

YMCA

England & Wales

Annual report & accounts

Year ended 31 March 2021





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Welcome to YMCA England & Wales Annual Report 2020/21

It is safe to say that 2020/21 will go down in YMCA's long history as one of our most challenging periods we have ever faced. In the weeks just before the start of the financial year we saw COVID-19 arrive and spread across the UK and from the 23 March 2020 we went into the first national lockdown. At this stage we knew we were moving into the unknown and at that stage little did we know that we would finish the financial year in national lockdown as we had started it.

Operationally for YMCA England & Wales (YMCA EW), as lockdown came in so our retail stores closed immediately, and our office doors were shut with no return date known. Staff who had always injected the energy and vibrancy into our activities left to work at home, whilst our retail staff spent most of the coming year closing and reopening our stores on multiple occasions.

Juggling family life, caring responsibilities, and a fear of what was happening on the outside while balancing laptops on beds, sharing the kitchen table with family members and Wi-Fi bandwidth battles became the new norm. Despite all of this change, our staff responded and adapted to their new working environment and we are enormously proud of the resilience and 'can-do' attitude with what our staff embarked on these new challenges.

Across our towns and cities, YMCA during the pandemic showed that it is the community organisation. We are engrained in the lives of the people we serve, our unwavering dependability long in the memory of those who have sought us out in times gone by. We have been around for over 175 years, not by chance, but by design. We have continuously adapted and evolved to whatever young people and the community needed us to be. If there were a charity people would look at to step up in times of crisis, then all eyes would be on YMCA.

And over the past twelve months and more – we did not falter from this gauntlet.

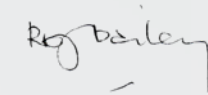
When many charities and organisations closed shop, YMCA filled that void. When keyworkers found their private nurseries would not be open in the morning, YMCA welcomed their children with open arms. When our most vulnerable, in the most deprived parts of our towns and cities were lacking food and supplies, it was YMCA doubling our foodbank efforts that came to their rescue. And when our young people were missing friends, education, and a rising mental health crisis our response went digital. With staff providing hours of educational content, games, activities, cooking classes, mental health support and much, much more.

While our stature within the community has grown immensely in response to our efforts to mitigate the deep lasting impact of the pandemic. This past year has not been without pain and sacrifice. Across our federation, we have lost brothers and sisters. Collectively our hearts go out to all those who have died this past year and their memories will live on in our work and our prayers.

The closure of cafés, fitness provisions, conference centres and commercial operations will naturally have impacted member YMCA's finances. While government funding went some way to alleviating this challenge, YMCA EW also sought to strengthen the federation's base by providing additional financial support through fundraising, grants and reducing costs.

As a charity of our collective size, moving swiftly can often appear more difficult than it actually is. COVID-19 presented an opportunity to explore the benefits of more modern working practices and embracing new technology. While physically more remote, our engagement with the YMCA Federation – and the engagement of members within it with each other – increased during lockdown. The frequency within which we needed to meet also accelerated and the opportunity to overcome barriers together became more paramount.

This past year has been exceptionally testing. Emotionally, physically, and spiritually. And while our default maybe to focus on the difficult aspects. YMCA has once more shown our resolve and determination. We emerge from the pandemic with the ability to be stronger and nimbler. Our individual adaptability sitting alongside our collective collaboration have once more been shown to be our greatest strengths. No doubt the next few years will see more challenges and the long-lasting impact of COVID-19 has not yet been fully revealed, however, the YMCA Federation could not be in a greater position to support our young people and communities for whatever the future may hold.



Reg Bailey CBE
Chair,
YMCA England & Wales



Denise Hatton
National Secretary and CEO,
YMCA England & Wales

YMCA is proud to be the oldest and largest youth charity in the world, with our foundations first rooted in England in 1844.



Over the years, YMCA has evolved into a significant global movement, passionately helping more than 58 million people across 119 different countries.



