

**MILTON KEYNES YMCA LIMITED**  
**Consolidated Financial Statements**  
**Year Ended 31 March 2021**

Company registration number: 2769788

Charity registration number: 1125743

Regulator of Social Housing registration number: 4870

**Milton Keynes YMCA Limited**

**Group Financial Statements**

**Year Ended 31 March 2021**

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## **Milton Keynes YMCA Limited**

### **Registered Social Housing Provider Information**

**Year Ended 31 March 2021**

<b>Company registration number</b>	2769788
<b>Charity registration number</b>	1125743
<b>Regulator of Social Housing registration number</b>	4870
<b>Members of the board (Trustees)</b>	J Upton MBE – Chair P T Ayres F Akinbusoye Dr V Fernandes J Gowin – resigned 07/06/2020 Dr A J Holden L Keen FCA – appointed 18/11/2020 – Treasurer M Maguire – resigned 18/10/2020 C Montgomery Rev J Robertson T Stone – resigned 13/08/2020 J Valentine J Walker
<b>Secretary</b>	L Keen FCA
<b>Senior Management Team</b>	S Green – Chief Executive R Prosser-Dryer – Head of Finance – resigned 29 January 2021 A Rhind – Head of Business Development L Harrison – Director of Housing & Support – appointed 4 January 2021 Richard Freeman – Interim Director of Finance – appointed 29 January 2021
<b>Registered office</b>	1 North Sixth Street Milton Keynes MK9 2NR
<b>Auditor</b>	Hillier Hopkins LLP 249 Silbury Boulevard Milton Keynes MK9 1NA
<b>Bankers</b>	National Westminster Bank Plc 501 Silbury Boulevard Milton Keynes MK9 3ER

# **Milton Keynes YMCA Limited**

## **Board Report**

**Year Ended 31 March 2021**

### **Chair's Report**

Our vision is that every young person in Milton Keynes has the means and confidence to belong, contribute and thrive. Since 1981, we have supported more than 10,000 local young people, and whilst the charity has grown a great deal over recent years, the developments within the past 12 months have been significant and far-reaching.

At the start of the year, our residents settled into their new homes in our £18.2m campus, where we are able to offer more than just a home. Our state-of-the-art building enabled us to embark on a new, person-centred pathway, providing practical, emotional and employment support so that all residents have the means to achieve their full potential.

Many plans were put on hold following the outbreak of COVID-19, bringing many challenges. Along with the rest of country, we had to respond quickly and adapt our work and safeguard our staff and our residents.

With many staff working remotely and residents living in isolation, we carried out welfare checks to make sure everyone was fully supported. We switched from face-to-face to online support and held virtual sessions with our residents to provide another channel of engagement for them with staff. It was a difficult time that we could not have prepared for, but the Board of Trustees and I are very proud of the way everyone at the YMCA MK responded and maintained resident and staff welfare throughout.

Amidst the changing COVID-19 landscape, demand for our accommodation continued to grow. To meet this need, we transformed seven office areas into additional homes. Between our campus and move-on accommodation we can now offer housing for up to 242 young people.

Another key area of progression this year has been our Employability Programme. This is a significant programme delivered by our Employment Coaches who help residents find meaningful and sustainable work, enabling them to become more independent. The support of local employers and training providers wanting to create employment and development opportunities for our residents has been overwhelming – and I thank them for this commitment. As a result, our Employability Programme has supported 45 residents into employment this year. We are excited to develop this service in the coming years.

Much of our work would not be possible without income from trusts and grants. During this difficult year, more than half of funding applications made by our Business Development Team were successful. This is a great achievement and generated more than £179,000 of funding to develop our services. The strength and skillset of our Business Development Team has been instrumental to the recent growth of the charity and will be critical to the sustainability and the expansion of our work to deliver our new Strategic Plan.

While we operated in 'response mode' for much of the year due to external factors, we also invested a great deal of time in the development of our new 2021 – 2024 Strategic Plan. The Board and Senior Leadership Team worked together to map out our key priorities and new areas to develop over the coming years. We are excited about the future direction of the charity and, more importantly, what this will mean in terms of the positive impact on our young people so that they can thrive.

I want to thank my colleagues on the Board, the staff team, our partners and the wider Milton Keynes community for going above and beyond this past year and supporting YMCA MK. While we will remember the lockdowns and periods of isolation, we will also remember how we overcame each challenge to ensure that despite all else, our residents remained at the heart and focus of our work. We have ambitious plans for the next three years and are determined that our campus will be the positive and constructive place for many young people, as they work towards living independent and fulfilled lives.

Julia Upton MBE DL  
Chair of Trustees

# Milton Keynes YMCA Limited

## Board Report

### Year Ended 31 March 2021

The Board of Trustees presents their report and the audited consolidated financial statements of Milton Keynes YMCA Limited, a Charity and Registered Social Housing Provider, for the year ended 31 March 2021.

#### Legal status

Milton Keynes YMCA Limited ("YMCA MK") is a company limited by shares, incorporated on 2 December 1992. The Company registered as a charity on 8 September 2008 (charity number 1125743) and a Registered Social Housing Provider on 8 March 2019 (Regulator of Social Housing registration number 4870). The Company was established under a Memorandum of Association substantially amended on 18 June 2008 and 24 November 2008 which established the objects and powers of the charitable company. In 2019 it adopted a new set of Articles of Association.

Milton Keynes YMCA Limited has one wholly owned subsidiary, Northamptonshire YMCA which is a charitable company and it has been consolidated within these financial statements.

#### Principal objectives and activities of the Group

The objects of the YMCA MK are defined in its Memorandum of Association, allowing the Trustees to provide residential accommodation for people of all ages who are in need, hardship or distress by reason of their social, physical or economic circumstances and to provide or assist in the provision of education for people of all ages with the object of developing their physical, mental or spiritual capacities.

On 16 December 2020 the Board approved a new four year strategic plan.

Our strategic plan states:

**Our Mission** is to support young people to belong, contribute and thrive.

The way we act at YMCA MK is characterized by five strong and distinctive values that flow from our Christian ethos.

- **We Seek Out**

We actively look for opportunities and partnerships to make a transformative impact on young lives in the communities where we work. We are ambitious, collaborative and innovative.

- **We Welcome**

We offer people the space they need to feel secure, respected, heard and valued. We are inclusive, generous and understanding and believe that every person is of equal value. We welcome people of all faiths and none.

- **We Inspire**

We strive to inspire each person we meet to realise their full potential.

- **We Speak Out**

We stand up for young people, speak out on issues that affect their lives, and help them to find confidence in their own voice.

- **We Serve Others**

We are committed to the wellbeing of the communities we serve and believe in the positive benefit of participation locally and in the wider world.

Our strategic goals for the next four years are:

- To make our campus **the best supported housing environment it can be** – an inspiring home for young people in Milton Keynes
- To **expand our accommodation offer** to create better housing options and choice for young people
- To **develop our social enterprises** so that we generate funds to support our work and create career opportunities for young people
- To pursue opportunities to support young people in **areas other than housing**
- To improve and increase our **community engagement** so that everyone in Milton Keynes knows we are here, what we do, and how they can support us

## **Milton Keynes YMCA Limited**

### **Board Report**

#### **Year Ended 31 March 2021**

##### **Activities supporting our Strategic Plan**

##### **Improvements to our new campus development**

Completion of the purchase of our new £18.2m campus at 1 North Sixth Street in Milton Keynes occurred on 16 March 2020; at which point full title to the property and land passed to YMCA MK. Our first residents moved into our new campus on 16 March 2020, and our final residents moved out of our old premises on 19 March 2020. During the year ended 31 March 2021 further changes were made to the campus buildings to improve the way we operate. The Personal Development Coaches have now been allocated space in the main office area. Not only does this enable us to house seven more young people, but allows for better communication and team working within the Personal Development team.

800 sq ft of office space has been rented by way of an 18 month lease for £20,400 pa in Gloucester House (a neighbouring property) to accommodate the CEO, Finance Team, Fundraising team and Northamptonshire YMCA Business Development Manager to ensure all staff are able to work in a COVID safe environment.

The overall cost of the rearrangement of office accommodation and creation of seven additional bedrooms was £98,672. This was offset by £16,000 of grant from Homeless Link and Stony Stratford Parish Council. Income from the seven new bedrooms will be in excess of £90,000 pa.

The ground floor retail space in the campus remains vacant due to the difficulty in instigating projects for this space with the current COVID-19 restrictions.

