

REGISTERED COMPANY NUMBER: 07820865 (England and Wales)
REGISTERED CHARITY NUMBER: 1146415
REGISTERED SOCIAL HOUSING NUMBER: 4875

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023
FOR
YMCA FAIRTHORNE HOUSING**

Hopper Williams & Bell Limited
Statutory Auditor
Highland House
Mayflower Close
Chandler's Ford
Eastleigh
Hampshire
SO53 4AR

YMCA FAIRTHORNE HOUSING

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FOR THE ENDED 30 APRIL 2023**

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YMCA FAIRTHORNE HOUSING

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE ENDED 30 APRIL 2023

TRUSTEES	Mr R Rogers (Resigned 14/12/2022) Mr P J West Dr M H Cranston (Resigned 31/07/2023) Ms S M Hannington (Resigned 31/07/2023) Mr D G Furlong (Appointed 05/05/2023) Mr T J Titheridge (Appointed 31/07/2023)
COMPANY SECRETARY	Ms P J Spicer (Resigned 14/12/2022 & Appointed 31/07/2023) Ms R C Searle (Appointed 14/12/2022 & Resigned 31/07/2023)
REGISTERED OFFICE	Fairthorne Manor Botley Road Curbridge Southampton Hampshire SO30 2GH
REGISTERED COMPANY NUMBER	07820865 (England and Wales)
REGISTERED CHARITY NUMBER	1146415
REGISTERED SOCIAL HOUSING NUMBER	4875
AUDITORS	Hopper Williams & Bell Limited Statutory Auditor Highland House Mayflower Close Chandler's Ford Eastleigh Hampshire SO53 4AR
BANKERS	Barclays Bank plc 1 Churchill Place London E14 5HP

**REPORT OF THE TRUSTEES
FOR THE ENDED 30 APRIL 2023**

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report and Strategic Report, together with the audited financial statements of YMCA Fairthorne Housing (the company) for the year 1 May 2022 to 30 April 2023. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice Accounting by Registered Social Landlords (SORP) "Accounting and Reporting by Charities" issued in March 2005 and the "Accounting Direction for private registered providers of social housing" issued in January 2022.

During the year the Board of Trustees met formally on 5 occasions.

Structure, governance and management

Trustees are appointed to the Board by the Board of YMCA Fairthorne Group following a recruitment and induction process which takes place over several months. Role specifications inform potential trustees of the requirements of the role and all Trustees are bound by a Code of Conduct which outlines their responsibilities.

Constitution

The company is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 25 October 2011. The company is also a Registered Social Landlord as of 5 April 2018, having made the decision the previous year to register in order to continue and expand its work in the provision of accommodation for young people.

The company is a registered charity number 1146415.

Purpose Statement

YMCA Fairthorne Housing's Purpose is: We believe that everybody should have the opportunity to lead happy, healthy lives.

The YMCA Way

The YMCA Way supports the strategic direction and operational delivery for the way YMCA Fairthorne Housing ensures the delivery of programmes to young people and provides quality frameworks for its housing management. The YMCA Way includes the charity's values, from which all behaviours are defined.

Values

1. Welcoming
2. Active
3. Listening
4. Inspiring
5. Caring
6. Exciting

The principal objects of the charitable company are:

To unite those who, regarding Jesus Christ as their God and Saviour according to the Holy Scriptures, desire to be his disciples in their faith and in their life, and to associate their efforts for the extension of his Kingdom.

To lead young people to the Lord Jesus Christ and to fullness of life in Him.

To provide or assist in the provision in the interests of social welfare of facilities for recreation and other leisure time occupation for men and women with the object of improving their conditions of life.

**REPORT OF THE TRUSTEES
FOR THE ENDED 30 APRIL 2023**

To provide or assist in the provision of education for persons of all ages with the object of developing their physical, mental or spiritual capacities.

To relieve or assist in the relief of persons of all ages who are in conditions of need, hardship or distress by reason of their social, physical or economic circumstances.

