity number 1102766

Accounts

Worcester YMCA

Part of Worcestershire YMCA Limited
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2023

WORCESTER YMCA

CONTENTS

	Page
Report of the Board	1 – 9
Report of the Auditors	10 – 13
Consolidated Statement of Financial Activities	14
Consolidated Balance Sheet	15
Statement of Cash Flows	16
Notes to financial statements	17 – 31

REPORT OF THE BOARD

The Board is pleased to present its report and audited financial statements for the year ended 31 March 2023.

Reference and administration information

Charity Name	Worcester YMCA
Charity Registration Number	1102766
Company Registration Number	05056873
Chief Executive & Company Secretary	Dr Annette Daly

Board

The Board is composed of the following individuals:

Phillip Simpson	Chair, Resigned 21 November 2022
Lindsay Sartori	Chair (from January 2023)
Mike Higley	Resigned 17 July 2023
Simon Hill	Resigned 18 March 2024
Dr Juliet Horne	Vice Chair, Resigned 18 December 2022
Emma Cartwright	Appointed 18 July 2022
Hugh Protherough	Appointed 17 May 2022 / Resigned 22 December 2022
Paul Taylor	Resigned 16 December 2022
Melanie Braden	Appointed 17 July 2023
Revd Gail Rogers	Appointed 17 July 2023
Revd Michael Sermon	Appointed 20 November 2023
Philip Smiglarski	Appointed 18 March 2024

Members of the Board are directors of the Association for the purposes of company law and trustees of the Association for the purposes of charity law.

Registered Office	Auditors	Bankers	Solicitors
Gordon Anstis House Loxley Close Redditch Worcestershire B98 9JS	Cooper Parry Group Limited Cubo Birmingham 3 rd Floor Two Chamberlain Square, Birmingham B3 3AX	Unity Trust Bank plc Nine Brindley Place Birmingham B1 2HB	MFG Solicitors LLP Adam House Birmingham Road Kidderminster Worcestershire DY10 2SH

REPORT OF THE BOARD (continued)

Structure, Governance and Management

Constitution

The Association is a charitable company limited by guarantee and not having a share capital, with members required to contribute up to a maximum of £1 each, should there be a deficiency on winding up. The Association is governed by its Articles of Association, which were reviewed by the Board in 2013.

Organisational structure

The Association is governed by its board of volunteer trustee directors, responsible for overseeing strategy and policy, approving annual budgets & accounts, who work in conjunction with the senior executive staff who recommend strategy, policy and exercise operational management. They hold five meetings per annum to consider business and progress against agreed plans plus hold strategic discussions and consider future work and direction. On appointment trustees receive induction including Charities Commission input. Attendance at meetings, interests and skills is monitored and reviewed annually. The YMCA movement offers support, development and benchmarking information. Codes of Governance and Conduct have been adopted.

The Association is part of the worldwide YMCA movement and is affiliated to the National Council of YMCAs in England and through them to the World Council of YMCAs. It receives no funds from either the National Council or the World Council, but pays an affiliation fee to the National Council of YMCAs.

The Board oversees and endorses or challenges the short and medium term strategies recommended by the senior executive staff. The Board aims to ensure the long term interests of the Association are not adversely affected by decisions taken in the medium term and ensures the ethos and values of the Association are maintained.

The day-to-day control of the Association's operations is exercised by the senior management team made up of the Chief Executive, Head of Housing and Support, Head of Business Development, Head of HR and Head of Finance. The senior management team attends Board meetings. In setting the salaries of the senior management team the Board considers benchmark information from other appropriate organisations in the YMCA movement.

The Association is organised so that those for whom activities are provided and key stakeholders are involved in the design, monitoring and evaluation of that provision; clear access to senior management and the volunteer Board is integral to the structure and is part of our engagement process.

Recruitment and appointment to the Board

The Board consists of up to fifteen elected members who are appointed for a three-year term, but who may stand for re-election at the end thereof. Members who are co-opted during the year are appointed up until the next Annual General Meeting when they are eligible for election. Board members are elected by the Members of the Association at the Annual General Meeting. Worcestershire YMCA Limited is the sole corporate member of Worcester YMCA.

All Board members acknowledge their Christian faith and are appointed by the sole member.

The Directors of the company are also charity trustees for the purposes of charity law and throughout this report are collectively referred to as the board members. Board members give their time voluntarily and receive no benefits from the charity in respect of this commitment. Any expenses reclaimed from the charity or payments made to them are set out in the notes to the accounts.

It is the aim of the board members to have the Board made up of individuals from the community it serves and simultaneously achieve a rich diversity of perspectives and experience, competent to oversee the operations of the Association. The board seeks to recruit new members accordingly. Potential board members are made aware of the aims and purposes of the YMCA Movement and must indicate their desire to join the Movement and accept the responsibilities involved.

REPORT OF THE BOARD (continued)

The perspectives, experience and skills of individual Board members are considered to ensure a balance across the Board. Board members are initially co-opted to the Board until the following Annual General Meeting.

Board member induction and training

As part of their induction programme, new Board members are provided with a welcome pack including copies of literature produced by the Charity Commission and the YMCA Movement, including the YMCA Code of Governance. Background information relating to the Association including copies of the articles of association, latest financial information, copies of minutes and policies are included in the welcome pack. The Board schedule five meetings per annum for ordinary business plus meetings to consider the work of the association and future direction.

As part of the YMCA Movement, Board members have access to its board development programme and training, support and benchmarking information. The Board undertakes periodic background and skills audits and as a result identifies certain characteristics it will require of future members. Attendance at Board meetings is monitored.

The Association works in partnership with other organisations, funders and commissioners that are compatible with its ethos and values.

Code of Governance

The Association's Board has adopted the National YMCA Code of Governance based on the National Housing Federation Code of Governance.

Statement of Board responsibilities

The Board (comprises of trustees, who are also directors for the purposes of company law) is responsible for preparing the Report of the Board and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association and of the incoming resources and application of resources, including the income and expenditure, of the Association for that period. In preparing these financial statements, the board is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS102);
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in operation.

The Board is responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Association and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

REPORT OF THE BOARD (continued)

Provision of information to auditors

We, the Board members of the Association who held office at the date of approval of these financial statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the Association's auditors are unaware; and
- we have taken all the steps that we ought to have taken as board members to make ourselves aware of any relevant audit information and to establish that the Association's auditors are aware of that information.

Corporate Governance – internal financial control

The Board acknowledges its ultimate responsibility for ensuring that the Association 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 Association or for publication;
- maintenance of proper accounting records; and
- safeguarding of assets against unauthorised use or disposal.

It is the Board's responsibility to establish and maintain systems of internal financial control. Such systems can only provide reasonable and not absolute assurance against financial misstatement or loss. Key elements include ensuring that:

- formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the Association's assets;
- experienced and suitably qualified staff take responsibility for important business functions; annual appraisal procedures have been established to maintain standards of performance;
- forecasts and budgets are prepared which allow the Board and management to monitor the key 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; and
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Board members and others.

The Board receives and reviews regular reports from management and from the external auditors to provide reasonable assurance that control procedures are in place and are being followed.

Formal procedures have been established for instituting the appropriate action to correct weaknesses identified from the above reports.

Risk management

The Association maintains a risk register covering governance, operational, financial, external and compliance risks. The Board receives and reviews regular reports from management including major risks facing the Association and action taken to reduce or mitigate the effects of those risks.

REPORT OF THE BOARD (continued)

Risk management (continued)

Risk	Mitigation and further action to be taken.
Governance - loss of key staff	Trustees continue to act as champions for each area of policy, policies are reviewed regularly, skills and role descriptions are identified, a training matrix identifies skills gaps, training is budgeted and undertaken, the strategic plan is approved by the Board, appraisals are conducted regularly.
Operational – project / service development	The organisation has adopted models to demonstrate how and why new and existing projects are in line with charitable objects and to better define and communicate our activities. To continue to enhance development of new plans in line with objects. Further action: review operational strategy and accelerate implementation.
Financial - dependency on limited income sources	Strategic plans aim to change the mix of income and the provision of services that are less dependent on Government policy. Specific opportunities identified. Further action: Review strategic plan in line with income dependencies. Realise opportunities identified and monitor success of diversification plans and organisational capability to ensure they match future requirements.
Environmental or external factors - changing government policy	Networking and lobbying to minimize adverse policy changes and their effects. Regular market scanning. Members of YMCA policy groups and relevant local groups. Further action: Engage a wider audience particularly potential service users in the provision of data and case studies for influencing policy and ensure other initiatives in diversification are coordinated. Conduct research with target audiences.
Compliance - diversification of activities	Systems to ensure compliance with legislation, regulation and reporting are robust. Further action: identify and monitor the effect on existing compliance of diversifying activity and consider any new compliance such diversification will introduce.

Financial Review

Reserves

The Association makes adequate provision, by way of financial reserves, to enable the discharge of statutory and contractual obligations and to support continuity of business in the face of potential risks.

The Board considers there are sufficient assets to meet obligations as they arise. Net current assets of the group are **£1,168,995** (2022: £1,327,510).

The overall funds of the Association have decreased as a consequence of a deficit arising from operational expenditure exceeding income in the year under review. It should be noted that central costs have not been apportioned between YMCA Worcestershire Limited and the Association for operational reasons.

The Association does not trade for profit, but plans for income to exceed expenditure each year, ensuring a margin of safety to manage the unexpected, its Articles prevent the distribution of reserves, which are instead applied to further the aims and objectives.

The Board has reviewed its reserves policy and the designation of reserves. The policy is to aim to maintain funds in reserves at least sufficient to fund 2 months total expenditure, being £218,529, to cover the eventuality of a material decline in incoming resources and to hold at least half of that amount in cash at bank.

Free reserves are traditionally calculated as net assets, £2,098,042, less restricted funds, £nil, less fixed assets, £1,753,444, which amount to a surplus of £344,598. However, the nature of the Association means adjustment should be made for long term liabilities which are secured against the housing properties in fixed assets, £753,071. By that calculation, the adjusted free reserves are £1,097,669. Therefore, the adjusted free reserves exceed the reserves target by £879,140. Free reserves have been built up from operating surpluses over several years such that free reserves exceed the minimum required by the reserves policy. The Association plans to hold and build upon free reserves to support continuity of business in the face of potential risks. The Board will regularly review this policy having regard to the changing financial, regulatory and competitive environment in which the charity operates.

REPORT OF THE BOARD (continued)

Pension deficit

As explained in note 21, Worcester YMCA participated in a contributory pension plan providing defined benefits based on final pensionable pay for employees of YMCAs in England, Scotland and Wales. The Pension Plan was closed to new members and future service accrual with effect from 30 April 2007. At 31 March 2023, the pension deficit for the Association and the group was £72,016 as shown on the balance sheet. A corresponding pension deficit reserve is also held on the balance sheet.

A valuation prepared as at 1 May 2020 showed that the YMCA Pension Plan had a deficit of £39 million. Worcester YMCA was advised that it would need to make contributions of £12,528 per annum from 1 May 2023, increasing by 3% per annum for each subsequent year. At 31 March 2023, the recovery period was 6 years commencing 1 May 2023. After the year-end, a three-year valuation was completed as at 1 May 2023. That valuation showed that the YMCA Pension Plan had reduced to a deficit of £9.1 million. Worcester YMCA has been advised to reduce its contributions to £9,642 per annum from 1 May 2024, with no uplift in subsequent years, for a reduced recovery period of 3 years commencing 1 May 2024.