##### **Performance in the year of the Registered Social Housing Provider**

Despite restrictions in place as a result of the COVID-19 epidemic, our occupancy rate has been in excess of 91% for the whole of the current year. As of 31 March 2021 our occupancy rate was 98%.

With the new campus up and running for the whole year Milton Keynes YMCA Limited returned a trading surplus after the depreciation transfer of £206,728 for the year to 31 March 2021 (2020 - deficit £152,900).

##### **Strengthening the Staff Team**

During the year we strengthened our Senior Leadership Team (SLT) with the recruitment of Lisa Harrison as our new Director of Housing and Support. In addition, on 9 November 2020 we took on a new Marketing Manager.

In September 2020 we conducted a Staff survey to ensure that we are effectively supporting our staff team through this difficult COVID-19 period and beyond. As a result of this survey the Board have agreed an action plan to improve our support to staff over the coming 12 months.

##### **Membership of YMCA England and Wales**

On 29 March 2021 YMCA MK and Northamptonshire YMCA reaffirmed their wish to remain part of the YMCA movement by signing the new Membership Agreement. By signing this document we have agreed to meet YMCA England and Wales Quality Assurance Standards. In addition by 2023 we will:

- Achieve Trusted Charity status Level 1
- Achieve Construction Health and Safety Level 1
- Implement the new brand identity

# **Milton Keynes YMCA Limited**

## **Board Report**

**Year Ended 31 March 2021**

### **Board of Trustees**

The directors of the company are also the Charity trustees for the purposes of charity law and under the Company's articles are known as members of the Board of Trustees (the Board). Members are elected for three-year terms, or annually for co-opted members. One third of the members of the Board are elected each year. Each member may serve for a maximum nine-year period before stepping down, with the Chair and Treasurer limited to a maximum of six consecutive years in those roles.

Details of our current Board are shown on page 3. Biographies of our Trustees can be found on our website at <https://mkymca.com/who-we-are/our-board>

Trustees are sought in a number of ways including by recommendation from partners, from supporters and business networks. No external persons or bodies are entitled to appoint Trustees. Most Trustees are already familiar with the work of the organisation. New Trustees are required to attend an induction meeting to familiarise themselves with the Charity and the context within which it operates.

The Board operates a number of sub committees which are governed by terms of reference agreed by the Board. Each Committee must have at least three trustees, appointed by the Board, as well as the CEO and relevant members of the SLT. In addition, the Board may approve individuals or organizations with professional expertise in the area to be co-opted. As at 31 March 2021 two Committees were in operation.

### **Finance Committee**

The responsibilities of the Finance Committee are as follows:

- Monitoring the implementation of the Financial Policies and Procedures
- Monitoring of group financial information
- Monitoring cash flow
- Monitoring Rent receipts, Bad debt and housing voids
- Commercial properties Portfolio issues and all recommendation related to finance and or financial systems.
- Monitoring YMCA group Risk Assessments with particular focus on financial impact.
- Setting and implementing Investment Strategy
- Consideration of investment performance
- Approval of Pay Awards recommended by the Personnel and Training Committee
- Considering the financial viability of special projects

### **Personnel and Training Committee**

- Set appropriate Human Resource Policies and monitor them for effectiveness
- Ensure compliance with prevailing UK employment legislation and associated legislation eg Data Protection, Equal Opportunities, Anti-bribery.
- Ensure proper, up to date personnel records are kept
- Agreement of Job Evaluation and Grading systems
- Agree new staff structures and new staff roles
- Approval of Training Plans and Budgets
- Setting and monitoring of work review/pay progression standards.

The responsibility for the management of the Charity rests with the Chief Executive Officer. He reports on a regular basis to the Board, which meets at least four times a year.

### **Property Development**

Since 1993, YMCA MK has owned freehold premises in Central Milton Keynes. The original buildings were a mix of 123 flats and 23 hostel rooms catering for up to 146 residents.

In June 2018 the Charity entered into an agreement with a developer to construct new, bigger premises, adjacent to its existing freehold site. The purchase of the new £18.2 million building was completed on 16 March 2020 at which point full title to the land and buildings of the new campus at 1 North Sixth Street was acquired by YMCA MK.

## **Milton Keynes YMCA Limited**

### **Board Report**

**Year Ended 31 March 2021**

#### **Property Development (continued)**

Residents of the original YMCA on North Seventh Street moved into the new campus on 1 North Sixth Street between 16 March and 19 March 2020 and vacant possession of the original YMCA was delivered to the developer on 25 March 2020 at which point full responsibility for the original YMCA land and buildings passed to the developer.

Our new freehold campus combines affordable housing with employment and training opportunities for young people and will contribute to the economic growth of Milton Keynes and deliver access to employment and enterprise opportunities for some of the most disadvantaged in the community.

Our new campus comprises:

- 30 supported living rooms
- 70 shared living flats
- 106 self-contained independent living flats
- a residents' lounge
- HomeGround, a cafe run by YMCA MK which caters for day visitors and our residents
- two ground floor units available for commercial or social enterprise use (currently vacant)
- a day nursery run by Acorn Early Years Learning Foundation
- meeting and conferencing facilities for up to 60 people
- administration offices

The campus building has been funded through the sale of the original freehold premises to the developer, a £3.94m grant from Homes England and a long-term loan from the Charities Aid Foundation Bank ("CAF") of £4.4m.

#### **Group Business Review**

##### Review of the year

The focus for YMCA MK over the past year has been the transition into our new campus in line with the 5-Year Strategic Business Plan 2016 - 2021. We have been planning this transition since breaking ground on the new building in June 2018.

We continue to experience high demand for our accommodation, and our supported accommodation remains near full capacity at all times, despite the challenges caused by COVID-19. In order to ensure the safety of both our staff and tenants, a COVID-19 Risk Assessment has been created. This document was validated by an independent third party, Gallagher. A COVID-19 Task Force, led by the Director of Business Development, meets regularly to review the risk assessment and ensure all measures are being implemented. The Trustees are updated weekly by email of the current COVID-19 situation on the campus.

It has been a busy year for the Business Development Team ensuring that all available COVID-19 grants were applied for alongside planned fundraising. During the year 34 applications were made of which 55% were successful bringing in over £179,000 of funds to the group. This is in addition to £167,000 of grants already secured in this financial year. Funds raised this year represents 13.5% of the charity's total income. This shows that the fundraising strategy is having a real impact on the long-term sustainability of the organisation. The team have significantly increased the presence of YMCA Milton Keynes amongst a variety of audiences, including local and national funders, and have plans build on this in the coming year. As a new team, only in their second year of operation and restricted by the impact of the pandemic, this is remarkable progress.

Northamptonshire YMCA continues to focus its activities on letting its properties in central Northampton. This has been made difficult due to the COVID-19 restrictions impacting our student accommodation. The opportunity was taken to refurbish the rooms in Derngate whilst the building was unoccupied to ensure that it can attract market rents through quality housing.

##### Operational management

YMCA MK has made huge strides during the year towards creating a new model of supported housing which aims to improve the outcomes for our young people. For our residents this model is based on a structured housing pathway enabled by the three-stage accommodation in our new facility, and a strong emphasis on supporting young people into employment.



# Milton Keynes YMCA Limited

## Board Report

Year Ended 31 March 2021

### Group Business Review (continued)

#### Operational management (continued)

The focus for the team was the transition into our campus. Around 50% of the 199 residential properties were let to existing residents and the remainder were let to new tenants. Whilst YMCA MK has been able to sustain its occupancy through the COVID-19 pandemic; its additional income streams from commercial activities and fundraising have been severely affected. Whilst this impacts our methodology of operation and the resources we have to support our residents it does not impact on our ability to provide day-to-day services to our residents.

Our HomeGround cafe opened in April 2020 to cater initially for our residents and subsequently it has started to serve external customers; however, post lock-down restrictions and a significant reduction in footfall in Central Milton Keynes has delayed the expected success of this enterprise. On 18 December 2020 the café was forced to close to external customers as a result of COVID-19 lockdown and was unable to reopen until June 2021, after the year end.

Following a short delay post lock-down, in July 2020 Acorn Early Years Foundation opened their nursery on the ground floor of our campus.

We are developing with our campus nursery provider Acorn Early Years Foundation a programme to create employment prospects for our residents within their nurseries. At 31 March 2021 two residents were employed by the nursery. Our HomeGround cafe, our social enterprise business plans and the partnerships we are developing in the community will also provide paid employment and apprenticeship opportunities. Despite the ongoing restrictions of COVID-19 we supported 45 residents into employment during the financial year.