To provide residential accommodation for persons of all ages who are in need, hardship or distress by reason of their social, physical or economic circumstances.

Statement of Compliance with Governance and Financial Viability Standard

YMCA Fairthorne Housing has, as a registered provider, undertaken an assessment of compliance as required under the above standard annually. This report has been prepared in accordance with applicable standards and legislation. The Board confirms that the Association has complied with the Regulator of Social Housing's Governance and Financial Viability Standard.

Organisational structure and decision making

The strategic direction of the charitable company is determined by the Board of Trustees. All day-to-day operational responsibilities are contracted from YMCA Fairthorne Group. YMCA Fairthorne Group also provide off-site management support.

Risk management

The Trustees have assessed the major risks to which the charitable company is exposed, in particular those related to the operations and finances of the charitable company and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

OBJECTIVE AND ACTIVITIES

Principal Activities

In the year under review, the charitable company has sought to deliver its charitable objectives through the running of housing programmes for young people aged 18-30 in Basingstoke, young people aged 16-22 in Southampton, and single mothers aged 16-25 in Shanklin, Isle of Wight.

Policies and objectives

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Regulator of Social Housing, Charity Commission relating to public benefit as well as guidance given by Homes England.

The primary objectives for the year were to begin implementation of the Housing Strategy and to work with YMCA Fairthorne Group to restructure sustainable housing management in light of their success in achieving a renewed support contract for young people living in Southampton and the securing of exempt rent arrangements at Basingstoke. Refurbishment and upgrade works continued at Basingstoke including upgrading of electrical systems and improvements to fire safety.

Strategies and activities for achieving objectives

The new Housing Strategy for 2021-2030 was implemented and the parent charity, YMCA Fairthorne Group undertook a strategic planning process which led to the adoption of housing as a key strategic priority for the group, both ratifying the Housing Strategy and identifying resources for its implementation. Further, a key strategic priority is enabling young people to achieve their potential and move onto affordable, accessible housing beyond supported housing.

The key priorities in the Housing Strategy remain:

Practical skills: Independent living skills give young people the ability to thrive when living independently.

Embedded in the community: A sense of belonging is supported by employment, volunteering, and meaningful use of time in the community.

Reconnecting relationships: Re-establishing contact to repair relationships where possible and appropriate can ensure greater emotional resilience for the young person.

Self-regulation and personal agency: Young people will participate in programmes that support good emotional and mental health, and which enable them to practice self-regulation techniques in a safe environment.

A home: A suitable, affordable, place to live, that they chose.

The strategy retains its 5 core objectives and these form the basis of the review of activities in this year's report.

- 1) Continue to provide intensive accommodation-based support for young people
- 2) Secure sustainable housing connected to all community branches
- 3) Meaningful roles for young people at YMCA
- 4) Programmes that support Developmental Assets
- 5) Staff qualified in Advantaged Thinking.

ACHIEVEMENTS AND PERFORMANCE

Continue to provide intensive accommodation-based support for young people

A tender to continue with Supporting People in Southampton was won by YMCA Fairthorne Group and the contract to deliver support in the Lodge, on the Isle of Wight, was extended.

Secure sustainable housing connected to all community branches

A charity-wide strategic plan has been developed which identifies housing as a priority including access to affordable post-support housing for young people.

Basingstoke secured exempt status and is now able to provide intensive housing management for a larger number of young people.

A dedicated credit controller was employed in the finance team as part of a debt prevention strategy.

InForm has been established across all housing services and has enhanced the accessibility, reliability, and accuracy of information for supporting young people.

Housing management arrangements were restructured with the incorporation of housing management and compliance responsibilities into the facilities and compliance team. This change allows for landlord oversight to drive improvements and frees up the support teams to focus on members' support needs.

Meaningful roles for young people at YMCA

A staffing restructure took place towards the end of the year and roles were created dedicated to enabling young people to access group activities, volunteering, work experience, education, employment and develop their hobbies and interests.