Fundraising

The Association does not seek to raise funds from the public and therefore has nothing to report on its fundraising approach and standards.

Employment of disabled persons

The Association operates an equal opportunities employment policy and is committed to be a Disability Employer.

Objects and activities

As a Christian charity committed to helping people, especially the young, particularly at times of need, without discrimination, our faith calls us to stand alongside people on their personal journey, and help them develop in body, mind and spirit.

Accordingly, demonstrating our Christian faith and sharing it through social action we are active in working towards our vision of transforming communities so that all young people truly belong, contribute and thrive. We aim to be recognised as the leading provider of activities which inspire transformation.

The Association's objects and principal activities are to:

- relieve or assist in the relief of persons of all ages who are in conditions of need, hardship or distress by reason of their social, physical or economic circumstances;
- to provide or assist in the provision of education for persons of all ages with the object of developing their physical, mental or spiritual capacities;
- 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;
- lead young people to the Lord Jesus Christ and to fullness of life in Him;
- provide residential accommodation for persons of all ages who are in need, hardship or distress by reason of their social physical or economic circumstances; and
- 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.

Our aims mean we work with others to deliver activities through which all young people can be offered the opportunity to develop in body, mind and spirit so they have hope of experiencing life in all its fullness.

REPORT OF THE BOARD (continued)

Strategy

The key elements of our medium to long-term strategy are:

Build on the strength of YMCA's Early Years presence across the County; Provide opportunities that prepare young people, including the marginalised, for adult life and the world of work through positive activities, alternative curriculum, employability skills, health and wellbeing, volunteering, community and family engagement, and targeted mentoring support. In addition, we will work with churches and other Christian organisations to deliver high quality youth work and opportunities for religious education. With the global YMCA movement, we will provide wider opportunities for young people, to improve outcomes.

We measure the success of the strategy:

Annually, prior to the commencement of the financial year, when plans are produced as part of our budgetary cycle. These are submitted to the Board for approval by the beginning of the year. During the year, the senior management meet regularly to monitor performance in both financial and non-financial terms.

Progress is reported and variances explained to Board throughout the year. An annual review is conducted by the board and senior management and an Annual General Meeting is also held and a report presented by the board and senior management to members.

Review of activities

Working from our own centres and accommodation units of other organisations, we provide preschool nurseries, youth work including the support of young people towards independent living, 'move on' accommodation and support for vulnerable adults.

The two most significant charitable activities contributing to the achievement of our objectives in the year were:

Residential Accommodation
Children and Youth Services

During the year we continued our work in providing 14 units of accommodation and support to young and vulnerable people in the city.

First Class and Little Treasures Nurseries continued their work providing excellent care and development to a high standard, in an ever changing and challenging market. One highlight being that Little Treasures rated as GOOD after being subject of a short notice OFSTED Inspection.

Further analysis of the income and expenditure on operations can be found in notes 3, 4, 5 and 6 to the financial statements.

Strategy: Build on the strength of YMCA's Early Years and families presence across the County, work with older children and partnership working. We will work in partnership with others to improve health of mothers and their babies and work with older children and their families to make them better informed and benefit from their knowledge to improve their lives.

Provide opportunities that prepare young adults, including the marginalised, for adult life and the world of work through positive activities, employability skills, health and wellbeing, volunteering, community and family engagement, and targeted mentoring support. In addition, we will work with churches and other Christian organisations to deliver high quality youth work and opportunities for religious education. With the global YMCA movement, we will provide wider opportunities for young people, to improve outcomes.

REPORT OF THE BOARD (continued)

Housing and Support

We offer 14 units of accommodation for young people aged 18-35 in training, education or employment. This has enabled YMCA to provide quality social housing accommodation at affordable rents in the city at a time of high housing demand and high rents within the private sector. This means our residents can maintain employment and training. We continue to find ways to enhance our offer for residents through sourcing any relevant partners or networks who can assist in the short and medium terms to help them sustain their tenancies and move on when appropriate.

Nurseries

First Class and Little Treasures have continued their work in providing excellent care and development to young people to a very high standard in what is an ever changing and very challenging market environment. The nurseries enhance our provision across the group and contribute to the diversification of income sources.

A curriculum statement of intent provides a framework for setting out the aims of a programme of education, including the knowledge and skills gained at each stage, developing a framework over time into a structure and narrative. In line with the organisation's objectives, our statement enables children to live life to its fullest by offering stimulating learning experiences with Christian values at its heart. Our nurseries develop children's spiritual, social, moral and cultural understanding. They provide a holistic curriculum that fosters lifelong learning. The nurseries have created learning environments that build upon children, prior learning experiences and are tailor made for the families we support. All nurseries follow the curriculum set in line with Government guidance for the education sector.

Value for Money

Value for money forms part of our sustain service strategy. The consolidation of activities across the group continues to present opportunities to increase value for money and dilute costs over a broader base.

Public Benefit

The board has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charitable company's aims and objectives and in planning future activities. In particular, the Board has considered how planned activities will contribute to the aims and objectives set.

Communities and particularly young people within the County of Worcestershire benefit from our work.

We work with parents of children, children, young people and vulnerable adults. Our activities include affordable flexible childcare; work with school age children outside school throughout the year; work with young people and adults in formal and informal education, leisure activities including health and wellbeing and in support towards independent living. We engage in preventative work and offer residential accommodation.

We recognise the importance of responding to the needs of the community and allowing them to influence the charitable company's developments.

We consult with participants in our activities, potential participants and partner organisations. Consultation takes place through a variety of routes including formal surveys, one to one sessions and informal meetings. We aim to continuously improve our services, responding to comments and complaints made by people who participate in our activities. Informal comments are dealt with by the management of the particular delivery arm of the Association. Formal issues may be raised in accordance with our service delivery policies and procedures and will be reported to the Board. Services are regularly reviewed against current developments in recommended practice and guidelines issued by regulatory and similar bodies.

REPORT OF THE BOARD (continued)

Plans for future periods

Our assessment of performance in the year is used to inform our medium to long term strategy. Our objects remain relevant and appropriate. We have engaged with staff more widely to assist in the short to medium term plans for the organisation as it deals with consolidating activities in the face of reduced public spending. The organisation has begun to invest in its infrastructure to ensure a comprehensive and cohesive offer can be made to more potential beneficiaries.

By order of the Board



Lindsay Sartori
Chair
17 July 2024

Gordon Anstis House
Loxley Close
Worcestershire
B98 9JS
Tel: 01527 61643

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORCESTER YMCA

Opinion

We have audited the financial statements of Worcester YMCA ("the parent charitable company") and its subsidiary companies ("the group") for the year ended 31 March 2023 which comprise the Group Statement of Financial Activities, the Group and Parent Company Balance Sheets, the Statement of Cash Flows and the related notes, 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 parent charitable company's affairs as at 31 March 2023, and of the group's 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.

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 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 group's or Parent 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 section of this report.

Other information

The other information comprises the information included in the Report of the Board, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Report of the Board. 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORCESTER YMCA (continued)

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 Report of the Board for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Board has been prepared in accordance with legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and 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.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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; or
- the Trustees' were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Report of the Board and from the requirements to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 3, 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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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:

Our assessment focussed on key laws and regulations the group and parent charitable company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, Charities Act 2011, the Childcare Act 2006, taxation legislation, data protection and employment legislation.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORCESTER YMCA (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

We are not responsible for preventing irregularities, including fraud. Our approach to detecting irregularities, including fraud, included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the group and parent charitable company and how the group and parent charitable company are complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the group and parent charitable company's control environment and how the group and parent charitable company have applied relevant control procedures, through discussions with Trustees and other management and by performing walkthrough testing over key areas;
- obtaining an understanding of the group and parent charitable company's risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection of fraud based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

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 noncompliance. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORCESTER YMCA (continued)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 Part 16 of the Companies Act 2006 and to the charitable company's trustees as a body in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and trustees 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 and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, appearing to read 'Simon Atkins', is written over a horizontal line.

Simon Atkins FCA (Senior statutory auditor)

for and on behalf of
Cooper Parry Group Limited

Statutory auditor
Cubo Birmingham
3rd Floor
Two Chamberlain Square
Birmingham
B3 3AX

Date: 23 July 2024

WORCESTER YMCA

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (including an income and expenditure account) YEAR ENDED 31 MARCH 2023

	Note	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Income from:					
Voluntary income	3	750	-	750	1,623
Other trading activities	4	1,006,691	-	1,006,691	887,342
Investment income		-	-	-	25
Charitable activities	5	72,039	-	72,039	61,435
Total income		1,079,480	-	1,079,480	950,425
Expenditure on:					
Raising funds - trading activities		918,713	-	918,713	840,908
Charitable activities		392,459	-	392,459	350,442
Total resources expended	6	1,311,172	-	1,311,172	1,191,350
Net expenditure for the year before other recognised gains and losses		(231,692)	-	(231,692)	(240,925)
Transfers between funds	15	-	-	-	-
Gains on revaluation of freehold property	11	202,238	-	202,238	-
Net movement in funds		(29,454)	-	(29,454)	(240,925)
Reconciliation of funds					
Fund balance at 1 April 2022		2,127,496	-	2,127,496	2,368,421
Fund balance at 31 March 2023	15	2,098,042	-	2,098,042	2,127,496

The accompanying notes on page 17 to 31 form part of these financial statements.

The statement of financial activities includes all gains and losses recognised in the year.

All activities derive from continuing operations.

The Charity has taken advantage of section 408 of the Companies Act 2006 to not publish its own Statement of Financial Activities. The net expenditure dealt with in the financial statements of the parent company is £136,989 (2022: £233,060).

WORCESTER YMCA

**CONSOLIDATED BALANCE SHEET
31 MARCH 2023**

Registered company number: 05056873

	Notes	Group 2023 £	Association 2023 £	Group 2022 £	Association 2022 £
Fixed assets					
Intangible assets	10	299,477	-	364,109	-
Tangible fixed assets	11	1,453,967	500,906	1,291,858	521,922
Investments	12	690	1,050,306	690	1,050,306
		1,754,134	1,551,212	1,656,657	1,572,228
Current assets					
Debtors	13	513,019	1,571,653	689,455	1,394,169
Cash at bank and in hand		932,714	24,502	833,330	328,244
		1,445,733	1,596,155	1,522,785	1,722,413
Creditors: amounts falling due within one year	14a	(276,738)	(80,678)	(195,275)	(59,379)
Net current assets		1,168,995	1,515,477	1,327,510	1,663,034
Total assets less current liabilities		2,923,129	3,066,689	2,984,167	3,235,262
Creditors: amounts falling due after more than one year	14b	(753,071)	(753,071)	(770,776)	(770,776)
Provision for liabilities and charges	20	(72,016)	(72,016)	(85,895)	(85,895)
Net assets		2,098,042	2,241,602	2,127,496	2,378,591
Represented by					
Unrestricted funds					
General funds	15	1,818,062	1,961,622	2,063,633	2,314,728
Pension reserve	15	(72,016)	(72,016)	(85,895)	(85,895)
Revaluation reserve	15	351,996	351,996	149,758	149,758
Total		2,098,042	2,241,602	2,127,496	2,378,591

Approved by the Board on 17 July 2024



.....
Lindsay Sartori
Chair

The accompanying notes on page 17 to 31 form part of these financial statements.