As well as providing accommodation we also continued to provide an active support programme focused on developing independent living skills, health and wellbeing, and employability. We have endeavored to continue to run weekly football and other sporting events as well as offering free gym membership to all residents when distancing rules allowed.

For many of our residents the ongoing effects of trauma can cast a significant shadow over their young lives. This year, more than ever, Mental Health support continues to be a key part of our work and we provided counselling and therapy to many residents during the period. Our new campus has a dedicated mental health counselling area and we are working with a number of groups within Milton Keynes to support the needs of our residents.

In June 2020 Northamptonshire YMCA renewed its lease on Upton Lodge. An agreement has been worked on with AST and Homes England for the rental of Upton Lodge. This agreement was signed after the year end on 1 May 2021.

#### Future developments

The longer-term success of our campus will be measured by our ability to transition our residents through the three stages and onto successful independent living. The team has therefore commenced discussions regarding developing a 'move-on' property portfolio and there are some interesting opportunities emerging.

As well as developing our own plan, YMCA MK continues to play a leading role in promoting the voluntary and community sector within the Milton Keynes Borough, working in partnership where appropriate, to further our aims and to influence and lead positive changes within our operating environment. The purpose remains as ever, seeking to create a supportive, inclusive and an energised community, where young people can belong, contribute and thrive.

Many of our plans for community engagement have not progressed in the past year as a result of the pandemic, this is activity that we plan to resurrect with renewed emphasis in 2021/22. In particular this work will aim to develop strategic partnerships with businesses who can provide employment opportunities for our young people, and also financial support for our charity through their fundraising efforts and corporate social responsibility activity.

In May 2021 we appointed a Hospital Navigator as part of a regional initiative across the Thames Valley. The Hospital Navigators will build trust with patients who present at hospital because of existing issues including substance abuse, mental health issues, poor diet or personal care and violence itself. When in hospital, there is a reachable moment when the patient can be reflective and open to intervention. This project is funded by the Thames Valley Police Violence Reduction Unit and is part of strand four of our new strategy - to pursue opportunities to support young people in areas other than housing.

## **Milton Keynes YMCA Limited**

### **Board Report**

#### **Year Ended 31 March 2021**

#### **Going concern**

After making appropriate enquiries, the Board believes that the Company and Group have adequate resources to continue in operation for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

#### **Related parties**

Milton Keynes YMCA Limited has a service level agreement with Northamptonshire YMCA to support that YMCA's management. In addition to the service level agreement Milton Keynes YMCA Limited employs a Business Manager on behalf of Northamptonshire YMCA the costs of which are recharged to that YMCA. Both charities are affiliated to The National Council of YMCAs of England & Wales.

#### **Principal funding sources**

The principal source of income for the Group is from the rental of its housing and investment properties; in the year to 31 March 2021 this accounted for 77% of total income (2020 - 81%).

Other key funding sources of the Group are:

- funding from the local community
- grant income from charitable trusts and statutory bodies
- fund-raising activities and
- investment income

COVID-19 has had significant impact on our ability to engage in direct fundraising activities. We rely on funding and fundraising for the services we provide our vulnerable young people and to deliver our goal of finding gainful employment for all our residents. Our fundraising team continue to work tirelessly and maintain the drive for strong fundraising performance despite these challenging times.

#### **Analysis using financial and non-financial key performance indicators**

The Board monitors financial results and key performance indicators at its Board and sub-committee meetings. The Charity is at the end of a transition period, where it has been focussing available financial resources on the completion of the development project. Following the completion of the campus the Board is engaged in setting a new five-year strategy.

The key financial performance metrics of YMCA MK for the years to 31 March are:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Rents receivable including service charges	2,040,520	964,656
Operating surplus from social housing activities	1,692,083	563,863
Net surplus from social housing activities	147,816	376,968
Void losses	194,004	292,127
Void losses as a percentage of total potential rentals	9%	23%
Closing cash balance	306,769	273,348

As detailed last year void losses in 2020 were impacted by our inability to relet empty rooms in the period prior to the decant to our new campus.

#### **Investment policies**

In addition to its freehold property portfolio the Group has an investment property and money invested in a recognised charity investment fund which is primarily invested in UK equities. The Group also has money in interest bearing accounts which are accessible as required.

## **Milton Keynes YMCA Limited**

### **Board Report**

#### **Year Ended 31 March 2021**

The Board's policy is to maintain a balanced investment portfolio. The Finance Committee monitors its investment portfolio on a quarterly basis. All major investment decisions are approved by the Board. Overall, the Board is satisfied with the mix of investments and the returns received in the year.

#### **Funds in deficit**

There were no funds in deficit at the balance sheet date.

#### **Pay policy for senior staff**

The Board and the senior management team comprise the key management personnel of the Charity and are responsible for the directing and controlling of the Charity. All Trustees give their time freely and no Trustee received remuneration in the year. The pay of the staff is reviewed annually and typically increased in line with the cost of living.

#### **Reserves policy**

Milton Keynes YMCA Limited has unrestricted general funds at 31 March 2021 of £441,895 (2020 - £235,167) (note 19); this represented almost three month's operating expenses. The Trustees are satisfied that this is acceptable as this general fund is projected to increase now that the move to the campus is complete.

Northamptonshire YMCA has substantially greater unrestricted general reserves the majority of which are invested in property which therefore requires the Charity to continue to monitor and control its expenditure.

The Restricted Property Reserve represents the income from the sale of the freehold property as part of the campus development. The entirety of this reserve has been reinvested in the new freehold campus building.

The New Services Fund acknowledges the aspirational plans of the Charity to expand services for young people of Milton Keynes, Northamptonshire and the surrounding area.

#### **Third party indemnity provisions**

A policy of third-party indemnity insurance has been in place during the year for the benefits of the Trustees and officers.

#### **Assessment of how the Registered Social Housing Provider is achieving value for money including performance metrics**

Value for money is considered in all of our activities, including procurement and service delivery and is supported through formalised operational policies and procedures. We have been focused on looking forward to ensure we meet the ever-changing needs and expectations of new and existing residents.

Our Finance Committee reviews and challenges plans, processes and transactions in order to ensure that we can demonstrate effective and efficient use of resources, so that we remain cost effective and keep overheads to a minimum.

#### **Assessment of compliance with the Governance and Financial Viability standard**

The Board has adopted the National Council for Voluntary Organisations Code Of Governance 2017.

#### **Code of governance**

The entity continues to maintain a strong Board which has the skills and confidence to face the many challenges that face housing associations and charities. The committee structure continues to operate effectively with the challenges posed by the operating environment. The Board works to an annual corporate plan and undertakes regular reviews of the entity's finances, its risk map, and its own performance. It has adopted a business plan to include a formal value for money review in its annual work programme. The Board itself has a number of members with private and public sector senior experience of management including procurement to achieve value for money.

**Board Report**

**Year Ended 31 March 2021**

**Risk management**

Risks that may prevent the Group achieving its objectives are considered and reviewed by the Board on a periodic basis as part of the corporate planning process. The risks are assessed in terms of their impact and probability. Whilst the most significant external risk to the Group comes from a change in the way Housing Benefit is structured the most significant internal risk to the Group relates to the loss of income from void lettings. The Charity actively manages its letting levels with voids monitored weekly and reported to the Board on regular basis.

**Fundraising**

YMCA MK does not employ any independent persons or companies to act on their behalf to carry out fundraising activities. YMCA Milton Keynes Limited is registered with the Fundraising Regulator and subscribes to the standards and regulations required. No Fundraising complaints were received by YMCA MK in the year.

**Public benefit statement**

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Directors consider how planned activities will contribute to the aims and objectives they have set.

How our activities deliver public benefit

Our main activities and who we are trying to help are described below. All our charitable activities are focused on responding to need, improving the living conditions, relieving hardship or distress of young people and aim to support young people to improve life skills and confidence.

Who used and benefited from our services?

Our objects and funding are not limited to one geographical area. However, we focus on delivering services to young people in Milton Keynes, Northamptonshire and the surrounding areas, in line with our strategic plan, and complementing services run by other YMCAs in the sub-region. This is done through the provision of housing, youth, welfare and educational programmes.

Services available to the young people have no fee attached and the majority of the service users will be in receipt of statutory benefits.

**Reference to Board's annual review of internal control**

The Board of Trustees acknowledge their 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 Association or for publication;
- the maintenance of proper accounting records;
- the safeguarding of assets against unauthorised use or disposition.

It is the responsibility of the Board of Trustees to establish and maintain systems of internal financial control.

Such systems can only provide reasonable and not absolute assurance against material 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;
- the Finance Committee reviews reports from management on a quarterly basis to provide reasonable assurance that control procedures are in place and are being followed. The Finance Committee makes regular reports to the Board of Trustees.