A rent bursary scheme was approved in principle to enable young people to sustain employment. This will be rolled out in the next year.

Programmes that support Developmental Assets

A dedicated programme team was established and new programmes that enable young people to achieve Developmental Assets are now being developed. A model of work in place at YMCA Milton Keynes will be adopted in late summer 2023 that brings together core aspects of Developmental Assets in a trauma-informed environment and includes programme planning and regular assessments.

Staff qualified in Advantaged Thinking.

The Lodge has participated in a co-production process in the Isle of Wight to develop a shared competency framework for Psychologically Informed Environments in partnership with Isle of Wight Council and all other local housing providers. The Lodge took part in the first assessment and quality development plan process with the Isle of Wight Council which has led to the development of a tool to measure continuous improvement in housing and the support services.

Southampton and Basingstoke both undertook work to progress the desire to become Advantaged Thinking accredited via the Foyer Federation. This process needed to be delayed because of senior staff turnover but has been reinitiated with renewed staff training completed. It is expected that accreditation will be achieved before the end of 2023.

Tenant Engagement

Engagement is built into programme delivery and access to group and 1-1 support at all sites. Additional activities which took place during the year include:

Rollout of Moodle to all residents at Basingstoke to enable them to access online services to complement face to face services.

Full reopening of communal spaces at George Williams House, in Southampton, including in reception where young people are able to provide ad hoc feedback and ideas alongside the feedback accessed in planned activities. A full reception service was reinstated to ensure all young people received engagement with concierges as well as support staff.

Representatives of Supporting People visited sites to interview residents as part of quality assurance processes.

A full consultation took place at The Lodge with representatives from the Isle of Wight Council to inform the Psychologically Informed Environments work.

**REPORT OF THE TRUSTEES
FOR THE ENDED 30 APRIL 2023**

Value for Money Statement

YMCA Fairthorne Housing is regulated by the Homes and Communities Agency (HCA) which requires organisations to demonstrate how they achieve value for money in meeting strategic objectives. This value for money statement should be read alongside our Annual Report and Financial Accounts. Value for Money (VFM) principles are integrated into all plans and activities. This is led by the Board who ensure that:

- Strategies and business plans are suitable and sustainable
- Customer needs are identified and met
- Finances are monitored and audited, with particular focus on costs
- Return on assets is understood
- Operations run as efficiently and effectively as possible
- Effective performance management and scrutiny functions are in place
- A risk framework ensures risks are identified, mitigated and managed
- Stakeholders are effectively engaged and hold us to account.

The methodology for reporting specific targets for value for money is still in development. Currently the organisation believes the measures listed in the performance summary are the most appropriate.

YMCA Fairthorne Housing has received the benefit this year of increases of rent and service charges.

Performance summary:

- £34k surplus for the company (2022: £43k deficit)

The Lodge

- A total of 21 families were supported
- Occupancy of 88% vs target 90%

George Williams House

- A total of 80 young people were supported
- Occupancy 81% vs target 92%

Basingstoke

- A total of 126 young people were supported
- Occupancy 95% vs target 95%

Financial Review

The Trustees are pleased to note that income rose during the year by £270k. Alongside the income growth, a surplus of £34k (2022: £43k deficit) was generated in the year.

Reserves policy

The nature of the principal source of income means that at this time there is no great need to build large reserves although the Trustees believe it would be prudent to build a reserve sufficient to cover a 20% void in rental income for a sustained period of 3 months or approximately £35k.

Principal funding

The principal funding source is income from Housing Benefit and Universal credit which is supplemented by other income related to running the accommodation. The charitable company has also succeeded in obtaining some voluntary income to support work with members.

Plans for the future

A staffing restructure at Basingstoke has added night concierge staffing and the service will be staffed 24/7 from July 2023. This will transform the experience of young people who will be able to access more social activities outside of office hours, as well as improve health and safety systems.

A staffing restructure at George Williams House, in Southampton, has added new day concierge staff which will remove a former reliance on agency staff. This will provide members with added security and trusted relationships with their landlord.