WORCESTER YMCA

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 March 2023

	Note	2023 £	2022 £
Net cash inflow / (outflow) from operating activities	17	144,219	(64,245)
Returns of investment and servicing of finance			
Interest paid		(23,859)	(21,948)
Interest Received		-	-
Net cash inflow / (outflow) after returns on investments and servicing of finance		120,360	(86,193)
Payments to acquire tangible fixed assets		(2,380)	-
Net cash inflow / (outflow) after capital expenditure		117,980	(86,193)
Financing			
Net movement in short term borrowings		(891)	(10,108)
Net movement in long term borrowings		(17,705)	(19,191)
Net cash outflow from financing		(18,596)	(29,299)
Change in cash and cash equivalents during the year	18	99,384	(115,492)

The accompanying notes on page 17 to 31 form part of these financial statements.

WORCESTER YMCA

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

1 Legal status

Worcester YMCA is a company limited by guarantee with members required to contribute up to a maximum of £1 should there be a deficiency on winding up. The company is registered under the Companies Act 2006 and is a registered charity.

The address of the registered office is given in the information on page 1 of these financial statements.

2 Accounting policies

The principal accounting policies of the company are as follows:

Basis of preparation

The accounts have been prepared in accordance with UK applicable accounting standards including Financial Reporting Standard 102, The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of Consolidation

The group is required by Charities Act 2011 to prepare consolidated Financial Statements. The Financial statements incorporate those of the Charity and its subsidiary, reflecting trading activities to 31 March 2023.

All intra-Group transactions and balances between Group companies are eliminated on consolidation.

The wholly owned subsidiaries which are consolidated are:

Little Treasures Limited
First Class Nursery (Kidderminster) Limited

Business Combinations

The cost of a business combination is the fair value at the acquisition date, of the consideration paid and liabilities incurred or assumed, plus costs directly attributable to the business combination.

The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. Goodwill arising on business combinations is capitalised, classified as an asset on the balance sheet and amortised on a straight-line basis over its useful life. The period chosen for writing off goodwill is nine years representing the remaining life of the lease acquired on the business premises of the subsidiary acquired.

Going concern

The financial statements have been prepared on the going concern basis as the Board believes that no material uncertainties exist in relation to the going concern basis of accounting and that the charity has adequate funds to continue in operational existence for the foreseeable future.

The Board has considered the level of funds held by the charity, including the level of bank loans and commitments under these and the continued support of the charity's bankers, together with the expected level of income and expenditure for the 12 months from the date of approval of these financial statements, which indicate that the level of reserves for the charity are sufficient to be able to continue as a going concern. The Board has also taken account of the availability of continued financial support of the charity's parent company, Worcestershire YMCA, who has confirmed their continued financial support to the charity.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023 (CONTINUED)

2 Accounting policies (continued)

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. Restricted funds are subject to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income including grants, gifts and legacies is included in full when there is certainty of receipt.

Income from the hire of facilities is recognised as the related services are provided.

Investment income is recognised on a receivable basis.

Rental income for accommodation is accounted for when it becomes receivable. Income from education and training activities includes income received under contract, subject to specific performance conditions.

Government grants are accounted for under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the Statement of Financial Activities in the same period as the related expenditure.

Resources expended

Expenditure is recognised on an accruals basis when a liability is incurred. The costs of all activities include a share of support costs, the individual elements of which are apportioned to each activity on the basis of direct time spent thereon. Direct costs relating to particular activities are allocated directly.

Costs of generating voluntary income include staff costs associated with that activity.

Costs of generating funds include related staff costs and direct costs incurred in those activities.

Charitable activities costs include a direct allocation of staff and other direct costs and an apportionment of support costs.

Governance costs comprise those costs incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Tangible fixed assets and depreciation

Fixed assets are recorded at cost at the time of acquisition.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its estimated useful life, as follows:

Freehold buildings	Over 10 or 32 years
Fixtures and Fittings	20% straight line
Computer equipment	20% straight line
Motor vehicles	25% straight line

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023 (CONTINUED)

2 Accounting policies (continued)

Tangible fixed assets and depreciation (continued)

Certain group freehold properties are carried at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Balance sheet date.

Investments

Investments are included at closing mid-market value at the balance sheet date. Any gain or loss on revaluation is taken to the Statement of Financial Activities.

Operating leases

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Pensions

Worcester YMCA 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. The plan's actuary has advised that it is not possible to separately identify the assets and liabilities relating to Worcester YMCA, therefore the scheme is accounted for as defined contribution scheme.

The employer contributions in relation to the pension plan are determined by the Trustee based on advice from a qualified actuary.

In addition, all staff are eligible for employer's pension contributions to be paid to a stakeholder or equivalent contributory personal pension scheme, with the level of contribution depending on their own level of contribution. The association has no liability beyond the payment of its agreed monthly contributions. The contributions are charged to the Statement of Financial Activities as made.

As described in note 20 and 21 Worcester YMCA has a contractual obligation to make pension deficit payments over the period to April 2029, accordingly this is shown as a liability in these financial statements. In addition, Worcester YMCA is required to contribute to the operating expenses of the Pension Plan and these costs are charged to the Statement of Financial Activities as made.

Critical areas of judgements and key sources of estimation uncertainty

Amounts included in the financial statements involve the use of judgment and/or estimation. These judgments and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experience, but actual results may differ from the amounts included in the financial statements. Information about such judgments and estimation is contained in the accounting policies and/or the notes to the financial statements and the key areas are summarised below:

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment and changes to decent homes standards which may require more frequent replacement of key components.

WORCESTER YMCA

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023 (CONTINUED)

2 Accounting policies (continued)

Revaluation of land and buildings

Management periodically reviews the fair value of land and buildings and valuations are sought from suitably qualified valuers. The fair value of property can only be provided by a valuer within a range of possible values, therefore the fair value is determined by the trustees based on the advice of the valuer and the range of values provided.

YMCA pension (estimation uncertainty)

The present value of the YMCA pension liability under the recovery plan instigated by the Trustees of the pension scheme on a number of factors using a variety of assumptions including estimates of future increases in deficit contributions payable and the discount rate. Any changes in these assumptions will impact the carrying value of the pension liability.

3 Voluntary income

	Unrestricted 2023 £	Restricted 2023 £	Total 2023 £	Total 2022 £
Government grant income	750	-	750	1,503
Donations and legacies	-	-	-	120
	<u>750</u>	<u>-</u>	<u>750</u>	<u>1,623</u>

In 2022 all voluntary income was attributable to unrestricted funds.

4 Other trading activities

	Unrestricted 2023 £	Restricted 2023 £	Total 2023 £	Total 2022 £
Hiring of facilities	-	-	-	33
Non charitable trading activities	1,006,691	-	1,006,691	887,309
	<u>1,006,691</u>	<u>-</u>	<u>1,006,691</u>	<u>887,342</u>

In 2022 all of the trading activities income was attributable to unrestricted funds.

5 Charitable activities

	Unrestricted 2023 £	Restricted 2023 £	Total 2023 £	Total 2022 £
Children and youth services	<u>72,039</u>	<u>-</u>	<u>72,039</u>	<u>61,435</u>

In 2022 all of the charitable activities income was attributable to unrestricted funds.

WORCESTER YMCA

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023 (CONTINUED)

6 Resources expended

	Accommodation £	Corporate Services £	Trading income £	2023 Total £	2022 Total £
Direct costs					
People related	222,715	-	714,519	937,234	851,035
Premises related	40,890	-	50,877	91,767	89,747
Vehicle related	378	-	-	378	397
Office expenses	2,141	-	6,940	9,081	9,810
Other direct expenses	517	-	70,644	71,161	52,841
Indirect costs					
Overheads	11,123	-	21,623	32,746	25,031
Depreciation and amortisation	76,648	-	30,493	107,141	110,484
Other costs	38,047	-	21,081	59,128	34,945
Taxation	-	-	2,536	2,536	17,060
Total resources expended	392,459	-	918,713	1,311,172	1,191,350

All of the total expenditure of £1,311,172 (2022: £1,191,350) related to unrestricted funds.

WORCESTER YMCA

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023 (CONTINUED)

7 Operating surplus

	2023 £	2022 £
The operating surplus is arrived at after charging:		
Depreciation of tangible fixed assets	42,509	45,852
Amortisation	64,632	64,632
Auditors' remuneration - for audit services	29,495	17,477
Auditors' remuneration - other services	3,251	-
Operating lease charges	8,240	8,894
Loan interest paid	23,859	21,948

8 Employee costs

	2023 £	2022 £
Salaries and wages	826,518	776,792
Social security costs	52,819	37,811
Pension and other costs	70,173	19,922
	<u>949,510</u>	<u>834,525</u>

No employee received emoluments in excess of £60,000 (2022: none).

	2023 No.	2022 No.
The average monthly number of persons employed during the year were as follows:		
Direct charitable & nursery related work	52	53
Administration	1	1
	<u>53</u>	<u>54</u>

The salaries of senior management are paid by the parent charitable company, Worcestershire YMCA Limited, and recharged to this company as appropriate. The aggregate remuneration of senior management is disclosed, on a group basis, in the financial statements of Worcestershire YMCA Limited. The financial statements of Worcestershire YMCA Limited are available from Companies House or as detailed in note 24 to the financial statements.

9 Trustee remuneration

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year. Expenses of £Nil (2022: £Nil) were reimbursed to trustees during the year.

WORCESTER YMCA

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023 (CONTINUED)

10 Intangible assets - Goodwill

	Goodwill on acquisition £	Purchased goodwill £	Total £
Cost			
At 1 April 2022	556,320	39,000	595,320
Additions	-	-	-
At 31 March 2023	556,320	39,000	595,320
Amortisation			
At 1 April 2022	210,961	20,250	231,211
Charge for year	55,632	9,000	64,632
At 31 March 2023	266,593	29,250	295,843
Net Book Value			
At 31 March 2023	289,727	9,750	299,477
At 1 April 2022	345,359	18,750	364,109

11 Tangible fixed assets - Group

	Computer & other equipment £	Motor vehicles £	Land and buildings £	Total £
Cost or valuation				
At 1 April 2022	84,601	10,788	1,401,558	1,496,947
Additions	2,380	-	-	2,380
Revaluations	-	-	135,000	135,000
At 31 March 2023	86,981	10,788	1,536,558	1,634,327
Depreciation				
At 1 April 2022	77,925	8,091	119,073	205,089
Charge for year	6,704	2,697	33,108	42,509
Revaluations	-	-	(67,238)	(67,238)
At 31 March 2023	84,629	10,788	84,943	180,360
Net book value				
At 31 March 2023	2,352	-	1,451,615	1,453,967
At 1 April 2022	6,676	2,697	1,282,485	1,291,858

WORCESTER YMCA

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023 (CONTINUED)

11 Tangible fixed assets – Group (continued)

In respect of certain fixed assets stated in valuations, the comparable historical cost and depreciation values are as follows; Cost £665,242 (2022: £665,242), depreciation charge £11,975 (2022: £11,975) and accumulated depreciation £185,675 (2022: 173,700).