## **Milton Keynes YMCA Limited**

### **Board Report**

**Year Ended 31 March 2021**

#### **Directors' and Board's responsibilities**

The Board is responsible for preparing the report and financial statements in accordance with applicable law and regulations.

The Companies Act 2006, the Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require 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 its income and expenditure for that period.

In preparing these financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business

The Board is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Association and enable it to ensure that the financial statements comply with The Companies Act 2006, The Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing in England 2015. It has general responsibility for taking reasonable steps to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

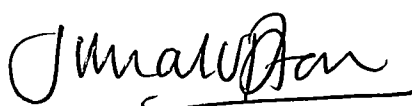
#### **Disclosure of information to the auditors**

We, the directors of the company 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 company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

#### **Strategic Report**

Included with the Board Report is the Strategic Report as required by the Companies Act 2006; in approving the Board Report the Directors also approve the Strategic Report contained therein.



.....  
By order of the Board  
Julia Upton  
Chair

Date: 16<sup>th</sup> September 2021

## **Milton Keynes YMCA Limited**

### **Independent Auditor's Report to the Members of Milton Keynes YMCA Limited**

**Year Ended 31 March 2021**

#### **Opinion**

We have audited the financial statements of Milton Keynes YMCA Limited (the 'parent company') and its subsidiary (the 'Group') for the year ended 31 March 2021 which comprise the Group and Company Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group and Company Statement of Changes in Reserves, the Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Association'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 Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 March 2021, and of its 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, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing in England 2019.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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

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

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

#### **Other information**

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

## **Milton Keynes YMCA Limited**

### **Independent Auditor's Report to the Members of Milton Keynes YMCA Limited**

**Year Ended 31 March 2021**

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 this gives rise to a material misstatement in the financial statements themselves or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

#### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Board 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 or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Board were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion a satisfactory system of control over transactions has not been maintained.

#### **Responsibilities of the Board**

As explained more fully in the Board's responsibilities statement set out on page 13, the Board members (who are also the directors of the Association 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 Board 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 Board is responsible for assessing the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the group or the parent company or to cease operations, or has no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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

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

- we consider the nature of the industry and sector, control environment and business performance including the remuneration incentives and pressures of key management;
- the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management. We consider the results of our enquiries of management and the Audit Committee about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating 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 risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

We also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006, the Housing and Regeneration Act 2008, the Accounting Direction for private registered providers of Social Housing in England 2019 and relevant tax legislation.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



**Milton Keynes YMCA Limited**

**Independent Auditor's Report to the Members of Milton Keynes YMCA Limited**

**Year Ended 31 March 2021**

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



Grant Franklin ACA (Senior Statutory Auditor)  
For and on behalf of  
Hillier Hopkins LLP,  
Chartered Accountants  
Statutory Auditor  
249 Silbury Boulevard  
Milton Keynes  
MK9 1NA

Date: 21 September 2021

**Milton Keynes YMCA Limited**

**Consolidated Statement of Comprehensive Income (Including Income and Expenditure Account)**

**Year Ended 31 March 2021**

	Note	Total 2021 £	Total 2020 £
Turnover		2,667,583	1,351,820
Direct costs		(1,081,333)	(680,794)
<b>Gross surplus</b>		<b>1,586,250</b>	<b>671,026</b>
Administrative expenditure	6	(1,702,893)	(802,936)
Other operating income		51,204	-
Fair value movements	10	71,026	(56,339)
<b>Operating surplus/(deficit)</b>	<b>5</b>	<b>5,587</b>	<b>(188,248)</b>
Income from fixed asset investments		13,404	13,703
Interest receivable and similar income	3	402	4,187
Interest payable and similar expenses	4	(86,879)	(11,239)
<b>Deficit for the year before taxation</b>		<b>(67,486)</b>	<b>(181,597)</b>
Tax on deficit		-	-
<b>Deficit for the year</b>		<b>(67,486)</b>	<b>(181,597)</b>
<b>Total comprehensive income for the year</b>		<b>(67,486)</b>	<b>(181,597)</b>

**Milton Keynes YMCA Limited**

**Statement of Comprehensive Income (Including Income and Expenditure Account)**

**Year Ended 31 March 2021**

		<b>Total</b>	<b>Total</b>
	<b>Note</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
<b>Turnover</b>		2,634,932	1,251,518
Direct costs		(1,030,309)	(604,456)
<b>Gross surplus</b>		1,604,623	647,062
Administrative expenditure	6	(1,647,191)	(788,820)
Other operating income		51,204	-
Fair value movements	10	36,358	(13,335)
<b>Operating surplus/(deficit)</b>	5	44,994	(155,093)
Income from fixed asset investments		5,330	3,250
Interest receivable and similar income	3	318	2,175
Interest payable and similar expenses	4	(81,549)	(3,232)
<b>Deficit for the year before taxation</b>		(30,907)	(152,900)
Taxation on deficit		-	-
<b>Deficit for the year</b>		(30,907)	(152,900)
<b>Total comprehensive income for the year</b>		(30,907)	(152,900)

**Milton Keynes YMCA Limited**

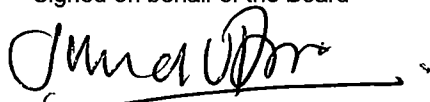
**Consolidated Balance Sheet**

**Year Ended 31 March 2021**

	<b>Note</b>	<b>2021 £</b>	<b>2020 £</b>
<b>Fixed assets</b>			
Tangible fixed assets	8	19,319,984	19,421,910
Investment properties	9	825,000	825,000
Investments	10	327,081	196,055
		<hr/>	<hr/>
		20,472,065	20,442,965
<b>Current assets</b>			
Debtors	11	152,339	360,671
Investments	12	60,000	-
Cash at bank and in hand		321,010	423,654
		<hr/>	<hr/>
		533,349	784,325
<b>Creditors: amounts falling due within one year</b>	13	(677,496)	(585,865)
		<hr/>	<hr/>
<b>Net current (liabilities)/assets</b>		(144,147)	198,460
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		20,327,918	20,641,425
<b>Creditors: amounts falling due after more than one year</b>	14	(9,717,076)	(9,980,659)
<b>Defined benefit pension liability</b>	22	(245,591)	(228,029)
		<hr/>	<hr/>
<b>Total net assets</b>		10,365,251	10,432,737
		<hr/>	<hr/>
<b>Reserves</b>			
Called up share capital	18	12	12
Restricted property reserve	19	9,148,948	9,386,583
Income and expenditure reserve:			
General funds	19	766,291	596,142
Designated funds	19	450,000	450,000
		<hr/>	<hr/>
<b>Total Reserves</b>		10,365,251	10,432,737
		<hr/>	<hr/>

The financial statements were approved and authorised for issue by the Board on 16<sup>th</sup> September 2021.

Signed on behalf of the Board



J Upton MBE  
Chair



L Keen FCA  
Treasurer

The notes on pages Page 25 to Page 43 form part of these accounts.

Company registration number 2769788

**Milton Keynes YMCA Limited**

**Balance Sheet**

**Year Ended 31 March 2021**

	<b>Note</b>	<b>2021 £</b>	<b>2020 £</b>
<b>Fixed assets</b>			
Tangible fixed assets	8	19,275,615	19,421,910
Investments	10	202,762	46,404
		<hr/>	<hr/>
		19,478,377	19,468,314
<b>Current assets</b>			
Debtors	11	136,043	349,976
Cash at bank and in hand		306,769	273,348
		<hr/>	<hr/>
		442,812	623,324
<b>Creditors: amounts falling due within one year</b>	13	(605,379)	(522,329)
		<hr/>	<hr/>
<b>Net current (liabilities)/assets</b>		(162,567)	100,995
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		19,315,810	19,569,309
<b>Creditors: amounts falling due after more than one year</b>	14	(9,455,209)	(9,686,364)
<b>Defined benefit pension liability</b>	22	(119,746)	(111,183)
		<hr/>	<hr/>
<b>Total net assets</b>		9,740,855	9,771,762
		<hr/>	<hr/>
<b>Reserves</b>			
Called up share capital	18	12	12
Restricted property reserve	19	9,148,948	9,386,583
Income and expenditure reserve:			
General funds	19	441,895	235,167
Designated funds	19	150,000	150,000
		<hr/>	<hr/>
<b>Total Reserves</b>		9,740,855	9,771,762
		<hr/>	<hr/>

The financial statements were approved and authorised for issue by the Board on 16<sup>th</sup> September 2021.