A staffing restructure in housing management is enabling the estates teams to focus on improving the quality of fixtures, fittings, and furnishings.

Southampton and Basingstoke are on track to become Advantage Thinking accredited.

The rent bursary scheme will be developed and rolled out to help sustain young people in employment.

Online engagement platform Moodle will be further developed and rolled out to every young person at every site.

We are working in partnership with YMCA Milton Keynes to adopt the principles of a campus model of operation that achieves excellent employment, education, and training outcomes for young people.

Each site has a quality improvement plan aligned with Trauma Informed working and Advantaged Thinking.

Housing transformation proposals will be developed to support delivery of the strategy.

YMCA FAIRTHORNE HOUSING

REPORT OF THE TRUSTEES FOR THE ENDED 30 APRIL 2023

Trustees' responsibilities statement

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

Auditors

All of the current trustees have taken all the steps that they ought to have taken to make themselves aware of any information needed by the charity's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Trustees are not aware of any relevant audit information of which the auditors are unaware.

Approved by order of the board of trustees on 13 October 2023 and signed on its behalf by:



.....

P West - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF YMCA FAIRTHORNE HOUSING

Opinion

We have audited the financial statements of YMCA Fairthorne Housing (the 'charitable company') for the year ended 30 April 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of changes in reserves 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 April 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and.
- have been prepared in accordance with the requirements of the Housing and Regeneration Act 2008 and Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors 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.

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF YMCA FAIRTHORNE HOUSING

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

Responsibilities of trustees

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

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

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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. Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities even though the audit has been properly planned and performed in accordance with the ISAs (UK). The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and the industry in which it operates. These include but are not limited to compliance with the Companies Act 2006; UK Generally Accepted Accounting Practice; the SORP for Registered Social Housing Providers 2014, Accounting by registered social housing providers' 2014 as updated; the Accounting Direction for Private Registered Providers of Social Housing from 2019; and the relevant tax compliance regulations for the company.

- We obtained an understanding of how the charity is complying with these frameworks through discussions with management.

- We enquired with management whether there were any instances of non-compliance with laws and regulations or whether they had knowledge of actual or suspected fraud. These enquiries are corroborated through follow-up audit procedures including but not limited to a review of legal and professional costs and correspondence.

- We assessed the susceptibility of the charities' financial statements to material misstatement, including the risk of fraud and management override of controls. We designed our audit procedures to respond to this assessment, including the identification and testing of any related party transactions and the testing of journal transactions that arise from management estimates, that are determined to be of significant value or unusual in their nature.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF YMCA FAIRTHORNE HOUSING

- We assessed the appropriateness of the collective competence and capabilities of the engagement team, including consideration of the engagement team's knowledge and understanding of the industry in which the company operates in, and their practical experience through training and participation with audit engagements of a similar nature.

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

Use of our report

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

Michaela Johns

Michaela Johns FCCA (Senior Statutory Auditor)
for and on behalf of Hopper Williams & Bell Limited
Statutory Auditor
Highland House
Mayflower Close
Chandler's Ford
Eastleigh
Hampshire
SO53 4AR

18 Oct 2023

Date:

YMCA FAIRTHORNE HOUSING

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 APRIL 2023**

		2023	2022
	Notes	£'000	£'000
TURNOVER			
Donations and legacies	4	83	43
Social housing income	4	1,479	1,248
Other income	4	14	15
Total		1,576	1,306
EXPENDITURE ON			
Operating expenditure	4	1,424	1,291
OPERATING SURPLUS		152	15
Interest payable	9	118	58
SURPLUS / (DEFICIT) FOR THE YEAR		34	(43)