11 Tangible fixed assets – Association

	Computer & other equipment £	Motor vehicles £	Land and buildings £	Total £
Cost				
At 1 April 2022	5,596	10,788	585,000	601,384
Additions	-	-	-	-
At 31 March 2023	5,596	10,788	585,000	601,384
Depreciation				
At 1 April 2022	5,560	8,091	65,811	79,462
Charge for year	36	2,697	18,283	21,016
At 31 March 2023	5,596	10,788	84,094	100,478
Net book value				
At 31 March 2023	-	-	500,906	500,906
At 1 April 2022	36	2,697	519,189	521,922

12 Investments

	2023 £	2022 £
COIF Charities Investment		
Market value at 1 April 2022	690	690
(Loss) / gain on revaluation	-	-
Market value at 31 March 2023	690	690

12a Investments – company

The charity owns 100% of the issued share capital of Little Treasures Limited, a company limited by shares incorporated in England and Wales (company number 04029930). Its net assets totalled £621,043 as at 31 March 2023 (2022: £448,271). Its profit for the year to 31 March 2023 was £98,333 (2022: £46,420).

The charity also owns 100% of the issued share capital of First Class Nursery (Kidderminster) Limited, a company limited by shares incorporated in England and Wales (company number 08887253). Its net liabilities totalled £(4,713) as at 31 March 2023 (2022: net assets, £4,891). Its loss for the year to 31 March 2023 was £(9,604) (2022: profit £1,347).

WORCESTER YMCA

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023 (CONTINUED)

12a Investments – company (continued)

	2023	2022
	£	£
Company Investments		
Bought forward at 1 April 2022 – subsidiary undertakings	1,049,616	1,049,616
Bought forward at 1 April 2022 – COIF	690	690
Carried forward at 31 March 2023	1,050,306	1,050,306

13 Debtors

	Group 2023	Group 2022	Association 2023	Association 2022
	£	£	£	£
Rental income	2,228	849	2,228	849
Other debtors	89,697	65,328	16,063	(1,984)
Amounts owed by group undertakings	421,094	623,278	1,553,362	1,395,304
	513,019	689,455	1,571,653	1,394,169

14a Creditors: amounts falling due within one year

	Group 2023	Group 2022	Association 2023	Association 2022
	£	£	£	£
Bank loans and overdrafts	21,177	22,068	21,177	22,068
Trade creditors	19,211	31,769	2,236	19,796
Other taxes and social security costs	36,638	8,957	13,001	2,931
Owed to group undertakings	-	-	-	-
Accruals and deferred income	177,274	109,729	43,461	14,584
Corporation tax payable	19,612	17,076	-	-
Other creditors	2,826	5,676	803	-
	276,738	195,275	80,678	59,379

There are two secured bank loans on the properties at 2 Stanley Road, Worcester, WR5 1BR and at Broomhall Grange, Norton Road, Broomhall, WR5 2PD. The loans from Unity Bank are charged at commercial rates and are repayable over 25 years. The loans are secured with fixed charges over the assets of the charity and its subsidiary, Little Treasures Limited. At 31 March 2023, the Charity had failed to meet its financial covenant under the loans in respect of the EBITDA measure. Based on communications and discussions with the bank and the understanding the sufficient funds are held by Worcestershire YMCA Limited, the ultimate parent charitable company, that could be provided to the Charity to enable it to satisfy the EBITDA measure, there is no indication that any action, beyond the issue of a reservation of rights letter, will take place. The carrying amount of the loan in breach was £774,248 at 31 March 2023.

WORCESTER YMCA

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023 (CONTINUED)

14a Creditors: amounts falling due within one year (continued)

Included in accruals and deferred income above is deferred income of £89,896 (2022: £82,470) and this is analysed below:

	2023 £	2022 £
Deferred income brought forward	82,470	17,068
Deferred balances released during the year	(82,470)	(17,068)
Deferred during the year	89,896	82,470
	<u>89,896</u>	<u>82,470</u>

The amounts are deferred when the companies do not have unconditional entitlement to the income or when the invoice relates to the delivery of a service and is therefore only recognised to the extent that the companies have provided the service.

14b Creditors: amounts falling due after one year

	Group 2023 £	Group 2022 £	Association 2023 £	Association 2022 £
Bank loans and overdrafts	753,071	770,776	753,071	770,776
Loan Maturity Analysis				
Within one year	21,177	22,068	21,177	22,068
Within one to two years	22,408	17,196	22,408	17,196
Within two to five years	75,349	80,803	75,349	80,803
In more than 5 years	655,314	672,777	655,314	672,777
	<u>774,248</u>	<u>792,844</u>	<u>774,248</u>	<u>792,844</u>

15 Movement in funds

	Balance at 1 April 2022 £	Incoming £	Outgoing £	Gains & Losses £	Balance at 31 March 2023 £
General fund	2,063,633	1,079,480	(1,325,051)	-	1,818,062
Pension reserve	(85,895)	-	13,879	-	(72,016)
Revaluation reserve	149,758	-	-	202,238	351,996
Total unrestricted funds	<u>2,127,496</u>	<u>1,079,480</u>	<u>(1,311,172)</u>	<u>202,238</u>	<u>2,098,042</u>

WORCESTER YMCA

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023 (CONTINUED)

16 Movement in funds - prior year

	Balance at 1 April 2021 £	Incoming £	Outgoing £	Gains & Losses £	Balance at 31 March 2022 £
General fund	2,307,763	950,425	(1,194,555)	-	2,063,633
Pension reserve	(89,100)	-	3,205	-	(85,895)
Revaluation reserve	149,758	-	-	-	149,758
Total unrestricted funds	<u>2,368,421</u>	<u>950,425</u>	<u>(1,191,350)</u>	<u>-</u>	<u>2,127,496</u>

16a Analysis of net assets between funds

All assets and liabilities are allocated to unrestricted funds in both the current and prior year.

17 Cash flows from operating activities

	2023 £	2022 £
Reconciliation to changes in resources		
Net movement in funds	(29,454)	(240,925)
Interest received	-	-
Interest paid	23,859	21,948
Depreciation of tangible fixed assets	42,509	45,852
Amortisation	64,632	64,632
Gains on revaluation	(202,238)	-
Decrease / (increase) in debtors	176,437	(32,650)
Increase in creditors	82,353	80,103
Decrease in provisions	(13,879)	(3,205)
	<u>144,219</u>	<u>(64,245)</u>

18 Change in cash and cash equivalents

	2023 £	2022 £
Net increase / (decrease) in cash and cash equivalents	<u>99,384</u>	<u>(115,492)</u>
	99,384	(115,492)
Cash and cash equivalents at 1 April 2022	833,330	948,822
Cash and cash equivalents at 31 March 2023	<u>932,714</u>	<u>833,330</u>

WORCESTER YMCA

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023 (CONTINUED)

19 Analysis of net debt

	At 1 April 2022 £	Cash Flow £	Non-cash Changes £	At 31 March 2023 £
Cash at bank and in hand	833,330	99,384	-	932,714
Loans due within one year	(22,068)	18,596	(17,705)	(21,177)
Loans due after one year	(770,776)	-	17,705	(753,071)
	<u>40,486</u>	<u>117,980</u>	<u>-</u>	<u>158,466</u>

20 Provisions for liabilities and charges

	2023 £	2022 £
Pension liability (note 21)	<u>72,016</u>	<u>85,895</u>

21 Pension costs

Worcester YMCA 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 Worcester YMCA 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).

At 31 March 2023, the most recent completed three year valuation was as at 1 May 2020. The assumptions used which have the most significant effect on the results of the valuation are those relating to the assumed rates of return on assets held before and after retirement of 2.59% and 1.09% respectively, the increase in pensions in payment of 2.99% (for RPI capped at 5% p.a.), and the average life expectancy from normal retirement age (of 65) for a current male pensioner of 22.0 years, female 24.4 years, and 23.7 years for a male pensioner, female 26.1 years, retiring in 20 years' time. The result of the valuation showed that the actuarial value of the assets was £146.1m. 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. Worcester YMCA was advised that it would need to make contributions of £12,528 per annum from 1 May 2023, increasing by 3% per annum for each subsequent year. These amounts were based on the actuarial assumptions at 1 May 2020 (as outlined above) and it was understood that contributions may vary in the future as a result of actual performance of the Pension Plan. At 31 March 2023, agreed future deficit contributions were discounted using a rate of 4.8% (2022: 2.7%). At 31 March 2023, the recovery period was 6 years commencing 1 May 2023.

WORCESTER YMCA

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023 (CONTINUED)

21 Pension costs (continued)

	Within 1 Year £	One to two years £	Two to five years £	After five years £	After more than one year £	Total 2023 £	Total 2022 £
As at 31 March 2023	12,528	12,313	35,686	11,489	59,488	72,016	
As at 31 March 2022	<u>12,164</u>	<u>12,199</u>	<u>36,811</u>	<u>24,721</u>	<u>73,731</u>		<u>85,895</u>

After the year-end, a three-year valuation was completed as at 1 May 2023. The assumptions used in that valuation which have the most significant effect on the results of the valuation are those relating to the assumed rates of return on assets of 4.56%, the increase in pensions in payment of 3.18% (for RPI capped at 5% p.a.), and the average life expectancy from normal retirement age (of 65) for a current male pensioner of 21.5 years, female 24.0 years, and 23.1 years for a male pensioner, female 25.7 years, retiring in 20 years' time. The result of the valuation showed that the actuarial value of the assets was £103.1m, which represented 92% of the benefits that had accrued to members.

The valuation prepared as at 1 May 2023 showed that the YMCA Pension Plan had a deficit of £9.1 million. Worcester YMCA has been advised to reduce its contributions to £9,642 per annum from 1 May 2024, with no uplift in subsequent years, for a reduced recovery period of 3 years commencing 1 May 2024. These amounts are 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.

In addition, Worcester YMCA 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 Worcester YMCA may be called upon to pay in the future.

YMCA contributory pension scheme

All staff are eligible for employers' pension contributions to be paid to a stakeholder or equivalent contributory personal pension scheme, with the level of contribution depending on their own level of contribution. The association has no liability beyond the payment of its agreed monthly contributions.

The total pension charge for the year is shown in note 8. The amount outstanding at the year-end was £2,826 (2022: £1,686).

22 Capital commitments

Capital expenditure contracted for but not provided in the accounts is £nil (2022: £nil).

23 Related Party Transactions

No members of the Board or other person related to the organisation had any personal interest in any contract or transaction entered into by the charitable company during the year (2022: nil).

During the year Worcestershire YMCA Limited (parent undertaking) decreased its indebtedness to Worcester YMCA by £193,643 (2022: increased £19,578). Worcester YMCA was owed £439,310 (2022: £632,953) at the year end.

WORCESTER YMCA

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023 (CONTINUED)

23 Related Party Transactions (continued)

Little Treasures Limited, a subsidiary of Worcester YMCA, repaid loans and covenanted income amounting to £127,799 (2022: £60,000) during the year. £434,255 (2022: £306,455) was owed at the year end. The movements relate to net cash movements during the year and the recharges noted above.

Worcester YMCA made loans and recharged expenses and received covenanted income to / from First Class Nursery (Kidderminster) Limited, subsidiary of Worcester YMCA, amounting to £223,902 (2022: £192,857) during the year. £679,797 was owed to Worcester YMCA at the year end (2022: £455,895). The movements relate to net cash movements during the year and the recharges noted above.

During a prior year First Class Nursery (Kidderminster) Limited loaned £100,000 to Little Treasures Limited. This amount was still outstanding at year end (2022:£100,000).

Little Treasures Limited was owed £28,982 (2022: £28,892) by its (ultimate) parent undertaking Worcestershire YMCA Limited, and First Class Nursery (Kidderminster) Limited owed £47,197 (£38,658) to Worcestershire YMCA Limited at the year end.