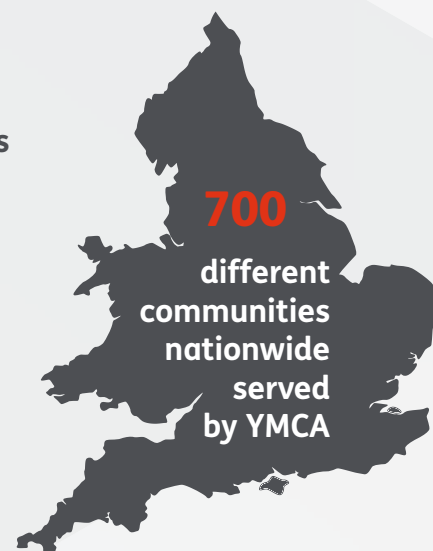
100+

YMCAs provide services throughout England and Wales

YMCA impacts upon the lives of more than

572,000

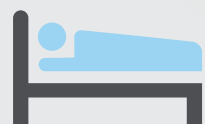
young people every year



700

different communities nationwide served by YMCA

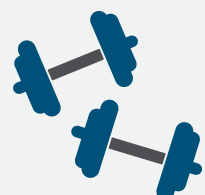
What YMCA does



YMCA's accommodation services provide 8,800 beds and connects more than 20,000 young people with case workers helping them to live independently



YMCA works with 207,000 children, young people, parents and carers to provide the best possible start in life and support into teenage years and beyond



YMCA provides health and wellbeing across opportunities across 225 sites in England and Wales, helping more than 132,000 people through healthy living activities



YMCA offers more than 28,000 young people practical skills and hands-on learning through training and education



YMCA has enabled 72,000 young people to have someone to talk to or a helping hand

How YMCA influenced



14

Youth Ambassadors recruited and undertaking training

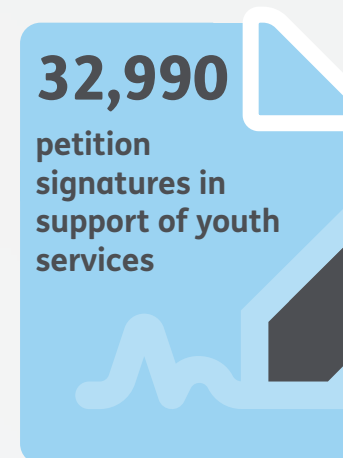
12

references to YMCA work in parliament



19.1M

people reached by YMCA's national campaign



32,990

petition signatures in support of youth services



1,535

young people involved in our policy and research work



1,198

press articles generated by YMCA England & Wales reaching a total audience of 230M



4

research reports and 3 national campaigns undertaken

Together YMCA

Stood resilient in the face of the pandemic to continue to serve communities across all service areas



YMCA aspires to

Achieve more and better together

YMCA England & Wales

YMCA England & Wales (YMCA EW), also known as the National Council of the YMCA Federation, provides services that support, represent and develop on behalf of approximately 90 local YMCAs working in almost 740 different communities to intensively support 630,000 people every year so that they have an opportunity to truly belong, contribute and thrive in today's society. YMCAs share a common goal: we are an unstoppable movement intent on creating supportive, inclusive and energising communities, enabling young people to lead their very best lives.

YMCA EW **supports** local YMCAs by promoting gold standards of working, sharing best practice and more recently in the adoption of common core standards that define a YMCA. We also fundraise on behalf of local associations both through fundraising (national campaigns, corporates and donors) and through a retail operation – that as well as financial benefits brings many non-financial benefits in the form of local employment and signposting to services. We also partner with YMCAs to pilot new projects, identify new opportunities and provide training / knowledge sharing opportunities for staff and volunteers. There is also on occasion the need for intervention, support and expert advice in order to address local issues – whether in the form of financial, human resources, communications or governance level support. We also act in the role of Principal Employer in relation to pensions, lead on other joint procurement initiatives and where requested undertake payroll for a number of YMCAs.

YMCA EW **represents** YMCAs by advocating the needs of the most vulnerable people in England and Wales through engaging government, key policy makers and national media. A number of developments have been built on during the year,

which take forward and expand the influence that YMCAs have in relation to shaping the future agenda. We have continued to focus on ensuring that young people have a home and have been campaigning in response to the reduction in youth services, including for the first time piloting a national campaign. Together YMCAs in England and Wales are continuing to drive the momentum and push for change around our national flagship campaigns: Be Real and #IAMWHOLE but also more recently in relation to the provision of solutions to address the mental health challenges of young people (our Changing Futures work), rough sleepers and transition accommodation. YMCA EW ensures our local YMCAs remain connected to our European and International movements.