Signed on behalf of the Board



J Upton MBE  
Chair



L Keen FCA  
Treasurer

The notes on pages Page 25 to Page 43 form part of these accounts.

Company registration number 2769788

**Milton Keynes YMCA Limited**

**Consolidated Statement of Changes in Equity**

**Year Ended 31 March 2021**

**Group**

	Called up share capital £	Income and expenditure reserve £	Restricted reserve £	Total £
At 1 April 2019	12	1,227,739	9,386,583	10,614,334
Deficit for the year	-	(181,597)	-	(181,597)
Total comprehensive income for the year	-	(181,597)	-	(181,597)
At 1 April 2020	12	1,046,142	9,386,583	10,432,737
Deficit for the year	-	(67,486)	-	(67,486)
Total comprehensive income for the year	-	(67,486)	-	(67,486)
Transfers	-	237,635	(237,635)	-
As at 31 March 2021	12	1,216,291	9,148,948	10,365,251

**Income and expenditure reserve**

	General funds £	Designated funds £	Total £
At 1 April 2019	727,739	500,000	1,227,739
Deficit for the year	(181,597)	-	(181,597)
Transfers	50,000	(50,000)	-
Total comprehensive income for the year	(131,597)	(50,000)	(181,597)
At 1 April 2020	596,142	450,000	1,046,142
Deficit	(67,486)	-	(67,486)
Transfer to/from restricted reserves	237,635	-	237,635
Total comprehensive income for the year	170,149	-	170,149
At 31 March 2021	766,291	450,000	1,216,291

**Milton Keynes YMCA Limited**

**Consolidated Statement of Changes in Equity**

**Year Ended 31 March 2021**

**Company**

	Called up share capital £	Income and expenditure reserve £	Restricted reserve £	Total £
At 1 April 2019	12	538,067	9,386,583	9,924,662
Deficit for the year	-	(152,900)	-	(152,900)
Total comprehensive income for the year	-	(152,900)	-	(152,900)
At 1 April 2020	12	385,167	9,386,583	9,771,762
Deficit for the year	-	(30,907)	-	(30,907)
Total comprehensive income for the year	-	(30,907)	-	(30,907)
Transfer to/from restricted reserves	-	237,635	(237,635)	-
At 31 March 2021	12	591,895	9,148,948	9,740,855

**Income and expenditure reserve**

	General funds £	Designated funds £	Total £
At 1 April 2019	338,067	200,000	538,067
Deficit for the year	(152,900)	-	(152,900)
Transfers	50,000	(50,000)	-
Total comprehensive income for the year	(102,900)	(50,000)	(152,900)
At 1 April 2020	235,167	150,000	385,167
Deficit for the year	(30,907)	-	(30,907)
Transfers	237,635	-	237,635
Total comprehensive income for the year	206,728	-	206,728
At 31 March 2021	441,895	150,000	591,895

**Milton Keynes YMCA Limited**

**Consolidated Statement of Changes in Equity**

**Year Ended 31 March 2021**

	Note	2021 £	2020 £
<b>Cash flow from operating activities</b>	20	660,107	1,905,813
Interest paid		(86,879)	(11,239)
<b>Net cash flow from operating activities</b>		573,228	1,894,574
<b>Cash flow from investing activities</b>			
Payments to acquire tangible fixed assets		(482,721)	(6,492,390)
Payments to acquire investments		(120,000)	-
Interest received		402	4,187
Income from fixed asset investments		13,404	13,703
<b>Net cash flow from investing activities</b>		(588,915)	(6,474,500)
<b>Cash flow from financing activities</b>			
Repayment of long-term loans		(119,307)	(38,853)
Interest paid		86,879	8,007
Repayments of finance leases		(54,529)	(80,385)
New bank loans		-	4,400,000
<b>Net cash flow from financing activities</b>		(86,957)	4,288,769
<b>Net increase/(decrease) in cash and cash equivalents</b>		(102,644)	(291,157)
<b>Cash and cash equivalents at 1 April 2020</b>		423,654	714,811
<b>Cash and cash equivalents at 31 March 2021</b>		321,010	423,654
<b>Cash and cash equivalents consists of:</b>			
Cash at bank and in hand		321,010	423,654
<b>Cash and cash equivalents at 31 March 2021</b>		321,010	423,654



**1 Summary of significant accounting policies**

**(a) General information and basis of preparation**

Milton Keynes YMCA Limited is a private company limited by shares, a registered charity in England and Wales and a private registered provider of social housing in the United Kingdom. The address of the registered office is given in the information on page 3 of these financial statements.

The Registered Social Housing Provider constitutes a public benefit entity as defined by FRS 102.

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2018, and with the Accounting Direction for private registered providers of social housing in England 2019. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008 and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling, which is the functional currency of the Registered Social Housing Provider, and rounded to the nearest pound.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

**(b) Basis of consolidation**

The consolidated financial statements present the results of the Company and its own subsidiary ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the merger method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

**(c) Tangible fixed assets**

**Housing properties**

Social housing properties are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended such as the cost of acquiring land and buildings, developments costs, interest charges on loans during the development period and expenditure on improvements. Expenditure on improvements will only be capitalised when it results in incremental future benefits such as increasing rental income, reducing maintenance costs or resulting in a significant extension of the useful economic life of the property.

Major components of housing properties are depreciated at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Structure	60 years
Mechanical & engineering (e.g roofs, lifts)	30 years
Furniture & fittings	10 years
Small/non-integral plant & equipment	6 years

Freehold land is not depreciated. Housing properties under construction are not depreciated until they are in use and the useful economic lives of all tangible fixed assets are reviewed annually.

**1 Summary of significant accounting policies (continued)**

**(c) Tangible fixed assets (continued)**

Other

All assets costing more than £1,000 are capitalised.

Other tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Land	Nil
Fixtures and fittings	6 – 10 years
Computer equipment	3 – 10 years

**(d) Investment properties**

Investment properties have a readily assessable market value and thus the fair value can be measured without undue cost or effort. These properties are therefore measured at fair value at each reporting date with changes in fair value recognised in the statement of comprehensive income. Properties rented to provide social housing are not investment properties.

**(e) Debtors and creditors receivable/payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income in other administrative expenses.

Rights of social landlords to have improvement works carried out to properties by a third party (such as a local authority) are recognised as prepayments where payment has occurred in advance of the works being carried out and receipts in advance from the same third party recognised as liabilities. Assets and liabilities or income and expenditure are not offset.

**(f) Investments**

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value through the statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

**(g) Impairment**

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date.

If such indication exists, the recoverable amount is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in expenditure through the statement of comprehensive income.

**1 Summary of significant accounting policies (continued)**

**(h) Provisions**

Provisions are recognised when the Registered Social Housing Provider has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

**(i) Leases**

Assets acquired under finance leases are capitalised and depreciated over the shorter of the lease term and the expected useful life of the asset. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability using the effective interest method. The related obligations, net of future finance charges, are included in creditors.

Rentals payable and receivable under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

**(j) Tax**

No provision has been made for corporation tax or deferred tax as the entity is a registered charity and is therefore exempt.

The activities of the Company are partially exempt from VAT. Expenditure is shown net of VAT and irrecoverable VAT is charged to the Statement Of Comprehensive Income. Irrecoverable VAT which can be attributed to a capital item is added to the cost of the capital item where practicable and material.

**(k) Turnover and other income**

Turnover is measured at the fair value of the consideration received or receivable net of VAT and trade discounts. Turnover represents rental and service charges income receivable in the year net of rent and service charge losses from voids, revenue grants from the Government, local authorities, Homes England and other funding bodies.

**Rendering of services**

When the outcome of a transaction can be estimated reliably, turnover from services is recognised by reference to the stage of completion at the balance sheet date. Where the outcome cannot be measured reliably, turnover is recognised only to the extent of the expenses recognised that are recoverable.

**Interest and dividends receivable**

Interest income is recognised using the effective interest method and dividend income is recognised as the Registered Social Housing Provider's right to receive payment is established.

**1 Summary of significant accounting policies (continued)**

**(l) Grants income**

**Revenue**

Grants relating to revenue are recognised in income in the same period as the expenditure when the performance related conditions have been met.

Government grants received as a contribution to revenue expenditure are recognised in the statement of comprehensive income on a systematic basis over the period in which the landlord recognises the related costs for which the grant is intended to compensate. The related expenditure is included under administrative expenses. Grants are recognised in the same period as the related expenditure provided the conditions for receipt have been satisfied and there is reasonable assurance that the grant will be received.