24 Ultimate controlling party

Worcester YMCA is controlled by Worcestershire YMCA Limited, a company incorporated in England and Wales (company number: 01944516), registered with Charity Commission for England and Wales (charity registration number: 516872) and registered as a Social Housing Provider (registration number: LH3687). The consolidated financial statements for Worcestershire YMCA Limited are available from the head office of Worcestershire YMCA Limited at Gordon Anstis House, Loxley Close, Redditch, Worcestershire B98 9JS.

Worcestershire YMCA exercises control over Worcester YMCA as the sole member of the Charity, giving it the powers to appoint and remove trustees. Worcestershire YMCA's objects and principal activities are to:

- relieve or assist in the relief of persons of all ages who are in conditions of need, hardship or distress by reason of their social, physical or economic circumstances;
- to provide or assist in the provision of education for persons of all ages with the object of developing their physical, mental or spiritual capacities;
- 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;
- lead young people to the Lord Jesus Christ and to fullness of life in Him;
- provide residential accommodation for persons of all ages who are in need, hardship or distress by reason of their social physical or economic circumstances; and
- 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.

25 Taxation

As a charitable company, Worcester YMCA is exempt from tax on income and gains to the extent that these are applied to its charitable objects. No tax charges have arisen within the charitable company.

Little Treasures Limited and First Class Nursery (Kidderminster) Limited are not registered as charities and therefore corporation tax is payable on taxable surpluses as they arise.

WORCESTER YMCA

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023 (CONTINUED)

26 Financial commitments

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the year to 31 March 2023:

	2023 Land and buildings £	2023 Other £	2022 Land and buildings £	2022 Other £
Contracts expiring				
Within one year	8,000	240	8,000	894
Within two to five years	32,000	-	32,000	280
Over five years	174,000	-	182,000	-
	214,000	240	222,000	1,174

WORCESTER YMCA

England & Wales - Charity number 1102766

Accounts

YMCA WORCESTER

Part of Worcestershire YMCA

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

**Our vision is of transforming communities so that all young
people truly belong, contribute and thrive**

WORCESTER YMCA

CONTENTS

	Page
Report of the Board	3
Report of the Auditor	14
Consolidated Statement of Financial Activities	18
Consolidated Balance Sheet	19
Consolidated Statement of Cash Flows	20
Notes to financial statements	21

WORCESTER YMCA
REPORT OF THE BOARD

The Board is pleased to present its report and audited financial statements for the year ended 31 March 2021.

Reference and administration information

Charity Name	Worcester YMCA
Charity Registration Number	1102766
Company Registration Number	05056873
Chief Executive	Annette Daly
Company Secretary	Wendy Poole

Board

The Board is composed of the following individuals:

Mike Higley
Jacintha Hodgson (resigned 21 December 2020)
Philip Simpson (Chair)
Simon Hill
Dr Juliet Horne
Diana Drew

Members of the Board are directors of the association for the purposes of company law and trustees of the association for the purposes of charity law.

Registered Office	Auditors	Bankers	Solicitors
Gordon Anstis House Loxley Close Redditch Worcestershire B98 9JS	Cooper Parry Group Limited Park View One Central Boulevard Blythe Valley Business Park Solihull B90 8BG	Unity Trust Bank plc Four Brindleyplace Birmingham B1 2JB	mfg Solicitors LLP Adam House Birmingham Road Kidderminster Worcestershire DY10 2SH

WORCESTER YMCA

REPORT OF THE BOARD

Structure, Governance and Management

Constitution

The Association is a charitable company limited by guarantee and not having a share capital, with members required to contribute up to a maximum of £1 each should there be a deficiency on winding up. The Association is governed by its Articles of Association, which were reviewed by the Board in 2013.

Organisational structure

The Association is governed by its board of volunteer trustee directors, responsible for overseeing strategy and policy, approving annual budgets & accounts, who work in conjunction with the senior executive staff who recommend strategy, policy and exercise operational management. They hold five meetings per annum to consider business and progress against agreed plans plus hold strategic discussions and consider future work and direction. On appointment trustees receive induction including Charities Commission input. Attendance at meetings, interests and skills is monitored and reviewed annually. The YMCA movement offers support, development and benchmarking information. Codes of Governance and Conduct have been adopted.

The Association is part of the worldwide YMCA movement and is affiliated to the National Council of YMCAs in England and through them to the World Council of YMCAs. It receives no funds from either the National Council or the World Council, but pays an affiliation fee to the National Council of YMCAs.

The Board oversees and endorses or challenges the short and medium term strategies recommended by the senior executive staff. The Board aims to ensure the long term interests of the Association are not adversely affected by decisions taken in the medium term and ensures the ethos and values of the Association are maintained.

The day-to-day control of the Association's operations is exercised by the senior management team made up of the Chief Executive, Head of Children and Families and Youth, Head of Adult and Communities, Head of Finance, Head of HR and Development Manager. The Chief Executive attends Board meetings and members of the senior management team are invited where appropriate to encourage wider contact between directors and staff. In setting the salaries of the senior management team the Board considers benchmark information from other appropriate organisations in the YMCA movement.

The Association is organised so that those for whom activities are provided and key stakeholders are involved in the design, monitoring and evaluation of that provision; clear access to senior management and the volunteer Board is integral to the structure and is part of our engagement process.

Recruitment and appointment to the Board

The Board consists of up to fifteen elected members who are appointed for a three-year term, but who may stand for re-election at the end thereof. Members who are co-opted during the year are appointed up until the next Annual General Meeting when they are eligible for election. Board members are elected by the Members of the Association at the Annual General Meeting. Worcestershire YMCA Limited is the sole corporate member of Worcester YMCA.

All Board members acknowledge their Christian faith and are appointed by the sole member.

The Directors of the company are also charity trustees for the purposes of charity law and throughout this report are collectively referred to as the board members. Board members give their time voluntarily and receive no benefits from the charity in respect of this commitment. Any expenses reclaimed from the charity or payments made to them are set out in the notes to the accounts.

It is the aim of the board members to have the Board made up of individuals from the community it serves and simultaneously achieve a rich diversity of perspectives and experience, competent to oversee the operations of the Association. The board seeks to recruit new members accordingly. Potential board members are made aware of the aims and purposes of the YMCA Movement and must indicate their desire to join the Movement and accept the responsibilities involved.

WORCESTER YMCA

REPORT OF THE BOARD

The perspectives, experience and skills of individual Board members are considered to ensure a balance across the Board. Board members are initially co-opted to the Board until the following Annual General Meeting.

Board member induction and training

As part of their induction programme, new Board members are provided with a welcome pack including copies of literature produced by the Charity Commission and the YMCA Movement, including the YMCA Code of Governance. Background information relating to the Association including copies of the articles of association, latest financial information, copies of minutes and policies are included in the welcome pack. The Board schedule five meetings per annum for ordinary business plus meetings to consider the work of the association and future direction.

As part of the YMCA Movement, Board members have access to its board development programme and training, support and benchmarking information. The Board undertakes periodic background and skills audits and as a result identifies certain characteristics it will require of future members. Attendance at Board meetings is monitored.

The Association works in partnership with other organisations, funders and commissioners that are compatible with its ethos and values.

Code of Governance

The Association's Board has adopted the National YMCA Code of Governance based on the National Housing Federation Code of Governance.

Statement of Board responsibilities

The board is responsible for preparing the Report of the Board and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association and of the incoming resources and application of resources, including the income and expenditure, of the Association for that period. In preparing these financial statements, the board is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS102);
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in operation.

The board is responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Association and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The board are responsible for the maintenance and integrity of the corporate and financial information included on the Association's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

WORCESTER YMCA
REPORT OF THE BOARD

Provision of information to auditors

We, the board members of the Association who held office at the date of approval of these financial statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the Association's auditor is unaware; and
- we have taken all the steps that we ought to have taken as board members to make ourselves aware of any relevant audit information and to establish that the Association's auditor is aware of that information.

Corporate Governance – internal financial control

The Board acknowledges its ultimate responsibility for ensuring that the Association 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 Association or for publication;
- maintenance of proper accounting records; and
- safeguarding of assets against unauthorised use or disposal.

It is the Board's responsibility to establish and maintain systems of internal financial control. Such systems can only provide reasonable and not absolute assurance against financial misstatement or loss. Key elements include ensuring that:

- formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the Association's assets;
- experienced and suitably qualified staff take responsibility for important business functions; annual appraisal procedures have been established to maintain standards of performance;
- forecasts and budgets are prepared which allow the Board and management to monitor the key 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; and
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Board members and others.

The Board receives and reviews regular reports from management, internal audit and from the external auditor to provide reasonable assurance that control procedures are in place and are being followed.

Formal procedures have been established for instituting the appropriate action to correct weaknesses identified from the above reports.

Risk management

The Association maintains a risk register covering governance, operational, financial, external and compliance risks. The Board receives and reviews regular reports from management including major risks facing the Association and action taken to reduce or mitigate the effects of those risks.

The board categorises risk into five main headings: Governance, Operational, Financial, Environmental or external and Compliance. The key risk in each heading is identified below:

WORCESTER YMCA
REPORT OF THE BOARD

Risk management (continued)

Risk	Mitigation and further action to be taken.
Governance - loss of key staff	Trustees continue to act as champions for each area of policy, policies are reviewed regularly, skills and role descriptions are identified, a training matrix identifies skills gaps, training is budgeted and undertaken, the strategic plan is approved by the Board, appraisals are conducted regularly.
Operational – project / service development	The organisation has adopted models to demonstrate how and why new and existing projects are in line with charitable objects and to better define and communicate our activities. To continue to enhance development of new plans in line with objects. Further action: review operational strategy and accelerate implementation. Develop future plans for childcare provision in Worcestershire.
Financial - dependency on limited income sources	Strategic plans aim to change the mix of income and the provision of services that are less dependent on Government policy. Specific opportunities identified. Acquisition of a trading subsidiary has diversified income. Further action: Review strategic plan in line with income dependencies. Realise opportunities identified and monitor success of diversification plans and organisational capability to ensure they match future requirements.
Environmental or external factors - changing government policy	Networking and lobbying to minimise adverse policy changes and their effects. Regular market scanning. Members of YMCA policy groups and relevant local groups. Further action: Engage a wider audience particularly potential service users in the provision of data and case studies for influencing policy and ensure other initiatives in diversification are coordinated. Conduct research with target audiences.
Compliance - diversification of activities	Systems to ensure compliance with legislation, regulation and reporting are robust. Further action: identify and monitor the effect on existing compliance of diversifying activity and consider any new compliance such diversification will introduce.

COVID19

The business has affected by the covid pandemic in the year under review. The area of housing has been least adversely affected with lower void levels. The two nursery trading subsidiaries were initially closed to children other than those of key workers and since reopening the nurseries have been required to adhere to strict government regulation with regard to child numbers and staff ratios which has been difficult for the businesses concerned.

Worcestershire YMCA and its subsidiary trading companies benefitted from government grant assistance in the form of from the Coronavirus Job Retention Scheme and other grants during the initial lockdown period.

At the date of signing these financial statements, the trustees have considered the effect of the pandemic on the group with the information available to it, and do not believe it will affect the group's ability to continue to operate for the foreseeable future. As with most organisations there will be short term practical difficulties which we have addressed and are managing by remote working and ensuring safe working practices. Due to the level of reserves and cash balances held and security of some of our income streams, we are well placed to continue operating. See accounting policy titled Going Concern for further details.

WORCESTER YMCA
REPORT OF THE BOARD

Financial Review

Reserves

The association makes adequate provision, by way of financial reserves, to enable the discharge of statutory and contractual obligations and to support continuity of business in the face of potential risks.