YMCA EW **develops** YMCAs by encouraging collaborative working on joint opportunities that further the reach of YMCAs and so that we continue to adapt in the light of young people's priorities – looking to develop solutions to the issues faced in today's society, and working with our YMCAs to meet the needs of young people in communities. During 2020/21 a number of new opportunities have arisen that have connected the work of YMCAs including accommodation projects, rough sleepers, Y's Girls and mentoring as well as opportunities to consider joint fundraising so as to further the work of local YMCAs. This spirit of collaboration is opening new opportunity for YMCAs, despite the challenges that have been presented by the pandemic.

Public Benefit

The Board has considered the general guidance on public benefit issued by the Charity Commission and has taken due regard of that guidance and is satisfied that the charity's activities do provide wider public benefit. The work of YMCA makes a difference to young lives and communities every day. An example of the work that we do and the public benefit that is delivered is shown in the tables below, spanning work areas including Support and Advice, Accommodation, Health & Wellbeing, Training and Education and Family Work. The support that we deliver is only made possible thanks to the dedication of staff and volunteers, and the generosity of our supporters. These are the foundations on which the work of YMCA has always been built, and will be even more important as society re-emerges from the pandemic and addresses some of the new challenges presented.

The role of YMCA England & Wales in relation to support, represent and develop is delivered across the following service lines, and to the extent that the resources available provide for capacity:

Uphold membership standards



To oversee and monitor the implementation of the Membership Agreement to deliver a common approach to standards across the YMCA Federation.

Assurance, risk and compliance



To deliver a high level of confidence across the Federation in relation to agreed compliance levels being achieved and identifying potential areas of concern.

Intervention and support



To ensure potential risks are mitigated through intervention and support.

Policy, research and advocacy



To effect positive change on key policy areas impacting upon the work that matters most to the YMCA Federation and our beneficiaries.

Press, campaigns, brand and communications:



To promote the work of YMCA, its positive impact upon the lives of our beneficiaries, and ensuring a high level recognition of YMCA's brand.

Faith



To ensure the Federation has the resources, thinking and strategy to hold its Christian identity and apply that in the 21st century; enabling the Federation to deepen bonds of unity; and for faith to find its place in our local, regional, and national identity.

Heritage



As the stewards of YMCA's heritage, to protect, enhance and enrich our history.

Strategy and growth



To facilitate and promote strategies within the YMCA movement that provide for growth, innovation and collaboration across the Federation.

Impact measurement



To establish a number of coherent key impact measurement indicators across the main work areas to show the overall impact of YMCA work throughout England and Wales.

International, democracy and engagement



To represent YMCAs across England and Wales on the international stage, and to facilitate opportunities for all member YMCAs to engage and contribute to the future direction of the Federation.

Financial sustainability



There are four components to financial sustainability covering pensions management; fundraising, including business development; retail; and value for money

Strategic objectives

YMCA EW has three aims that it shares with the Federation (set out in the YMCA Federation Strategy 2017 to 2021). This is the last year of the current Federation Strategy and these aims are in the process of being reviewed, in order to set a new strategic direction from 2022 onwards. The current strategic objectives are:

1 | To be viable and sustainable by:

- ▶ Maximising asset value and removing the pension burden;
- ▶ Generating greater economies of scale, scope and efficiencies through collaboration and partnership; and
- ▶ Changing the income mix and reduce reliance on statutory funding.

2 | Extending our influence and impact by:

- ▶ Effective evidence-based research. Local/national engagement with decision makers;
- ▶ Communicating and promoting the activities and impact of the Federation; and
- ▶ Demonstrating and measuring the impact of the Federation.

3 | Working together better to deliver better by:

- ▶ Modelling good governance and management;
- ▶ Building capacity and skills; and
- ▶ Delivering safely to consistently high quality and standards.