**Capital**

Grants from Homes England Capital Funding and the South East Midlands Local Enterprise Partnership (SEMLEP) have been received in respect of the new building. These grants have been recognised at their fair value of the assets received and receivable. As the related assets are accounted for using the cost model then the government grant is accounted for from first use using the accruals model. The difference between the fair value of the asset and the consideration is recognised as a liability and amortised over the useful economic life of the asset.

**(m) Employee benefits**

The Registered Social Housing Provider operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

Milton Keynes YMCA Limited and Northamptonshire YMCA both 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 Milton Keynes YMCA Limited or Northamptonshire YMCA.

As described in note 22 Milton Keynes YMCA Limited and Northamptonshire YMCA have contractual obligations to make pension deficit payments of £19,040 and £20,010 per annum respectively over the period to April 2029, accordingly this is shown as a liability in these accounts. In addition, Milton Keynes YMCA Limited and Northamptonshire YMCA are required to contribute £4,517 and £4,747 per annum respectively to the operating expenses of the pension plan and these costs are charged to the Statement of Comprehensive Income as shown.

**(n) Restricted Reserves**

Restricted reserves are those reserves which are only expendable in accordance with the wishes of the funder or regulatory body. Restricted reserves include funds raised in response to a specific appeal. Revenue and expenditure cannot be directly set against restricted reserves but is taken through the statement of comprehensive income and then a transfer to restricted reserves is made as appropriate.

**(o) Loans and borrowings**

Loans and borrowings are initially recognised at the transaction price including transaction costs.

Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a financing transaction it is measured at present value.

# Milton Keynes YMCA Limited

## Notes to the Financial Statements

Year Ended 31 March 2021

### 1 Summary of significant accounting policies (continued)

#### (p) Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include the company contributions to a multi-employer defined benefit pension scheme and its deficit. Further details can be found in note 22.

### 2 Social housing turnover and costs

Group	2021 £	2020 £
Rents receivable including service charges	2,040,520	964,656
Revenue grants receivable	344,710	151,504
Capital grants receivable	157,847	-
Other assistance receivable	24,348	87,934
Social housing activity expenditure	(875,342)	(640,231)
Operating surplus from social housing activities	1,692,083	563,863
Net surplus from social housing activities	147,816	376,968
Void losses	194,004	292,127
Government grants taken to Income	51,204	-

### 3 Interest receivable and similar income

	2021 £	Group 2020 £	2021 £	Company 2020 £
Bank interest receivable	402	4,187	318	2,175

### 4 Interest payable and similar expenses

	2021 £	Group 2020 £	2021 £	Company 2020 £
Bank loans and overdrafts	86,879	11,239	81,549	3,232

**Milton Keynes YMCA Limited**

**Notes to the Financial Statements**

**Year Ended 31 March 2021**

**5 (Deficit)/surplus**

(Deficit)/surplus is stated after (crediting)/charging:

	2021 £	Group 2020 £	2021 £	Company 2020 £
Auditor's remuneration (including expenses and benefits in kind) for audit	13,505	13,700	8,905	9,100
Auditor's remuneration (including expenses and benefits in kind) for non-audit	4,090	4,830	2,750	3,750
Depreciation of tangible fixed assets	584,647	10,521	584,647	10,521
Operating lease rentals	9,140	6,534	9,140	6,534
(Profit)/loss on fair value movement of investments (note 10)	(71,026)	56,339	(36,358)	13,335
Government Grants receivable	(51,204)	-	(51,204)	-

**6 Particulars of administrative expenditure**

	2021 £	Group 2020 £	2021 £	Company 2020 £
Staff salary costs	568,903	412,241	552,843	392,040
Pension costs	110,613	53,440	77,442	46,373
Staff training and welfare	40,616	38,787	40,616	38,787
Hotels, travel & subsistence	1,618	6,383	1,618	6,383
Office costs	140,345	87,335	139,959	86,654
Legal, audit and consultancy costs	68,870	74,629	62,917	70,039
Bad debts and finance charges	47,080	8,145	46,948	7,940
Premises costs	57,071	58,080	57,071	58,080
Depreciation	584,647	10,521	584,647	10,521
Irrecoverable VAT	83,130	72,003	83,130	72,003
	1,702,893	821,564	1,647,191	788,820

**7 Staff costs**

The aggregate remuneration of such employees was as follows:

	2021 £	Group 2020 £	2021 £	Company 2020 £
Wages and salaries	1,010,045	667,406	1,010,045	667,406
Social security	87,595	58,577	87,595	58,577
Pension costs – defined contributions	45,878	39,648	45,878	39,648
Pension costs – defined benefit	64,735	13,792	31,564	6,725
	1,208,253	779,423	1,175,082	772,356

## Milton Keynes YMCA Limited

### Notes to the Financial Statements

Year Ended 31 March 2021

#### 7 Staff costs (continued)

Both Milton Keynes YMCA and Northamptonshire YMCA participated in the YMCA Pension Plan (Pension Plan) a defined benefit based pension for employees of YMCAs in England. This Pension Plan is now closed to new members however the Charity is still required to contribute their share of the Pension Plan deficit. As a result of the effect of the COVID-19 pandemic on the global economy the valuation of the Pension Plan undertaken on 31 May 2020 showed that the pension deficit had increased from £33.6m to £36M. As a result an increase of £18,699 provision has been made in the accounts of the Group (£9,118 – Company) for their share of the deficit in addition to the annual contribution and administration fee of £46,036 for the Group (£22,447 – Company). The Trustees are optimistic that this situation will be reversed at the next valuation in 2023. By 31 March 2021 the ratio of the value of assets to liabilities of the Pension Fund had increased to 80.0% from 69.0% at the date of the valuation.

The average number of employees, including members of the executive team, calculated on a full time equivalent basis during the year was as follows:

Group and company	2021 Number	2020 Number
Management	3	3
Resident Support	12	10
Fundraising	2	2
Property Services	10	4
Social Enterprise	5	1
Administration	3	2
	<hr/>	<hr/>
	35	22
	<hr/>	<hr/>

The average monthly number of employees, including members of the executive team, during the year was 37 employees (2020 - 25).

No trustee received any remuneration in the year (2020 – £nil).

The number of employees who received more than £60,000 as their employee package (excluding pensions costs) are as follows:

	2021 Number	2020 Number
£60,001 - £70,000	-	1
£70,001 - £80,001	1	-
	<hr/>	<hr/>

The total remuneration for key management personnel amounted to £224,770 (2020 - £209,171).

**Milton Keynes YMCA Limited**

**Notes to the Financial Statements**

**Year Ended 31 March 2021**

**8 Tangible fixed assets**

**Group**

	Housing properties £	Fixtures & fittings £	Computer equipment £	Total £
Cost or valuation:				
At 1 April 2020	18,241,446	1,002,787	188,199	19,432,431
Additions	207,338	241,929	33,456	482,721
At 31 March 2021	18,448,782	1,244,716	221,655	19,915,152
Depreciation:				
At 1 April 2020	-	-	10,521	10,521
Charge for the year on owned assets	432,751	117,896	6,578	557,225
Charge for the year on financial assets	-	-	27,422	27,422
At 31 March 2021	432,751	117,896	44,521	595,168
Net book value:				
At 31 March 2021	18,016,031	1,126,819	177,134	19,319,984
At 31 March 2020	18,241,446	1,002,787	177,678	19,421,910

**Land and buildings**

**Group and Company**

The net book value of freehold housing properties land and buildings comprised:

	2021 £	2020 £
Freehold	18,016,031	18,241,446
Aggregate amount of finance costs included in land and buildings	649,070	641,368

**Assets held under finance lease**

**Group and company**

The net book value of assets held under finance lease at 31 March 2021 was £143,531 (2020 - £170,953). The depreciation charged on assets held under finance lease in the year to 31 March 2021 was £27,422 (2020 - £10,521).



**Milton Keynes YMCA Limited**

**Notes to the Financial Statements**

**Year Ended 31 March 2021**

**8 Tangible fixed assets (continued)**

**Accumulated social housing grant received or receivable**

**Group and company**

	2021 £	2020 £
At 1 April	3,929,574	2,954,538
Recognised in the Statement of Comprehensive Income	(99,483)	975,036
Held as deferred income at 31 March	3,830,091	3,929,574

The amount of accumulated social housing grant received or receivable from Homes England Capital Funding recognised in the Statement of Comprehensive Income in the year to 31 March 2021 was £99,483 (2020 - £nil).

