

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.
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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

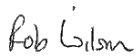
To the members of

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	19				
Unrestricted funds					
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
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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	<u>-</u>	<u>-</u>
At 31 March 2024	<u>1,087,428</u>	<u>997,428</u>
Amortisation		
At 1 April 2023 restated	(858,726)	(778,476)
Charge for the year	<u>(209,236)</u>	<u>(199,486)</u>
At 31 March 2024	<u>(1,067,962)</u>	<u>(977,962)</u>
Net book value		
At 31 March 2024	<u>19,466</u>	<u>19,466</u>
At 31 March 2023 restated	<u>228,702</u>	<u>218,952</u>

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	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2024	<u>86,981</u>	<u>10,788</u>	<u>1,251,800</u>	<u>1,349,569</u>
Depreciation				
At 1 April 2023 restated	(84,629)	(10,788)	(140,117)	(235,534)
Charge for the year	<u>(357)</u>	<u>-</u>	<u>(30,600)</u>	<u>(30,957)</u>
At 31 March 2024	<u>(84,986)</u>	<u>(10,788)</u>	<u>(170,717)</u>	<u>(266,491)</u>
Net book value				
At 31 March 2024	<u>1,995</u>	<u>-</u>	<u>1,081,083</u>	<u>1,083,078</u>
At 31 March 2023 restated	<u>2,352</u>	<u>-</u>	<u>1,111,683</u>	<u>1,114,035</u>

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><u>12,976</u></u>	<u><u>98,333</u></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><u>604,381</u></u>	<u><u>621,043</u></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				
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>