All YMCAs are responsible for the successful delivery of the Federation Strategy. YMCA EW however, in its role as the national body, has three further objectives. These are:

1. To secure our financial future by increasing our income and reducing costs to ensure our sustainability;
2. To ensure a fit-for-purpose infrastructure; by creating a new, streamlined structure to deliver the Federation Strategy within our financial constraints; and
3. To protect and enhance YMCA by acting as guardian for all that YMCA stands for in England and Wales and contributing to its development at home and abroad.

This report evaluates our performance against these objectives but also through the YMCA EW 2020/21 Business Plan (which further cascades the Federation Strategy aims and objectives) specifically how we delivered against the plan objectives for the year.

Review of achievements

It is difficult to make any assessment of progress in 2020/21 without first referencing the impact of the pandemic which has impacted on all aspects of the YMCAs work with young people and communities. Like many, some of the original aims and objectives set for the year were overtaken by events. However, as always YMCAs have learned to live with, and adapt to, the changed environment to provide essential services for young people and communities.

COVID-19 Update

The events that unfolded in late March 2020, and continued for the year (as well as into 2021/22), have provided a significant challenge for YMCAs not only in relation to the ability to continue to deliver of services for beneficiaries, but also in responding to the operational and financial challenges presented. For the YMCA Federation the impact has been mixed dependent on the nature of the activities and the extent to which the restrictions imposed have prevented service delivery. The YMCA movement is a Federated structure (i.e. made up of independent YMCAs) with a total income of approx. £220m. In relation to the accommodation services of YMCAs these have continued to meet the needs of communities, with YMCAs responding directly to the Governments support for accommodation to assist solve the issue of rough sleepers. This has enabled some YMCAs to not only sustain activities, but in some instances to grow. However, in some areas the effects of the pandemic have been more pronounced e.g. where gyms and leisure have been closed, the impact on childcare, education, wellbeing, family and other community facing services. Whilst YMCAs have innovated and used digital platforms to aid the delivery of services, this has had a financial impact on many. As such, whilst at this stage all have survived the pandemic and are looking forward to meeting the challenges emerging as lockdown restrictions are eased from 21 June 2021, this has had an impact on income and expenditure accounts and reserve levels. Despite these challenges YMCA has once again demonstrated it can play a major role in helping society return to normality and ensure

that young people and communities continue to feel supported.

During this time Government support both, in the form of the furlough scheme and other more focused grants, have been a welcome lifeline. Where possible YMCAs have taken the opportunity to reduce costs but for many there have still been fixed costs that have had to be met. As a consequence, this has required some YMCAs to undertake significant restructuring. We are aware that for some YMCAs, whilst there now appears to be a suggestion of life returning to some 'normality' in 2021/22, there yet remains financial challenges to be worked through and as such YMCA EW will likely continue to find an increased need for intervention and support across the Federation to ensure that YMCA movement remains able to meet beneficiaries needs.

In response to the above, the role that YMCA EW undertakes in relation to providing intervention and support to the Federation has been very much at the forefront of our activity during 2020/21 and moving into 2021/22. This has included continued appraisal of YMCAs to understand how they are managing during the pandemic, to understand the risks to the organisation and to provide appropriate support where this has been necessary. This support has included:

- ▶ Direct financial support in the form of an Emergency Response Fund (totalling over £1.6m) to address immediate cash-flow issues through both trust fund support and an emergency relief appeal.
- ▶ Indirect financial support, in the ability to access grants and other funding sources, of over £0.72m;
- ▶ An affiliation fee holiday for three months for all YMCAs saving £0.22m; and working with the Pension Scheme trustees to provide a three-month deferral on the deficit contributions of £0.55m assisting with cash-flow.

Alongside financial assistance, YMCA EW has continued to provide indirect support and guidance to YMCAs, with some direct intervention where necessary to assist the Federation to rise to the challenge. This support has ranged from advice on business models, governance, finance, human resources and public relations support as well as exploring new partnerships that provide joint income for activities. This work has continued to be an area of focus into 2021/22.