Company	Freehold properties £	Office equipment £	Computer equipment £	Total £
Cost or valuation:				
At 1 April 2020	18,241,446	1,002,786	188,199	19,432,431
Additions	207,338	197,560	33,456	438,352
At 31 March 2021	18,448,782	1,200,346	221,655	19,870,783
Depreciation:				
At 1 April 2020	-	-	10,521	10,521
Charge for the year on owned assets	432,751	117,896	6,578	557,225
Charge for the year on financial assets	-	-	27,422	27,422
At 31 March 2021	432,751	117,896	44,521	595,168
Net book value:				
At 31 March 2021	18,016,031	1,082,450	177,134	19,275,615
At 31 March 2020	18,241,446	1,002,786	177,678	19,421,910

**Milton Keynes YMCA Limited**

**Notes to the Financial Statements**

**Year Ended 31 March 2021**

**9 Tangible fixed assets – Investment Properties**

**Group**

The net book value of freehold investment properties land and buildings comprised:

	2021 and 2020 £
Freehold	825,000

**Tangible fixed assets held at valuation**

**Group**

The historic cost equivalent of land and buildings included at valuation are as follows:

	Investment properties £	2021 and 2020 Land & buildings £
Cost and net book value	1,416,789	-

**Valuation of Investment properties**

The valuation at 31 March 2021 was made by the Trustees on an open market value for existing use basis. The trustees do not believe that the market value at 31 March 2021 of the investment properties is materially different to the valuation at 31 March 2020.

The Northamptonshire YMCA investment properties at Derngate were revalued at 31 March 2017 by professional valuers Aitchison Raffety. This was valued on a open market value basis for existing use.

**10 Fixed asset investments**

	Group Listed investments £	Company Listed investments £
Cost or valuation		
At 1 April 2020	196,055	46,404
Additions	120,000	120,000
Revaluation	71,026	36,358
Reclassifications	(60,000)	-
At 31 March 2021	327,081	202,762
Carrying amount:		
At 31 March 2021	327,081	202,762
At 31 March 2020	196,055	46,404

The fair value of listed investments for the Group and Company is determined by reference to the market value at the balance sheet date. All the fixed asset investments are held in the UK.

# Milton Keynes YMCA Limited

## Notes to the Financial Statements

Year Ended 31 March 2021

### 11 Debtors

	2021 £	Group 2020 £	2021 £	Company 2020 £
Trade debtors (gross social housing rent arrears)	128,119	136,382	128,119	136,382
Less provision for doubtful debts	(42,476)	(70,632)	(42,476)	(70,632)
Trade debtors (others)	4,211	8,045	4,211	7,776
Amounts owed by group undertakings	-	-	5,201	2,019
Other debtors	3,504	184,965	3,504	184,965
Prepayments and accrued income	58,981	101,911	37,484	89,466
	152,339	360,671	136,043	349,976

### 12 Current asset investments

Group	2021 £	2020 £
Listed investments	60,000	-

The fair value of listed investments is determined by reference to the market value at the balance sheet date.

### 13 Creditors: amounts falling due within one year

	2021 £	Group 2020 £	2021 £	Company 2020 £
Bank loans	32,445	32,445	-	-
Trade creditors	184,282	177,973	172,143	173,983
Rents paid in advance	48,351	10,476	47,756	10,476
Finance lease obligations	46,290	50,334	46,290	50,334
Tax and social security	22,454	21,913	22,454	21,913
Pension creditor	39,059	41,259	19,049	21,832
Other creditors	12,000	12,000	12,000	12,000
Accruals and deferred income	292,615	239,465	285,687	231,791
	677,496	585,865	605,379	522,329

The Company and Group have a bank loan of £4.4m from Charities Aid Foundation Bank repayable over 25 years from March 2020 with an initial 24-month repayment holiday. It is repayable at an interest rate of 1.75% above the bank's base rate and is secured with a debenture on 1 North Sixth Street, Milton Keynes.

The Group has three bank loans secured on the property at 47 - 49 Derngate, Northampton.

- A loan of £363,075 with National Westminster Bank is repayable over 25 years from December 2006. It is repayable at an interest rate of 1.5% above the bank's base rate.
- A loan of £125,000 with National Westminster Bank is repayable over 15 years from September 2007. It is repayable at an interest rate of 1.5% above the bank's base rate.
- A loan of £252,000 with National Westminster Bank is repayable over 25 years from May 2010. It is repayable at an interest rate of 1.77% above the bank's base rate.

**Milton Keynes YMCA Limited**

**Notes to the Financial Statements**

**Year Ended 31 March 2021**

**14 Creditors: amounts falling due after more than one year**

	2021 £	Group 2020 £	2021 £	Company 2020 £
Bank loans	4,661,867	4,694,295	4,400,000	4,400,000
Finance lease obligations	-	50,485	-	50,485
Accruals and deferred income	5,055,209	5,235,879	5,055,209	5,235,879
	<b>9,717,076</b>	<b>9,980,659</b>	<b>9,455,209</b>	<b>9,686,364</b>

Accruals and deferred income includes grants in support of the capital costs of the new campus of £3,830,091 (2020 - £3,929,574) from Homes England and £747,779 (2020 - £767,202) from the South East Midlands Local Enterprise Partnership. These will be released over the useful life of the assets that they relate to.

Included within the above are amounts falling due as follows:

	2021 £	Group 2020 £	2021 £	Company 2020 £
<b>Between one and two years:</b>				
Bank loans	182,483	32,998	154,937	-
Finance lease obligations	-	50,485	-	50,485
Accruals and deferred income	371,106	122,322	371,106	122,322
	<b>553,589</b>	<b>205,805</b>	<b>526,043</b>	<b>172,807</b>

**Between two and five years:**

	2021 £	Group 2020 £	2021 £	Company 2020 £
Bank loans	554,680	549,935	482,371	473,536
Accruals and deferred income	480,318	587,966	480,318	587,966
	<b>1,034,998</b>	<b>1,137,901</b>	<b>962,689</b>	<b>1,061,502</b>

**Over five years:**

	2021 £	Group 2020 £	2021 £	Company 2020 £
Bank loans	3,924,704	4,111,362	3,762,692	3,926,464
Accruals and deferred income	4,203,785	4,525,591	4,203,785	4,525,591
	<b>8,128,489</b>	<b>8,636,953</b>	<b>7,966,477</b>	<b>8,452,055</b>

**Milton Keynes YMCA Limited**

**Notes to the Financial Statements**

**Year Ended 31 March 2021**

**15 Finance leases**

**Group and Company**

Total future minimum lease payments are as follows:

	2021 £	2020 £
Within one year	46,290	50,334
Between two and five years	-	50,485
	<hr/> 46,290	<hr/> 100,819

**16 Commitments under operating leases**

The future minimum lease payments under non-cancellable operating leases are as follows:

**Group**

	2021 £	2020 £
Not later than one year	16,496	9,140
Later than one and not later than five years	57,006	28,992
Later than 5 years	25,128	6,120
	<hr/> 98,630	<hr/> 44,552

**Company**

	2021 £	2020 £
Not later than one year	16,196	9,140
Later than one and not later than five years	55,806	28,992
Later than 5 years	25,128	6,120
	<hr/> 97,130	<hr/> 44,552

# Milton Keynes YMCA Limited

## Notes to the Financial Statements

Year Ended 31 March 2021

### 17 Deferred grant income

#### Group and Company

	2021 £	2020 £
At 1 April 2020	4,725,419	2,993,296
Grants received in the year	162,983	1,769,481
Released to income during the year	(282,221)	(37,358)
	<hr/>	<hr/>
At 31 March 2021	4,606,181	4,725,419
	<hr/>	<hr/>
Amounts to be released within one year	147,216	106,923
Amounts to be released in more than one year	4,458,965	4,618,496
	<hr/>	<hr/>
	4,606,181	4,725,419
	<hr/>	<hr/>

### 18 Share capital

#### Ordinary shares of £1 each

	Number	£
Allotted called up and fully paid At 1 April 2020 and 31 March 2021	12	12
	<hr/>	<hr/>

### 19 Reserves

#### a) Income and expenditure reserve

The income and expenditure reserve represents cumulative surpluses and deficits net of other adjustments.

#### b) Revaluation reserve

The revaluation reserve represents the cumulative effect of revaluations of investment properties on an annual basis.

#### c) Restricted reserve

The restricted reserves have restrictions on how the reserves can be released.

- The restricted property reserve results from the sale of the original YMCA properties.

#### d) Designated reserves

The designated reserves are where the trustees have set aside amounts for a particular purpose.

- The Cyclical Repairs fund has been set up for the long-term maintenance of property and the refurbishment of certain residential flats
- The New Services fund was formed to set aside monies to expand services for young people of Milton Keynes, Northamptonshire and the surrounding area.