The notes form part of these financial statements

YMCA FAIRTHORNE HOUSING

BALANCE SHEET
30 APRIL 2023

REGISTERED COMPANY NUMBER - 07820865		2023	2022
		Total funds	Total funds
	Notes	£'000	£'000
FIXED ASSETS			
Housing properties	10	5,320	5,343
Tangible fixed assets	11	-	1
CURRENT ASSETS			
Debtors	12	1,138	777
Cash at bank and in hand		152	416
		1,290	1,193
CREDITORS			
Amounts falling due within one year	13	(2,724)	(2,685)
NET CURRENT ASSETS / (LIABILITIES)		(1,434)	(1,492)
TOTAL ASSETS LESS CURRENT LIABILITIES		3,886	3,852
NET ASSETS		3,886	3,852
FUNDS			
Unrestricted funds:			
General fund		3,881	3,852
Restricted funds:			
Restricted fund		5	-
TOTAL FUNDS		3,886	3,852

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees on 13 October 2023 and were signed on its behalf by:



.....
P West - Trustee

The notes form part of these financial statements

YMCA FAIRTHORNE HOUSING**STATEMENT OF CHANGES IN RESERVES
AT 30 APRIL 2023**

	Unrestricted general funds £'000	Restricted Income funds £'000	Total £'000
Balance as at 1 May 2022	3,852	-	3,852
Surplus for the year	29	5	34
Balance at 30 April 2023	<u>3,881</u>	<u>5</u>	<u>3,886</u>

**STATEMENT OF CHANGES IN RESERVES
AT 30 APRIL 2022**

	Unrestricted general funds £'000	Restricted Income funds £'000	Total £'000
Balance as at 1 May 2021	3,895	-	3,895
Deficit for the year	(43)	-	(43)
Balance at 30 April 2022	<u>3,852</u>	<u>-</u>	<u>3,852</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE ENDED 30 APRIL 2023**

1. LEGAL STATUS

YMCA Fairthorne Housing is a company, limited by guarantee (company number 07820865) and a registered charity (number 1146415) and is registered with the Register of Social Housing as a social housing provider (number 4875). The address of the registered office is Fairthorne Manor, Botley Road, Curbridge, Southampton, England, SO30 2GH.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the SORP for Registered Social Housing Providers 2014, 'Accounting by registered social housing providers' 2014 as updated, the Accounting Direction for Private Registered Providers of Social Housing from January 2019, Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention. The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest thousand.

The charity constitutes a public benefit charity as defined by FRS102.

Going concern

The charity forms part of the treasury management of YMCA Fairthorne Group, which is supported by a loan facility. The trustees have produced cash flow forecasts that demonstrate that operations will generate cash in the forthcoming year to enable the group to operate within its current bank facilities and meet its liabilities as they fall due. Accordingly, the Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Financial reporting standard 102 - reduced disclosure exemptions

The charitable company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 4 Statement of Financial Position paragraph 9.12(a)(iv)
- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of YMCA Fairthorne Group as at 30 April 2023 and these financial statements may be obtained from Fairthorne Manor, Botley Road, Curbridge, Southampton, England, SO30 2GH.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2023

Critical accounting judgements and key sources of estimation uncertainty

In preparing these financial statements, the key judgements have been made in respect of the following:

- Whether there are indicators of impairment of the Charity's housing properties and other tangible assets factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit. The Trustees have considered the measurement basis to determine the recoverable amount of assets where there are indicators of impairment based on EUV-SH or depreciated replacement cost. The members have also considered impairment based on their assumptions to define cash or asset generating units.

Other key sources of estimation uncertainty:

Critical accounting judgements and key sources of estimation uncertainty

Tangible fixed assets (see note 10)

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as the condition of the asset and its future income generating potential are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

For housing property assets, the assets are broken down into components based on management's assessment of the properties. Individual useful economic lives are assigned to these components.

Rental and other trade receivables (see note 12)

The estimate for receivables relates to the recoverability of the balances outstanding at the year end. An estimation of recoverability is used to consider whether debts are recoverable.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably. The charity has the following material income streams:

- Rental income
- Service charge income
- Revenue grants

Rental income and service charge income is recognised in the year for which the service was provided to the resident.