In relation to YMCA EW many of the day-to-day activities have continued, with the main implication being the closure of the Retail function (which is an income generator for YMCA EW and the Federation) and the national office (in the form of Charterhouse Square). Across the year this has resulted in a significant direct fall in income, with shops being closed for more nearly seven months of the year. This has seen a fall in income from shops from £9.6m in 2019/20 to £4.5m in 2020/21. The impact of this however has been mitigated through Government support – in particular furlough grants, the Retail Hospitality Leisure Grant and Local Restrictions Grant. Alongside this, other income generation activity has performed well in the environment and with some cutting of costs and re-prioritisation of resources this has enabled YMCA EW to largely manage the financial implications of the pandemic. Indeed, one area of significant positivity for the future has been in the performance of investments which, whilst having declined in value at the end of 2019/20, have returned positively not only reversing the decline from last year but adding over £1.8m onto the values invested.

In accordance with Government guidance, and having now become adept at opening and closing shops, YMCA EW began the process of reopening shops on a phased basis from the middle of April 2021. Now open, shops are performing above budgeted levels at the start of 2021/22.

With the vaccination programme rolling out, YMCAs are now beginning the process of re-emerging from the pandemic and are optimistic about the future, but recognise challenges yet remain. In particular, the longer-term implications of COVID-19 will need to be worked through with some YMCAs already highlighting that from a financial perspective they expect 2021/22 to be as difficult as 2020/21. In turn, this is likely to further the requests for intervention based support to YMCAs that has become a key feature of 2020/21. However, as well as getting back on track with the delivery of services, the strategic agenda will continue to be taken forward with activity in relation to defining Purpose and ensuring that this remains appropriate for the 21st century, developing a refreshed Federation Strategy but also building on the previous strategy and work in relation to collaboration and how this might assist deliver more and better work across the Federation. YMCA EW therefore remains poised both to continue to promote and facilitate the proactive conversations that will enable the Federation to build on the development in past years, but also react to local circumstances and support YMCAs where needed.

Federation Strategy: Aims & objectives

The following provides an assessment of performance against the aims and objectives in the Federation Strategy.



1 | Be viable and sustainable

Maximise **asset** value and remove the **pension** burden:

- ▶ Integrated strategy for asset value maximisation across the Federation: A number of opportunities have been identified where collaborative working would be beneficial and deliver greater value. This remains an area of focus for 2021/22, with work exploring the range of collaboration that could be taken forward and the benefits that this delivers.
- ▶ Integrated solution to reducing and buying out pension liabilities: Having concluded the enhanced transfer value exercise (with approx. £12m of liability transferred out of the scheme) work continues on the next phase of the journey. Whilst the triennial valuation in May 20, showed an increase gap between scheme assets and liabilities, scheme performance since this date has improved.

Greater **economies of scale, scope and efficiencies** through collaboration and partnership:

- ▶ Proactive exploration and development of collaboration opportunities: Some areas already utilise collective buying power e.g. in the areas of insurance, group life cover, VAT, pensions and in some service areas such as payroll and human resources. Progress has also been made in relation to a partnership approach to fundraising.

- ▶ Develop collaboration support and guidance: A mergers tool-kit is available and other support and guidance. There is increased guidance and sharing of practice both in relation to the pandemic but also to assist with the work with beneficiaries, including a mental health toolkit and guidance in relation to accommodation. During 2021/22 work will be taken forward to share best practice given the range of collaborations undertaken by YMCAs.
- ▶ Develop and implement resource sharing approaches: This remains an area for further work but some new opportunities have been taken forward. During 2020/21 there has been much local sharing of resources, and this will be given greater prominence during 2021/22.

Change income mix and reliance on **statutory funding**:

- ▶ Develop and roll out a range of business models: YMCAs have continued to consider their business models, brought into sharp focus by the challenges of the pandemic. This has resulted in some YMCAs having to reduce activity and refocus, whilst others have grown. This will continue into 2021/22 as YMCAs find the 'new normal' in relation to the changed environment, and the impact on their finances.
- ▶ Develop and implement an approach to coordinated fundraising and tendering: Work on a partnership approach to fundraising has progressed with partnership developed in relation to Roomsponsor, but also across a number of new initiatives including funded activity in relation to Y's Girls mentoring programmes, accommodation and the development of transitional housing guides. This joined up approach to tendering remains a significant opportunity for YMCAs, with opportunities continuing to be explored at a national and local level.