The Board considers there are sufficient assets to meet obligations as they arise. Net current assets are £1,480,347 (2020: £1,362,667).

The overall funds of the Association have increased as a consequence of a surplus arising from operational income exceeding expenditure in the year under review. It should be noted that central costs have not been apportioned between YMCA Worcestershire Limited and the Association for operational reasons.

The Association does not trade for profit, but plans for income to exceed expenditure each year, ensuring a margin of safety to manage the unexpected, its Articles prevent the distribution of reserves, which are instead applied to further the aims and objectives.

The Board has reviewed its reserves policy and the designation of reserves in the light of the current Covid environment. The policy is to aim to maintain funds in reserves at least sufficient to fund 2 months total expenditure (£59,091) to cover the eventuality of a material decline in incoming resources and to hold at least half of that amount in cash at bank. The Association has free reserves (at group level) of £601,280 which equates to 20 months operating costs. It will regularly review this policy having regard to the changing financial, regulatory and competitive environment in which the charity operates.

WORCESTER YMCA
REPORT OF THE BOARD

Employment of disabled persons

The Association operates an equal opportunities employment policy and is committed to be a Disability Employer.

Objects and activities

As a Christian charity committed to helping people, especially the young, particularly at times of need, without discrimination, our faith calls us to stand alongside people on their personal journey, and help them develop in body, mind and spirit.

Accordingly, demonstrating our Christian faith and sharing it through social action we are active in working towards our vision of transforming communities so that all young people truly belong, contribute and thrive. We aim to be recognised as the leading provider of activities which inspire transformation.

The Association's objects and principal activities are to:

- relieve or assist in the relief of persons of all ages who are in conditions of need, hardship or distress by reason of their social, physical or economic circumstances;
- to provide or assist in the provision of education for persons of all ages with the object of developing their physical, mental or spiritual capacities;
- 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;
- lead young people to the Lord Jesus Christ and to fullness of life in Him;
- provide residential accommodation for persons of all ages who are in need, hardship or distress by reason of their social physical or economic circumstances; and
- 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.

Our aims mean we work with others to deliver activities through which all young people can be offered the opportunity to develop in body, mind and spirit so they have hope of experiencing life in all its fullness.

Strategy

The key elements of our medium to long-term strategy are:

Build on the strength of YMCA's Early Years presence across the County; Provide opportunities that prepare young people, including the marginalised, for adult life and the world of work through positive activities, alternative curriculum, employability skills, health and wellbeing, volunteering, community and family engagement, and targeted mentoring support. In addition, we will work with churches and other Christian organisations to deliver high quality youth work and opportunities for religious education. With the global YMCA movement, we will provide wider opportunities for young people, to improve outcomes.

We measure the success of the strategy:

Annually, prior to the commencement of the financial year, when plans are produced as part of our budgetary cycle. These are submitted to the Board for approval by the beginning of the year. During the year, the senior management meet regularly to monitor performance in both financial and non-financial terms. We are organised into three areas of work.

Progress is reported and variances explained to Board throughout the year. An annual review is conducted by the board and senior management and an Annual General Meeting is also held and a report presented by the board and senior management to members.

During the year there are periodic reviews conducted with partner organisations including commissioning bodies.

WORCESTER YMCA
REPORT OF THE BOARD

Review of activities

Working from our own centres and accommodation units of other organisations, we provide preschool nurseries, youth work including the support of young people towards independent living, 'move on' accommodation and support for vulnerable adults.

The two most significant charitable activities contributing to the achievement of our objectives in the year were:

Residential Accommodation
Children and Youth Services

During the year our work in providing support to young people aged 16-25 and to vulnerable adults continued.

Further analysis of the income and expenditure on operations can be found in notes 3, 4, 5 and 6 to the financial statements.

WORCESTER YMCA

REPORT OF THE BOARD

Strategy: Build on the strength of YMCA's Early Years and families presence across the County, work with older children and partnership working. We will work in partnership with others to improve health of mothers and their babies and work with older children and their families to make them better informed and benefit from their knowledge to improve their lives. Provide opportunities that prepare young adults, including the marginalised, for adult life and the world of work through positive activities, employability skills, health and wellbeing, volunteering, community and family engagement, and targeted mentoring support. In addition, we will work with churches and other Christian organisations to deliver high quality youth work and opportunities for religious education. With the global YMCA movement, we will provide wider opportunities for young people, to improve outcomes.

Housing and Support

We offer 14 units of accommodation for young people aged 18-35 in training, education or employment. This has enabled YMCA to provide affordable rents to young people in the City and young people to live independently whilst maintaining employment and training.

It has been a critical priority to develop strategic partners to support young people in our accommodation; this has included working with:

- St Basils, a Housing Charity based in Birmingham, delivered an open network accredited course managing your tenancy. St Basils trained support staff to provide the course to residents. This certificate is recognised by local housing providers, such as Platform Housing Group, and provides strong evidence that those participants are ready for independent living.
- Redditch Churches have worked closely within the housing scheme to help build relationships and meet the spiritual needs of the young people at Redditch.
- Moat House Care Farm provided volunteering opportunities for young people, which has resulted in improved emotional awareness, assertiveness, social skills, confidence, trust in self and others, empathy, impulse control, problem-solving skills.

Further partnerships have been developed throughout the year, including engaging with an onsite drug and alcohol worker, employability and life skills, onsite counselling and working closely with the local policing and neighbourhood team. These partnerships have played a key role in developing transformational communities for young people.

Nurseries

Little Treasures has continued to enhance our provision across the group and contributed to the diversification of income sources. Throughout the pandemic, we have adapted the delivery of childcare to create childcare bubbles; this enabled us to continue delivery with minimal interruption to service. For part of the year, during the initial lockdown, childcare was only provided to key worker children; this saw an increase in home learning for children during this time and it was necessary to ensure that the children's development was monitored whilst they were not in the settings.

A curriculum statement of intent provides a framework for setting out the aims of a programme of education, including the knowledge and skills gained at each stage, developing a framework over time into a structure and narrative. In line with the organisation's objectives, our statement enables children to live life to its fullest by offering stimulating learning experiences with Christian values at its heart. Our nurseries develop children's spiritual, social, moral and cultural understanding. They provide a holistic curriculum that fosters lifelong learning. The nurseries have created learning environments that build upon children, prior learning experiences and are tailor-made for the families we support. From September 2021, a new curriculum will be published and adopted by each nursery setting in line with Government guidance for the education sector.

WORCESTER YMCA

REPORT OF THE BOARD

Strategy: Sustain service (Continuous improvement in quality and value for money; Increase unrestricted funding and social enterprise; Diversify and maintain a balance between housing and other provision; Increase the use of appropriate volunteers; Increase the number of partners, including faith communities and the wider YMCA movement, with whom we unite; Diversify across each district; Increase participation).

Highlighted achievements:

In conjunction with Worcestershire YMCA we have recruited a Business Manager with a view to increasing unrestricted funding and undertaken joint fundraising events. Together we have also explored further partnership working with local councils, the private sector, local college and local churches.

International Partnerships

Throughout the year, we have developed international partnerships with YMCA France in providing opportunities for young people to live and volunteer within YMCA Worcestershire. Over the past 12 months, four volunteers joined our housing, nursery and youth teams to support the delivery of our services. The programme has been successful in providing opportunities for young people. Due to the project's success, next year we will look to expand the international volunteering opportunities.

Communication

The online and digital presence has been a critical part of our communication strategy throughout the year due to limitations in face-to-face delivery. The digital presence enabled us to communicate quickly in the rapidly evolving situation. The Covid Community Page promoted the organisation's risk assessment and demonstrated the measures that have been put in place to operate safely, giving confidence to the communities.

Black Lives Matter Response

YMCA Worcestershire has been part of the regional response to the Black Lives Matter movement (BLM). The group represents the region on its commitment to have a clear position on BLM by carrying out a diversity audit and making appropriate recommendations, assessing and reporting on equality data across the region annually, supporting YMCAs to engage with Black, Asian and Minority Ethnic (BAME) young people and encouraging staff to share their stories and experiences.

Christian Spiritual Development

The Christian Spiritual Development Coordinator left the organisation in September 2020, and plans are in place to recruit for this position next year. It is our aim to develop an internal chaplaincy group that will support the organisation in developing its Christian mission. In addition, we have hosted a daily online prayer meeting for YMCAs globally throughout the year, which has been well-received globally.

WORCESTER YMCA
REPORT OF THE BOARD

Value for Money

Value for money forms part of our sustain service strategy. The consolidation of activities across the group continues to present opportunities to increase value for money and dilute costs over a broader base.

Public Benefit

The board has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charitable company's aims and objectives and in planning future activities. In particular, the board has considered how planned activities will contribute to the aims and objectives set.

Communities and particularly young people within the County of Worcestershire benefit from our work. We work with parents of children, children, young people and vulnerable adults. Our activities include affordable flexible childcare; work with school age children outside school throughout the year; work with young people and adults in formal and informal education, leisure activities including health and wellbeing and in support towards independent living. We engage in preventative work and offer residential accommodation.

We recognise the importance of responding to the needs of the community and allowing them to influence the charitable company's developments.

We consult with participants in our activities, potential participants and partner organisations. Consultation takes place through a variety of routes including formal surveys, one to one sessions and informal meetings. We aim to continuously improve our services, responding to comments and complaints made by people who participate in our activities. Informal comments are dealt with by the management of the particular delivery arm of the Association. Formal issues may be raised in accordance with our service delivery policies and procedures and will be reported to the Board. Services are regularly reviewed against current developments in recommended practice and guidelines issued by regulatory and similar bodies.

Plans for future periods

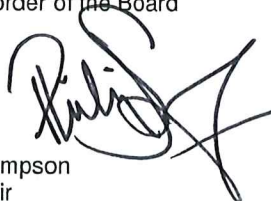
Our assessment of performance in the year is used to inform our medium to long term strategy. Following the disposal of our main site, we are reviewing our strategies. Our objects remain relevant and appropriate. We have engaged with staff more widely to assist in the short to medium term plans for the organisation as it deals with consolidating activities in the face of reduced public spending. The organisation has begun to invest in its infrastructure to ensure a comprehensive and cohesive offer can be made to more potential beneficiaries.

Our main objectives for next year:

Young People and Adults:

To consolidate the work of our nurseries and identify further opportunities for additional investment.

By order of the Board



P Simpson
Chair
27 September 2021

Gordon Anstis House
Loxley Close
Worcestershire
B98 9JS
Tel: 01527 61643

WORCESTER YMCA

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORCESTER YMCA

Opinion

We have audited the financial statements of Worcester YMCA ("the parent charitable company") and its subsidiaries ("the group") for the year ended 31 March 2021 which comprise the Group Statement of Financial Activities, the Group and Parent Company Balance Sheets, the Consolidated Statement of Cash Flows and the related notes, 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 parent charitable company's affairs as at 31 March 2021, and of the group's 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.

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 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 group's or parent 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 Report of the Board, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Report of the Board. 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

WORCESTER YMCA

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORCESTER YMCA

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 Report of the Board for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Board has been prepared in accordance with legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and 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.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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; or
- the Trustees' were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Report of the Board and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 5, 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

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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:

WORCESTER YMCA

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORCESTER YMCA

Our assessment focussed on key laws and regulations the group and parent charitable company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, Charities Act 2011, the Childcare Act 2006, taxation legislation, data protection and employment legislation.