Grants

Grants received from non-government sources are recognised using the performance model. A grant which does not impose specified future performance conditions is recognised as revenue when the grant proceeds are received or receivable. Where a social landlord acquires land/or other assets at below market value from another entity, this is in substance considered to be a grant. Where grants are given by a non-government source without restriction or conditions, the whole amount can be recognised upon receipt.

A grant that imposes specified future performance-related conditions on the association is recognised only when these conditions are met. A grant received before the revenue recognition criteria are satisfied is recognised as a liability.

Finance costs

Finance costs are charged to income or expense over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2023

Tangible fixed assets

Tangible fixed assets costing more than £1k (2022 - £1k) are capitalised and included at cost including non-recoverable VAT. Depreciation is provided on tangible fixed assets at rates calculated to write off the cost on a straight-line basis over their expected useful economic lives as follows:

Plant and machinery - over 3 - 25 years

Housing properties and depreciation

Housing properties constructed or acquired (including land) on the open market since the date of transition to FRS 102 are stated at cost less depreciation and impairment (where applicable).

The cost of housing land and property includes the cost of acquiring land and buildings, development costs, interest capitalised during the development period, directly attributable administration costs and expenditure incurred in respect of improvements which comprise the modernisation and extension of existing properties.

Expenditure on major refurbishment to properties is capitalised where the works increase the net rental stream over the life of the property. An increase in the net rental stream may arise through an increase in the net rental income, a reduction in future maintenance costs, or a subsequent extension in the life of the property. All other repair and replacement expenditure is charged to the Statement of Comprehensive Income.

Depreciation of housing properties

Housing land and property acquired before 2019 is split between land and property. Housing land and property acquired since 2019 will be split between land, structure and other major components that are expected to require replacement over time with substantially different economic lives.

Depreciation charged on Housing property acquired prior to 2019 is depreciated based on the cost of the property as a whole. Housing property acquired after 2019 will be split between the structure and the major components which will require periodic replacement. The cost of any replacements or restorations to the major components are capitalised and depreciated over the determined average useful economic life on a straight line basis as follows:

Description	Useful economic life (years)
Structure	100
Roofs	70
Kitchens	20
Bathrooms	30
Boilers	10-15
Central heating	30
Windows	30
Lift	20
Electrical works	5

Land is not depreciated on account of its indefinite useful economic life.

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since the last reporting date in the pattern by which the charity expects to consume an asset's future economic benefit.

Taxation

The charity is exempt from corporation tax on its charitable activities.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2023

Financial instruments

Financial assets and liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all its liabilities.

Debtors and creditors

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 income statement in other operating expenses.

Financial instruments**Recoverable amount of rental and other trade receivables**

The Charity estimates the recoverable value of rental and other receivables. A provision is made against the debt. Full provisions are made against debt where recovery is considered unlikely. A general provision is made on all non-social services current debt.

Loans

All loans held by the Charity, are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost using the effective interest rate method, less any impairment losses. Loans that are payable or receivable within one year are not discounted.

Contingent liabilities

A contingent liability is recognised for a possible obligation, for which it is not yet confirmed that a present obligation exists that could lead to an outflow of resources; or for a present obligation that does not meet the definitions of a provision or a liability as it is not probable that an outflow of resources will be required to settle the obligation or when a sufficiently reliable estimate of the amount cannot be made.

A contingent liability exists on grant repayment which is dependent on the disposal of related property.

Reserves

Income received, and expenditure incurred, for restricted purposes is separately accounted for within restricted funds. Realised and unrealised gains and losses on assets held by these funds are also allocated to the fund.