2 | Extend our influence and impact

Effective evidence-based, local/national **engagement** with decision makers:

- ▶ Equipping and supporting local engagement: Whilst physical events have been curtailed due to the pandemic, we have continued to gather evidence of local issues within a national perspective, and to aid and inform policy development. This has included specific activity to evidence the impact of youth cuts, the need for accommodation support alongside day to day role of supporting local engagement, and representing YMCAs in discussions with Government including Department for Culture Media and Sport, Department for Education and the Ministry for Housing and Local Government.
- ▶ Sector partnership development: YMCA EW continue to work in partnership with stakeholders in the sector to identify common interests. This has included specifically work across body image, mental health, housing and the cuts in youth services, in order to develop a response to the challenges faced by young people. YMCA continues to champion with partners the need for better outcomes for young people.
- ▶ National campaigns: A number of national campaigns were undertaken on behalf of YMCAs during 2020/21 focusing on the issues faced by young people – raising awareness and stimulating action. These have included issues in relation to housing, mental health, welfare, support, work and training – all work areas that YMCA delivers on a daily basis.

Communicate and promote the activities and impact of the federation:

- ▶ Shared performance measurement framework: Work has progressed further to develop a shared housing metric in 2020/21 and work continues on metrics on impact in two other YMCA work areas.
- ▶ Develop and implement frameworks to capture and disseminate activities across the Federation: There has been much sharing of practices across YMCAs resulting from the pandemic. Whilst this has been reactive, this has provided a solid basis of sharing practices with other areas identified for further sharing.

Demonstrate and measure **impact** of the Federation:

- ▶ YMCA evidenced research reports around key areas: A number of evidenced research reports produced in 2020/21. These have included reports into equality and diversity, the impact of cuts in youth funding and move on accommodation. These research reports continue to tap into the key themes that are impact on youth and communities and attract significant attention to inform the agenda.
- ▶ Consistent adoption and application of brand: The brand is now a requirement of the membership agreement. All YMCAs are expected to comply with the brand requirements by March 2023. YMCA EW continues to offer support to YMCAs to enable them to adopt the brand.
- ▶ Internal and external communications strategies/frameworks: A range of internal and external communication strategies and frameworks have been adopted including local advice to member YMCAs on difficult public relations issues. Much use has been made in 2020/21 of virtual communication channels including virtual network events, Chair and CEO events and sharing of practice.

3 | Work together better, to deliver better

Model good governance and management:

- ▶ Agree and nurture most appropriate association/federation structure. This work, in the light of the pandemic, has not been a focus during 2020/21.
- ▶ Clarify governance standards and requirements: Work concluded on agreeing a Membership Agreement and during 2020/21 this continued to be rolled out. The large majority of YMCAs had signed the membership agreement by March 2021, with the few remaining awaiting Board meetings. A new health check was trialled in 2020/21, and will be updated in 2021/22. This will better enable risk to be managed and clear accountability.
- ▶ Clarify and adopt rights and responsibilities: This has been completed and adopted in the membership agreement.
- ▶ Review and simplify governance mechanisms: The Membership Agreement sets out a number of core governance standards.
- ▶ Clarify crisis/intervention mechanisms: The work on the YMCA EW Business Model clarified the role desired by the Federation from YMCA EW. In the light of the pandemic there has been an increased need for specialist support to YMCAs whether in relation to business models, viability, human resources, public relations and other challenges in their work with young people. This included both the provision of direct financial, indirect financial and other assistance. This resource has supported Federation Chairs, Trustees and Chief Executives to manage the challenges of the pandemic and remain strong. It can be expected that there will be further call for intervention and support into 2021/22.