We are not responsible for preventing irregularities. Our approach to detecting irregularities included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the group and parent charitable company and how the group and parent charitable company are complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the group and parent charitable company's control environment and how the group and parent charitable company have applied relevant control procedures, through discussions with Trustees and other management and by performing walkthrough testing over key areas;
- obtaining an understanding of the group and parent charitable company's risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

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.

WORCESTER YMCA

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORCESTER YMCA

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 Part 16 of the Companies Act 2006 and to the charitable company's trustees as a body in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and trustees 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 and trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Atkins FCA

Senior Statutory Auditor for and on behalf of:

Cooper Parry Group Limited

Chartered Accountants and Statutory Auditor
One Central Boulevard
Park View
Blythe Valley Park
Solihull
West Midlands
B90 8BG

27 September 2021

WORCESTER YMCA

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(including an income and expenditure account)
YEAR ENDED 31 MARCH 2021

	Note	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Income from:					
Voluntary income	3	366,330	-	366,330	42
Other trading activities	4	784,162	-	784,162	851,121
Investment income		31	-	31	8
Charitable activities	5	62,603	-	62,603	428,677
Total income		1,213,126	-	1,213,126	1,279,848
Expenditure on:					
Raising funds-trading activities		833,243	-	833,243	633,948
Charitable activities		354,544	-	354,544	694,360
Total resources expended	6	1,187,787	-	1,187,787	1,328,308
Net income / (expenditure) for the year before other recognised gains and losses		25,339	-	25,339	(48,460)
Transfers between funds	15	-	-	-	-
Net movement in funds		25,339	-	25,339	(48,460)
Reconciliation of funds					
Fund balance at 1 April 2020		2,343,082	-	2,343,082	2,391,542
Fund balance at 31 March 2021	16	2,368,421	-	2,368,421	2,343,082

The accompanying notes form part of these financial statements.

The statement of financial activities includes all gains and losses recognised in the year.

All activities derive from continuing operations.

WORCESTER YMCA

CONSOLIDATED BALANCE SHEET
31 MARCH 2021

Registered company number: 05056873

	Notes	Group 2021 £	Association 2021 £	Group 2020 £	Association 2020 £
Fixed assets					
Intangible assets	10	428,741	-	493,372	-
Tangible fixed assets	11	1,337,710	541,110	1,381,604	560,486
Investments	12	690	1,050,306	690	1,050,306
		<u>1,767,141</u>	<u>1,591,416</u>	<u>1,875,666</u>	<u>1,610,792</u>
Current assets					
Debtors	13	656,805	1,242,851	384,898	944,181
Cash at bank and in hand		948,822	704,941	1,111,980	934,333
		<u>1,605,627</u>	<u>1,947,792</u>	<u>1,496,878</u>	<u>1,878,514</u>
Creditors: amounts falling due within one year	14a	(125,280)	(48,490)	(134,211)	(63,669)
Net current assets		<u>1,480,347</u>	<u>1,899,302</u>	<u>1,362,667</u>	<u>1,814,845</u>
Total assets less current liabilities		<u>3,247,488</u>	<u>3,490,718</u>	<u>3,238,333</u>	<u>3,425,637</u>
Creditors: amounts falling due after more than one year	14b	(789,967)	(789,967)	(817,563)	(817,563)
Provision for liabilities and charges	21	(89,100)	(89,100)	(77,688)	(75,690)
Net assets		<u>2,368,421</u>	<u>2,611,651</u>	<u>2,343,082</u>	<u>2,532,384</u>
Represented by Unrestricted funds					
General funds	15	2,457,521	2,700,751	2,418,772	2,608,074
Pension reserve	15	(89,100)	(89,100)	(75,690)	(75,690)
Total		<u>2,368,421</u>	<u>2,611,651</u>	<u>2,343,082</u>	<u>2,532,384</u>

Approved by the Board on 27 September 2021.


.....
P Simpson

The accompanying notes form part of these financial statements.

WORCESTER YMCA

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 March 2021

	Note	2021 £	2020 £
Net cash inflow / (outflow) from operating activities	18	(115,000)	(612,677)
Returns of investment and servicing of finance			
Interest paid		(16,744)	(19,408)
Interest received		31	8
Net cash outflow from returns on investments and servicing of finance		(16,713)	(19,400)
Capital expenditure			
Payments to acquire tangible fixed assets		(2,650)	(25,465)
Acquisition of subsidiary		-	(91,094)
Net cash (outflow) / inflow from capital expenditure		(2,650)	(116,559)
Financing			
Net movement in short term borrowings		(1,199)	-
Net movement in long term borrowings		(27,596)	(31,240)
Net cash inflow from financing		(28,795)	(31,240)
Change in cash and cash equivalents during the year	19	(163,158)	(779,876)

The accompanying notes form part of these financial statements.

WORCESTER YMCA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

1 Legal status

Worcester YMCA is a company limited by guarantee with members required to contribute up to a maximum of £1 should there be a deficiency on winding up. The company is registered under the Companies Act 2006 and is a registered charity.

The address of the registered office is given in the information on page 3 of these financial statements.

2 Accounting policies

The principal accounting policies of the company are as follows:

Basis of preparation

The accounts have been prepared in accordance with UK applicable accounting standards including Financial Reporting Standard 102, The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements are prepared in sterling and rounded to the nearest pound.

Going Concern

At the time of signing the accounts, the Trustees have considered the effect of the Coronavirus on the going concern position, and consider that the group will continue to operate for a period of at least 12 months from the date of signing these accounts due to the level of funding already secured with its key partners and easing of restrictions on staffing ratios within the nursery settings.

At the balance sheet date, the group held significant cash balances. The group has significant reserves, the majority of which are unrestricted and is sufficient to absorb short-term in-period deficits if required. Government support is utilised, where it is appropriate to do so, and since the year end the Furlough scheme has been used to a limited extent.

The financial forecasts prepared by the executive team show that the group will be able to operate within the facilities available to it.

On that basis the Trustees have prepared these financial statements on a going concern basis.

Basis of Consolidation

The group is required by Charities Act 2011 to prepare consolidated Financial Statements. The Financial statements incorporate those of the Charity and the its subsidiary, reflecting trading activities to 31 March 2021.

All Intra-Group transactions and balances between Group companies are eliminated on consolidation.

The wholly owned subsidiaries which are consolidated are:

Little Treasures Limited
First Class Nursery (Kidderminster) Limited

WORCESTER YMCA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

Accounting policies (continued)

Business Combinations

The cost of a business combination is the fair value at the acquisition date, of the consideration paid and liabilities incurred or assumed, plus costs directly attributable to the business combination.

The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. Goodwill arising on business combinations is capitalised, classified as an asset on the balance sheet and amortised on a straight-line basis over its useful life. The period chosen for writing off goodwill is ten years representing the remaining life of the lease acquired on the business premises of the subsidiary acquired.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. Restricted funds are subject to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income including grants, covenanted income, gifts and legacies is included in full when there is certainty of receipt.

Income from the hire of facilities is recognised as the related services are provided.

Investment income is recognised on a receivable basis.

Rental income for accommodation is accounted for when it becomes receivable. Income from education and training activities includes income received under contract, subject to specific performance conditions.

Government grants are accounted for under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the Statement of Financial Activities in the same period as the related expenditure.

Resources expended

Expenditure is recognised on an accruals basis when a liability is incurred. The costs of all activities include a share of support costs, the individual elements of which are apportioned to each activity on the basis of direct time spent thereon. Direct costs relating to particular activities are allocated directly.

Costs of generating voluntary income include staff costs associated with that activity.

Costs of generating funds include related staff costs and direct costs incurred in those activities.

Charitable activities costs include a direct allocation of staff and other direct costs and an apportionment of support costs.

Governance costs comprise those costs incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

WORCESTER YMCA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

Accounting policies (continued)

Tangible fixed assets and depreciation

Fixed assets are recorded at cost at the time of acquisition.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its estimated useful life, as follows:

Freehold buildings	Over 10 or 32 years
Fixtures and Fittings	20% straight line
Computer equipment	20% straight line
Motor vehicles	25% straight line

Investments

Investments are included at closing mid-market value at the balance sheet date. Any gain or loss on revaluation is taken to the Statement of Financial Activities.

Stock

Stock is valued at the lower of cost and net realisable value.

Current asset property

Freehold property held for resale is included at open market value.

Operating leases

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Pensions

Worcester YMCA 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 Worcester YMCA.

As described in note 21 Worcester YMCA has a contractual obligation to make pension deficit payments of £11,137 per annum over the period to April 2029 and, accordingly, this is shown as a liability in these accounts. In addition, Worcester YMCA is required to contribute £2,636 per annum to the operating expenses of the pension plan and these costs are charged to the statement of financial activities as they are incurred.

The employer contributions in relation to the pension plan are determined by the Trustee based on advice from a qualified actuary.

In addition, all staff are eligible for employer's pension contributions to be paid to a stakeholder or equivalent contributory personal pension scheme, with the level of contribution depending on their own level of contribution. The association has no liability beyond the payment of its agreed monthly contributions. The contributions are charged to the Statement of Financial Activities as made.

WORCESTER YMCA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

Accounting policies (continued)

Critical areas of Judgements

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment and changes to decent homes standards which may require more frequent replacement of key components.

WORCESTER YMCA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

3 Voluntary income

	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £	Total 2020 £
Grants from other charities	850	-	850	-
Government grant income	115,480	-	115,480	-
Donations and legacies	250,000	-	250,000	42
	<u>366,330</u>	<u>-</u>	<u>366,330</u>	<u>42</u>

In 2020 all of the voluntary income was attributable to unrestricted funds.

4 Other trading activities

	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £	Total 2020 £
Hiring of facilities	-	-	-	17,180
Non charitable trading activities	784,162	-	784,162	833,941
	<u>784,162</u>	<u>-</u>	<u>784,162</u>	<u>851,121</u>

In 2020 all of the trading activities income was attributable to unrestricted funds.

5 Charitable activities

	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £	Total 2020 £
Residential accommodation	62,603	-	62,603	428,677

In 2020 all of the charitable activities income was attributable to unrestricted funds.

WORCESTER YMCA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

6 Resources expended

	Accommodation	Corporate	Trading	2021	2020
	£	Services	income	Total	Total
		£	£	£	£
Direct costs					
People related	188,549	13,098	665,533	867,180	854,189
Premises related	41,479	-	64,297	105,776	192,890
Vehicle related	448	-	-	448	268
Office expenses	3,725	-	8,751	12,476	25,070
Other direct expenses	-	-	42,206	42,206	58,252
Indirect costs					
Overheads	207	8,109	12,371	20,687	54,042
Depreciation and amortisation	19,376	55,632	36,167	111,175	100,945
Other costs	9,351	14,570	(1,795)	22,126	51,332
Taxation	-	-	5,713	5,713	(8,680)
Total resources expended	<u>263,135</u>	<u>91,409</u>	<u>833,243</u>	<u>1,187,787</u>	<u>1,328,308</u>

All of the total expenditure of £1,187,787 (2020: £1,328,308) related to unrestricted funds.

WORCESTER YMCA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

7 Operating surplus

	2021	2020
	£	£
The operating surplus is arrived at after charging:		
Depreciation of tangible fixed assets	46,544	43,005
Amortisation	64,631	57,882
Auditor's remuneration	15,390	13,573
	<u> </u>	<u> </u>

8 Employee costs

	2021	2020
	£	£
Salaries and wages	771,700	700,473
Social security costs	38,065	33,870
Pension and other costs	20,410	15,947
	<u> </u>	<u> </u>
	830,175	750,290
	<u> </u>	<u> </u>

No employee received emoluments in excess of £60,000 (2020: none).