3. HOUSING UNITS UNDER MANAGEMENT

	2023	2022
	No	No
Supported housing	<u>149</u>	<u>147</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2023

4. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

	Turnover	Operating costs	Operating surplus/ (deficit)
	2023	2023	2023
	£'000	£'000	£'000
Social housing (note 5)	1,479	(1,373)	106
Activities other than social housing			
Grants and donations	83	-	83
Other income	14	-	14
	1,576	(1,373)	203

	Turnover	Operating costs	Operating surplus
	2022	2022	2022
	£'000	£'000	£'000
Social housing (note 5)	1,248	(1,291)	(43)
Activities other than social housing			
Grants and donations	43	-	43
Other income	15	-	15
	1,306	(1,291)	15

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2023

5. PARTICULARS OF INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS

	Social housing 2023 £'000	Social housing 2022 £'000
Income		
Rents net of identifiable service charges	681	586
Service charge income	798	662
Turnover from Social Housing lettings	1,479	1,248
Expenditure		
Management	557	511
Service charge	170	104
Maintenance		
- Planned maintenance	84	106
- Routine maintenance	39	112
- Void costs	24	32
Bad debts	91	22
Depreciation on Housing properties:		
- Annual charge	60	45
Other costs	399	359
Operating expenditure on Social Housing lettings	1,424	1,291
Operating surplus / (deficit) on Social Housing lettings	55	(43)
Void losses	166	271

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2023

6. OPERATING SURPLUS

This is stated after charging:

	2023	2022
	£'000	£'000
Depreciation - owned assets	60	45
Auditors' remuneration	12	3
	<u>72</u>	<u>48</u>

The depreciation charge of £60k (2022: £45k) includes a charge of £15k (2022: £15k) which relates to assets owned by YMCA Fairthorne Group but used by YMCA Fairthorne Housing.

7. STAFF COSTS

	2023	2022
	£'000	£'000
Wages and salaries	292	244
Social security costs	22	17
Other pension costs	8	7
	<u>322</u>	<u>268</u>

Staff are employed by YMCA Fairthorne Group who recharge 20% of management time to the Charity, in the year this amounted to £86k (2022: £83k). At times a higher percentage was recharged, this percentage is dependent on the allocation of the staff members time spent working on each charity.

The average monthly number of staff members employed by YMCA Fairthorne Group who are recharged back during the year was as follows:

	2023	2022
Housing, support and care	9	9
	<u>9</u>	<u>9</u>

No employees in either the current or prior year received emoluments in excess of £60k.

8. TRUSTEES AND KEY MANAGEMENT PERSONNEL

There were no trustees' remuneration or other benefits for the year ended 30 April 2023 nor for the year ended 30 April 2022.

No trustees received any compensation for loss of office.

Trustees' expenses

There were no trustees' expenses paid for year ended 30 April 2023 nor for the year ended 30 April 2022.

Key management personnel

Key management personnel are shown in YMCA Fairthorne Group accounts as they are recharged from this entity to YMCA Fairthorne Housing.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2023

9. INTEREST PAYABLE AND SIMILAR EXPENSES

	2023 £'000	2022 £'000
Interest on bank loan	<u>118</u>	<u>58</u>

10. HOUSING PROPERTIES

	Housing Properties £'000	Totals £'000
COST		
At 1 May 2022	5,457	5,457
Additions	22	22
	<u>5,479</u>	<u>5,479</u>
 DEPRECIATION		
At 1 May 2022	114	114
Charge for the year	45	45
	<u>159</u>	<u>159</u>
 NET BOOK VALUE		
At 30 April 2023	<u>5,320</u>	<u>5,320</u>
At 30 April 2022	<u>5,343</u>	<u>5,343</u>

All housing properties held by the Charity are freehold.

No social housing grants were received in either the current or prior year.

Impairment

The Charity considers £5,320k (2022: £5,343k) to represent separate cash generating units (CGU's) when assessing for impairment in accordance with the requirements of FRS102 and SORP 2015.

The Trustees took the reasonable assumption that as Housing properties were purchased at market value in 2018, £Nil (2022: £Nil) impairment would be expected.