To build capacity and skills:

- ▶ Coordinated approach to developing capacity and skills in key practice areas: There has been much activity in this area across the Federation to share skills and knowledge. Whilst there have been some shared capacity initiatives, this remains work in practice – with the aim being to capture practice, and share benefits in 2021/22.
- ▶ Develop and implement a culture and behavioural framework: This work remains a focus for future activity, recognising that YMCAs are independent Trusts within a Federated structure. YMCA EW has developed a culture that provides a framework for the behaviours of staff which has been rolled out ensuring that staff focus activities on how their work contributes to beneficiaries. Work into 2021/22 will continue to embed these cultural aspirations.
- ▶ Develop and implement a volunteer strategy: Volunteers are an integral part of the YMCA EW Retail function and make an enormous contribution to the work of YMCA. With the Retail operation being closed for most of 2020/21 the opportunities for volunteers have been limited. We hope that, with shops reopening, our volunteers will return and build on the progress made ensuring volunteers remain a cornerstone of our Retail strategy moving forward.
- ▶ Leadership development programme: An initial programme was developed by the George Williams College following pump prime funding from YMCA EW. With the College undergoing a managed wind-down, consideration has been given to a future direction for leadership development.
- ▶ Create and nurture internal networks: Internal networks across the Federation operate effectively to ensure the voice of the Federation is heard and drives the agenda. This has included Chair, Chief Executives and senior leader networks with support / facilitation by YMCA EW as well as more formal aspects of the democracy process such as the Annual General Meeting. Throughout the pandemic these networks have continued to meet, although proposals for a national conference and Youth Matters Award needed to be deferred.

Deliver safely to consistently high

- ▶ Articulate and roll out quality service standards: Quality standards developed and set out in the Membership Agreement with the majority of YMCAs signing by the deadline of 31 March 2021.
- ▶ Roll out and monitor safeguarding standards: Safeguarding is a priority across YMCA and within YMCA EW has included a new safeguarding policy, tightening up of the approach to DBS checks and appropriate recruitment checks, as well as mandatory roll out of training with 100% compliance. Across the Federation, YMCA EW continues to provide guidance on best practice and with YMCA St Paul's Group have recently re-established the Federation Safeguarding Working Group to share and disseminate best practice.

YMCA England & Wales: Aims & objectives

As noted above YMCA EW has further objectives in relation to its own operations. An assessment of progress against these are assessed here:

► To secure our financial future; by increasing our income and reducing costs to ensure our sustainability: Unrestricted funds showed a small operational loss in 2020/21 of (£0.25m). This position however includes the surplus from the sale of Dunford House (£1.3m) and distribution to the Federation of restricted funds by way of the Emergency Response Fund (£1.6m). Excluding these two items the net operating position would have been a surplus of £0.05m. Elsewhere there has been an increase on investments which has been offset by the movement on the pension liability (£2.25m) arising due to triennial valuation. The YMCA EW balance sheet therefore remains in a strong position with all loans now repaid, monies invested in order to generate an income to assist with the significant pension contributions and a healthy Reserves position. As such the future remains secure.

► To ensure a fit-for-purpose infrastructure; by creating a new, streamlined structure to deliver the Federation Strategy within our financial constraints: A number of changes have been made to the infrastructure that has enabled a streamlined infrastructure in YMCA EW which have continued into 2021/22. This has included staffing changes, but also the introduction of new systems and processes that enable activity, within limited resources, to be focused on the priorities that align with overarching objectives and specifically meeting the needs of young people (including virtual working).

► To protect and enhance YMCA; by acting as guardian for all YMCA stands for in England and Wales and contributing to its development at home and abroad: YMCA EW has continued to represent the Federation at home and abroad, ensuring that YMCA's voice is heard across the World. Again, given the pandemic much of this activity has had to be through a virtual means, with YMCA EW assisting to help shape the World and European YMCA agendas on behalf of our members.

2020/21 YMCA England & Wales Business Plan

As well as having specific YMCA EW Federation Strategy objectives, the YMCA EW Annual Business Plan sets out a number of specific objectives that further the priorities set out in the Federation Strategy.