	2021	2020
	No.	No.
The average monthly number of persons employed during the year were as follows:		
Direct charitable work	54	63
Administration	1	1
	<u> </u>	<u> </u>
	55	64
	<u> </u>	<u> </u>

The salaries of senior management are paid by the parent charitable company, Worcestershire YMCA. The aggregate remuneration of senior management is disclosed, on a group basis, in the accounts of Worcestershire YMCA. The accounts of Worcestershire YMCA are available as detailed in note 2 to the accounts.

9 Trustee remuneration

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year. Expenses of £Nil (2020: £Nil) were reimbursed to trustees during the year.

WORCESTER YMCA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

10 Intangible assets - Goodwill

	Goodwill on acquisition £	Purchased goodwill £	Total £
Cost			
At 1 April 2020	556,320	39,000	595,320
Additions	-	-	-
At 31 March 2021	556,320	39,000	595,320
Amortisation			
At 1 April 2020	99,698	2,250	101,948
Charge for year	55,631	9,000	64,631
At 31 March 2021	155,329	11,250	166,579
Net book value			
At 31 March 2021	400,991	27,750	428,741
At 1 April 2020	456,622	36,750	493,372

11 Tangible fixed assets - Group

	Computer equipment £	Motor vehicles £	Land and buildings £	Total £
Cost				
At 1 April 2020	43,739	10,788	1,401,558	1,456,085
Additions	2,650	-		2,650
At 31 March 2021	46,389	10,788	1,401,558	1,458,735
Depreciation				
At 1 April 2020	15,293	2,697	56,491	74,481
Charge for year	12,568	2,697	31,279	46,544
At 31 March 2021	27,861	5,394	87,770	121,025
Net book value				
At 31 March 2021	18,528	5,394	1,313,788	1,337,710
At 1 April 2020	28,446	8,091	1,345,067	1,381,604

WORCESTER YMCA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

Tangible fixed assets - Association

	Computer equipment £	Motor vehicles £	Land and buildings £	Total £
Cost				
At 1 April 2020 and 31 March 2021	5,596	10,788	585,000	601,384
Depreciation				
At 1 April 2020	5,296	2,697	32,905	40,898
Charge for year	226	2,697	16,453	19,376
At 31 March 2021	5,522	5,394	49,358	60,274
Net book value				
At 31 March 2021	74	5,394	535,642	541,110
At 1 April 2020	300	8,091	552,095	560,486

12 Investments – Group

	2021 £	2020 £
COIF Charities Investment		
Market value at 1 April 2020	690	690
(Loss) / gain on revaluation	-	-
Market value at 31 March 2021	690	690

12a Investments – Company

The charity owns 100% of the issued share capital of Little Treasures Limited, a company limited by shares incorporated in England and Wales (company number 04029930). Its net assets totalled £401,851 as at 31 March 2021 (2020: £401,030).

The charity owns 100% of the issued share capital of First Class Nursery (Kidderminster) Limited, a company limited by shares incorporated in England and Wales (company number 08887253). Its net assets totalled £3,544 as at 31 March 2021 (2020: £2,662)

	2021 £	2020 £
Brought forward at 1 April 2020	1,050,306	893,603
Additions	-	156,703
Carried forward at 31 March 2021	1,050,306	1,050,306

WORCESTER YMCA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

13 Debtors

	Group 2021 £	Group 2020 £	Association 2021 £	Association 2020 £
Other debtors	14,447	8,008	(19)	1,662
Prepayments and accrued income	-	10,963	-	8,565
Intercompany	642,358	365,927	1,242,870	933,954
	<u>656,805</u>	<u>384,898</u>	<u>1,242,851</u>	<u>944,181</u>

14a Creditors: amounts falling due within one year

	Group 2021 £	Group 2020 £	Association 2021 £	Association 2020 £
Bank loans and overdrafts	32,176	33,375	32,176	33,375
Trade creditors	16,778	54,518	841	13,189
Other taxes and social security costs	11,120	10,852	3,604	3,925
Owed to related undertakings	15,434	3,883	-	-
Accruals and deferred income	36,856	24,907	11,869	12,299
Corporation tax payable	7,711	2,365	-	-
Other creditors	5,205	4,311	-	881
	<u>125,280</u>	<u>134,211</u>	<u>48,490</u>	<u>63,669</u>

Included in accruals and deferred income above is deferred income of £17,068 (2020: £3,928) and this is analysed below:

	2021 £	2020 £
Deferred income brought forward	3,928	81,105
(Released) / deferred during the year	13,140	(77,177)
	<u>17,068</u>	<u>3,928</u>

The amounts are deferred when the companies do not have unconditional entitlement to the income or when the invoice relates to the delivery of a service and is therefore only recognised to the extent that the companies have provided the service.

WORCESTER YMCA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

14b Creditors: amounts falling due after one year

	Group 2021 £	Group 2020 £	Association 2021 £	Associatio n 2020 £
Bank loans and overdrafts	789,967	817,563	789,967	817,563
Loan maturity analysis				
Within one year	32,176	33,375	32,176	33,375
Within one to two years	32,176	33,375	32,176	33,375
Within two to five years	96,529	100,125	96,529	100,125
In more than 5 years	661,261	684,063	661,261	684,063
	822,142	850,938	822,142	850,938

15 Movement in funds

	Balance at 1 April 2020 £	Incoming £	Outgoing £	Transfers £	Balance at 31 March 2021 £
General fund	2,418,772	1,213,126	(1,174,377)	-	2,457,521
Pension reserve	(75,690)	-	(13,410)	-	(89,100)
Total unrestricted funds	2,343,082	1,213,126	(1,187,787)		2,368,421

15a Movement in funds - prior year

	Balance at 1 April 2019 £	Incoming £	Outgoing £	Transfers £	Balance at 31 March 2020 £
General fund	2,473,079	1,279,848	(1,334,155)	-	2,418,772
Pension reserve	(81,537)		5,847	-	(75,690)
Total unrestricted funds	2,391,542	1,279,848	(1,328,308)		2,343,082

16 Analysis of net assets between funds

All assets and liabilities are allocated to unrestricted funds in both the current and prior year.

WORCESTER YMCA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

17 Cash flows from operating activities

	2021	2020
	£	£
Reconciliation to changes in resources		
Net movement in funds	25,339	(48,460)
Interest received	(31)	(8)
Interest paid	16,744	19,408
Profit on disposal	-	258
Depreciation of tangible fixed assets	46,544	43,005
Amortisation	64,631	57,882
(Increase) / decrease in debtors	(271,907)	(273,199)
Decrease in stock	-	700
(Decrease) / increase in creditors	(7,732)	(406,414)
(Decrease)/increase in provisions	11,412	(5,849)
	(115,000)	(612,677)

18 Change in cash and cash equivalents

	2021	2020
	£	£
Decrease / (increase) in cash in the period	(163,158)	(779,876)
	(163,158)	(779,876)
Movement in net funds		
Net funds at 1 April 2020	1,111,980	1,891,856
Net funds at 31 March 2021	948,822	1,111,980

19 Analysis of net debt

	At 1 April 2020	Cash Flow	Non-cash Changes	At 31 March 2021
	£	£	£	£
Cash at bank and in hand	1,111,980	(779,876)	-	948,822
Loans falling due within one year	(33,375)	1,199	-	(32,176)
Loans falling due after one year	(817,563)	27,596	-	(789,967)
	261,042	(134,363)	-	126,679

WORCESTER YMCA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

20 Provisions for liabilities and charges

	2021	2020
	£	£
Pension liability (21a)	89,100	75,690
Deferred tax-accelerated capital allowances	-	1,998
	<u>89,100</u>	<u>77,688</u>

21 Pension costs

Worcester YMCA 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 Worcester YMCA and at the year-end these were invested in the Mercer Dynamic De-risking Solution, 40% matching portfolio and 60% in the growth portfolio and Schroder (property units only).

The most recent completed three year valuation was as at 1 May 2020. The assumptions used which have the most significant effect on the results of the valuation are those relating to the assumed rates of return on assets held before and after retirement of 2.59% and 1.09% respectively, the increase in pensions in payment of 2.99% (for RPI capped at 5% p.a.), and the average life expectancy from normal retirement age (of 65) for a current male pensioner of 22.0 years, female 24.4 years, and 23.7 years for a male pensioner, female 26.1 years, retiring in 20 years time. The result of the valuation showed that the actuarial value of the assets was £146.1m. 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 2017 showed that the YMCA Pension Plan had a deficit of £36 million. Worcester YMCA has been advised that it will need to make monthly contributions of £928 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.

	Within 1	One to	Two to	After	After	Total	Total
	year	two years	five years	five years	more than	2021	2020
	£	£	£	£	one year	£	£
As at 31							
March							
2021	<u>11,137</u>	<u>11,137</u>	<u>33,413</u>	<u>33,413</u>	<u>77,963</u>	<u>89,100</u>	
As at 31							
March							
2020	<u>10,813</u>	<u>10,813</u>	<u>30,439</u>	<u>21,625</u>	<u>64,877</u>		<u>75,690</u>

In addition, Worcester YMCA 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 Worcester YMCA may be called upon to pay in the future.

WORCESTER YMCA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

21 Pension costs (continued)

YMCA contributory pension scheme

All staff are eligible for employers' pension contributions to be paid to a stakeholder or equivalent contributory personal pension scheme, with the level of contribution depending on their own level of contribution. The association has no liability beyond the payment of its agreed monthly contributions.

The total pension charge for the year is shown in note 8. The amount outstanding at the year-end was £2,176 (2020: £1,730).

22 Related Party Transactions

No members of the Board or other person related to the organisation had any personal interest in any contract or transaction entered into by the charitable company during the year (2019: nil).

During the year Worcestershire YMCA increased its indebtedness to Worcester YMCA Limited by £277,020 (2020: £426,754). Worcester YMCA was owed £613,376 (2020: £336,356) at the year end.

Little Treasurers Limited, subsidiary of Worcester YMCA repaid loans and covenanted income amounting to £60,000 (2020: £38,600) during the year. £366,455 (2020: £491,455) was owed by Little Treasures Limited at the year end. The movements relate to net cash movements during the year and the recharges etc. noted above.

Worcester YMCA made loans, recharged expenses and received covenanted income to/from First Class Nursery (Kidderminster) Limited, subsidiary of Worcester YMCA, amounting to £156,895 during the period (2020: £106,143) £263,038 was owed to Worcester YMCA at the year end (2020: £106,143) The movements relate to net cash movements during the year and the recharges etc. noted above.

During the year First Class Nursery (Kidderminster) Limited loaned £100,000 to Little Treasures Limited – this amount was outstanding at the year end (2020: £nil)

25 Ultimate controlling party

Worcester YMCA is controlled by Worcestershire YMCA Limited. Consolidated accounts are available from the head office of Worcestershire YMCA at Gordon Anstis House, Loxley Close, Redditch, Worcestershire B98 9JS.

26 Taxation

As a charitable company, Worcester YMCA is exempt from tax on income and gains to the extent that these are applied to its charitable objects. No tax charges have arisen within the charitable company.

Little Treasures Limited and First Class Nursery (Kidderminster) Limited are not registered as charities and therefore corporation tax is payable on tax surpluses as they arise.