Properties held for security

The charity had property with a net book value of £5,320k (2022: £5,343k) pledged as security at 30 April 2023.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2023

11. OTHER TANGIBLE FIXED ASSETS

	Plant and machinery £'000
COST	
At 1 May 2022 and 30 April 2023	14
DEPRECIATION	
At 1 May 2022	13
Charge for the year	1
At 30 April 2023	14
NET BOOK VALUE	
At 30 April 2023	-
At 30 April 2022	1

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £'000	2022 £'000
Trade debtors	227	129
Amounts owed by group undertakings	854	623
Other debtors	-	4
Prepayments and accrued income	57	21
	1,138	777

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £'000	2022 £'000
Bank loans and overdrafts (see note 14)	2,572	2,585
Trade creditors	31	42
Other creditors	75	1
Accruals and deferred income	46	57
	2,724	2,685

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2023

14. LOANS

An analysis of the maturity of loans is given below:

	2023	2022
	£'000	£'000
Amounts falling due within one year on demand:		
Bank loans	2,572	2,585
	<u> </u>	<u> </u>

During 2018 the charity took out a new long term loan. The full balance of £2,870k was drawn down from the loan facility.

The loan is due to be repaid 5 years after the date of the first draw down. Repayments are being made based on a 20 year repayment profile with the first repayment to be made directly after the first draw down interest accrues on the loan at a rate of 1.99% above the Bank of England base rate.

During the 2021 period, the bank allowed for a 7 month capital repayment holiday. No capital repayments were made during 2020 as a result. Interest was calculated on the outstanding loan balance and paid quarterly via the charity's bank account. From March 2021, loan interest was added to the bank loan, as accrued on a quarterly basis and capital repayments recommenced.

The Trustees acknowledge the continued level of creditors falling due within one year. The balance relates to the Barclays' loan, an extension of the loan terms has been agreed with Barclays, the terms of the loan are due for renewal in April 2024. Conversations regarding the renewal continue to take place and the trustees fully intend to renew the terms of the loan and believe the going concern of the organisation is not impacted by the renewal.

15. LEASING AGREEMENTS

As at the balance sheet date the company had future commitments under operating leases which totalled £2k (2022 - £Nil).

16. RELATED PARTY DISCLOSURES

During the year, management charges of £178k (2022: £128k) and other charges of £391k (2022: £383k) were raised by its parent company, YMCA Fairthorne Group.

The Charity also paid YMCA Fairthorne Group £322k (2022: £268k) for staff employed by YMCA Fairthorne Group. At the year end the Charity was owed £854k (2022: £623k) from YMCA Fairthorne Group. These transactions were carried out on an arm's length basis.

In addition to these transactions, the charity's bank accounts form part of YMCA Fairthorne Group treasury management function.

17. ULTIMATE CONTROLLING PARTY

The Charity is a subsidiary of YMCA Fairthorne Group, a Charitable Company limited by guarantee, Charity number: 1090981, Company number: 4336719.

Consolidated accounts can be obtained from the registered office, Fairthorne Manor, Botley Road, Curbridge, Southampton, England, SO30 2GH.

The parent exercises control through the appointment or removal of Trustees and through management of the Charity.

YMCA FAIRTHORNE HOUSING

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2023

18. LEGAL STATUS OF THE CHARITY

The company is limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1. There was one member during the year (2022: one).

YMCA FAIRTHORNE HOUSING

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 APRIL 2023**

	2023 £'000	2022 £'000
INCOME AND ENDOWMENTS		
Donations and legacies		
Grants and donations	83	43
Social housing income		
Rents received	681	586
Service charge income	798	662
	1,479	1,248
Other income		
Other income	14	15
Total incoming resources	1,576	1,306
EXPENDITURE		
Social housing costs		
Wages	292	244
Social security	22	17
Pensions	8	7
Management	557	511
Other costs	77	91
Service charge costs	170	104
Bad debts	91	22
Planned maintenance	84	106
Routine maintenance	39	112
Void costs	24	32
Depreciation	60	45
	1,424	1,291
Other		
Bank loan interest	118	58
	118	58
Total resources expended	1,542	1,349
Net income/(expenditure)	34	(43)

This page does not form part of the statutory financial statements.