**Milton Keynes YMCA Limited**

**Notes to the Financial Statements**

**Year Ended 31 March 2021**

**19 Reserves (continued)**

**Designated Reserves  
Group**

	Balance 1 April 2019 £	Incoming resources £	Resources expended £	Transfers £	Balance 31 March 2020 £
Cyclical Repairs fund	250,000	-	-	(50,000)	200,000
New Services fund	250,000	-	-	-	250,000
<b>Total designated funds</b>	<b>500,000</b>	<b>-</b>	<b>-</b>	<b>(50,000)</b>	<b>450,000</b>

	Balance 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance 31 March 2021 £
Cyclical Repairs fund	200,000	-	-	-	200,000
New Services fund	250,000	-	-	-	250,000
<b>Total designated funds</b>	<b>450,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>450,000</b>

**Designated Reserves  
Company**

	Balance 1 April 2019 £	Incoming resources £	Resources expended £	Transfers £	Balance 31 March 2020 £
Cyclical Repairs fund	50,000	-	-	(50,000)	-
New Services fund	150,000	-	-	-	150,000
<b>Total designated funds</b>	<b>200,000</b>	<b>-</b>	<b>-</b>	<b>(50,000)</b>	<b>150,000</b>

	Balance 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance 31 March 2021 £
Cyclical Repairs fund	-	-	-	-	-
New Services fund	150,000	-	-	-	150,000
<b>Total designated funds</b>	<b>150,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>150,000</b>

**Milton Keynes YMCA Limited**

**Notes to the Financial Statements**

**Year Ended 31 March 2021**

**20 Reconciliation of operating (deficit)/surplus to cash flow from operating activities**

	2021 £	2020 £
<b>Surplus/(Deficit) for the year</b>	(67,486)	(181,597)
Interest received	(402)	(4,187)
Interest payable	86,879	11,239
Income from fixed asset investments	(13,404)	(13,703)
Depreciation and impairment of tangible fixed assets	584,647	10,521
(Gain)/losses on investments	(71,026)	56,339
(Increase)/decrease in trade and other debtors	208,332	(67,437)
Increase/(decrease) in trade and other creditors	(84,995)	2,124,893
Increase/(decrease) in pension deficit	17,562	(30,255)
<b>Net cash flow from operating activities</b>	<b>660,107</b>	<b>1,905,813</b>

**21 Analysis of changes in net debt**

	Balance at 1 April 2020 £	Cash flows £	Balance at 31 March 2021 £
Long-term borrowings	(4,694,295)	32,428	(4,661,867)
Short-term borrowings	(32,445)	-	(32,445)
Lease liabilities	(100,819)	54,529	(46,290)
<b>Total liabilities</b>	<b>(4,827,559)</b>	<b>86,957</b>	<b>(4,740,602)</b>
Cash and cash equivalents	423,654	(102,644)	321,010
<b>Total net debt</b>	<b>(4,403,905)</b>	<b>(15,687)</b>	<b>(4,419,592)</b>

**22 Pensions and other post-retirement benefits**

**a) Defined contribution pension plans**

**Group and company**

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £45,878 (2020 - £39,648).

Contributions totalling £9 (2020 - £3,347) were payable to the fund at the reporting date and are included in creditors.



# Milton Keynes YMCA Limited

## Notes to the Financial Statements

Year Ended 31 March 2021

### 22 Pensions and other post-retirement benefits (continued)

#### b) Defined benefit pension plans

Milton Keynes YMCA Limited and Northamptonshire YMCA participated in the YMCA Pension Plan ("Pension Plan"), 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 Pension Plan are held separately from those of Milton Keynes YMCA Limited and Northamptonshire 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 2020 showed that the Pension Plan had a deficit of £36 million. Milton Keynes YMCA Limited and Northamptonshire YMCA have been advised that they will need to make annual contributions of £19,040 and £20,010 respectively 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.

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

#### Group

	Within one year	One to two years	Two to five years	After 5 years	After more than one year	Total	Total
	£	£	£	£	Total £	2021 £	2020 £
As at 31 March 2021	39,050	38,467	112,058	95,066	245,591	284,641	-
As at 31 March 2020	37,913	37,913	113,739	76,377	228,029	-	265,942

#### Company

	Within one year	One to two years	Two to five years	After 5 years	After more than one year	Total	Total
	£	£	£	£	Total £	2021 £	2020 £
As at 31 March 2021	19,040	19,040	57,120	43,586	119,746	138,786	-
As at 31 March 2020	18,485	18,485	55,455	37,243	111,183	-	129,668

## Milton Keynes YMCA Limited

### Notes to the Financial Statements

Year Ended 31 March 2021

#### 23 Restricted Grant Funds

YMCA MK gratefully acknowledges the financial support from all the individuals and businesses who helped fund our new campus. Where restrictions were placed on the use of financial contributions these amounts have been allocated against fixtures & fittings purchases and included within restricted deferred capital grants to be released over the life of the assets.

There are too many generous contributions for all of them to be listed in these financial statements. Key grants are as follows:

##### Capital Grants

###### Homes England Capital Funding

YMCA MK received £3,929,574 of capital grant funding towards the provision of the 106 affordable rent self-contained independent living flats at the new campus. The grant was allocated in full against housing properties purchases. The grant is held as a restricted deferred capital grant to be released over the life of the assets. £99,483 (2020 - £nil) has been released in the year.

###### South East Midlands Local Enterprise Partnership (SEMLEP)

The South East Midlands Local Enterprise Partnership (SEMLEP) awarded the Charity a capital grant of £767,202 towards the construction costs of the social enterprise areas of the campus. The grant was allocated in full against housing properties purchases. The grant is held as a restricted deferred capital grant to be released over the life of the assets. £19,423 (2020 - £nil) has been released in the year.

###### Garfield Weston Foundation

The Charity received £50,000 from the Garfield Weston Foundation towards the capital costs of the Residents' Lounge. This project was completed in August 2020; The grant is held as a restricted deferred capital grant to be released over the life of the assets. £496 (2020 - £nil) has been released in the year.

##### Revenue Grants

###### The National Lottery Community Fund

YMCA MK has been awarded grant funding from The National Lottery Community Fund of £498,849 over three years commencing in December 2019 towards our 'Under One Roof' project. During the year to 31 March 2021 the Company recognised £164,394 of grant income against expenditure incurred (2020 - £54,486).

#### 24 Capital funding and commitments

	2021	2020
	£	£
Capital expenditure that has been contracted for but has not been provided for in the financial statements	37,988	13,559

#### 25 Related party transactions

Milton Keynes YMCA Limited has a management service agreement with Northamptonshire YMCA. During the year there were amounts totalling £19,915 (2020 - £18,629) invoiced to Northamptonshire YMCA for accounting and management services. At the year end, there was £5,201 (2020 - £2,019) owed to Milton Keynes YMCA Limited from Northamptonshire YMCA. These balances are eliminated on consolidation.

# Milton Keynes YMCA Limited

## Notes to the Financial Statements

Year Ended 31 March 2021

### 26 Financial instruments

The carrying amounts of the Group's financial instruments are as follows:

Group	2021 £	2020 £
Financial assets		
Measured at fair value through the statement of comprehensive income:		
- Fixed asset listed investments (note 11)	<u>387,081</u>	<u>196,055</u>
Debt instruments measured at amortised cost:		
- Trade debtors (note 12)	89,854	73,795
- Other debtors (note 12)	<u>3,504</u>	<u>184,965</u>
	<u>93,358</u>	<u>258,760</u>
Financial liabilities		
Measured at amortised cost		
- Trade creditors (note 13)	184,282	177,973
- Other creditors (note 13)	<u>51,059</u>	<u>53,259</u>
	<u>235,341</u>	<u>231,232</u>
The income, expenses, net gains and net losses attributable to the Group's financial instruments are summarised as follows:		
	2021 £	2020 £
Net gains and losses (including changes in fair value)		
Financial assets measured at fair value through the statement of comprehensive income	<u>71,026</u>	<u>(56,339)</u>

### 27 Events after the end of the period

The Group has been impacted during the year and post year end as a result of COVID-19. Currently the extent of the financial impact is uncertain but the Group is confident that by maintaining a high percentage of room occupancy it will be able to minimise the financial impact during 2021/2022 and is therefore considered to be a going concern.

### 28 Financial statements

Copies of the financial statements can be obtained from:

The Company Secretary  
Milton Keynes YMCA Limited  
1 North Sixth Street  
Milton Keynes  
MK9 2NR