- ▶ Ensure the Quality and Assurance Development Group is in place: membership of the Group has now been agreed and will meet in 2021/22
- ▶ Ensure YMCAs are able to access the Trusted Charity and CHAS standards: access provided with support, and continued support into 2021/22
- ▶ Ensure YMCAs are being supported in the signing and implementation of the Membership Agreement: support provided to enable YMCAs to sign the membership agreement
- ▶ Undertake and publish the annual YMCA Health Check: Health-check published. To be revisited for 2021/22.
- ▶ Facilitate the necessary internal/external expertise to provide support (and report on associated costs and impact) to those YMCAs who request it: Support provided in response to YMCA needs (increased during 2020/21 in the light of the pandemic)
- ▶ Pilot and test the advantages of a national campaign on a key topic agreed: national campaign piloted
- ▶ Facilitate and support member YMCAs on the implementation and development of the National Brand: The brand is now embedded in day to day provision
- ▶ Facilitate a brand review: Implemented. To be carried forward into 2021/22 in the form of a Purpose conversation
- ▶ To initiate an internal communications review: deferred into 2021/22

- ▶ Establish a Federation wide group to develop a plan to better integrate the Faith aspect of our work: Working Group in the process of being established to develop an action plan to take forward activity
- ▶ Establish a working group to support the heritage work and develop an update heritage strategy: Carried forward into 2021/22
- ▶ Undertake a Federation Strategy review to assess progress: review of progress undertaken to inform forward strategy with launch readied for early 2021/22
- ▶ Begin the process of facilitating a 'new' Federation Strategy for the period 2022 to 2027: subject to prior work in relation to clarifying purpose. Arrangements established to begin activity in 2021/22
- ▶ Develop a process to decide on signature programmes in each work area: these will emerge from the development of a new Federation Strategy
- ▶ Engage the Federation once strategic aspiration and priorities are identified from the purpose/Federation strategy process: some themes have been identified through the Purpose work although aspiration and priorities will be identified through the new Federation Strategy process
- ▶ Identify key relationships that will enable aspirations in the work areas: carried forward into 2021/22 alongside the work on a new Federation Strategy
- ▶ Implement and publish the first collective national impact measurement tool for one of the five delivery themes: work concluded on a housing tool, with work beginning on two further work areas
- ▶ Introduce a new annual 'national gathering' outside of the AGM to enable the Federation to come together to debate and discuss: postponed due to the pandemic
- ▶ Enable the development of common strategies through Federation conversation and collaboration through the facilitation of national, regional and service based networks to identify and inform shared priorities: Virtual meetings have continued the strategic conversation in 2020/21
- ▶ To represent YMCAs in England and Wales on the global stage: A range of activities including preparing representation at World Council 2022, process for new WAY Executive Committee members as well as engagement across a number of areas (strategy, working groups)
- ▶ Complete the pension liability reduction work and with the Federation identify the next opportunity to reduce the level of pension: ETV exercise concluded subject to sweep up and triennial valuation outcomes communicated. Further work to identify next steps
- ▶ Deliver partnership working through Retail, Roomsponsor and a Legacy opportunity: A range of partnership opportunities implemented across YMCAs.
- ▶ Work with local YMCAs to identify and deliver work stream business development opportunities e.g. Changing Futures, Accommodation: Development opportunities identified with further plans for 2021/22

Whilst the above are largely external in focus, i.e. to enable the YMCA Federation to deliver on the aspiration of more and better work, YMCA EW also recognises the need to ensure that we remain fit for purpose (in line with the Federation Strategy aim) and in this light set ourselves the following internal objectives:

- ▶ Deliver an operational surplus budget before Pensions: delivered if restricted fund allocations (to YMCAs) are excluded
- ▶ Deliver against agreed Retail and Fundraising targets: Retail income targets impacted on by the pandemic. Fundraising in line with budget
- ▶ Maintain level of funds in investments to meet the pension burden: Exceeded recognising the significant increase in value of investments
- ▶ Dispose of Dunford House at best possible value: completed, with residual work in 2021/22 and plans for reinvestment of funds to be considered
- ▶ Undertake a review of pay and performance frameworks: deferred to 2021/22
- ▶ Consider accommodation needs alongside scope for increased flexible working: early work undertaken informed by flexible working model and discussions with landlord
- ▶ Achieve Trusted Charity Status: much work undertaken on improving governance with formal assessment to be completed in 2021/22
- ▶ Reporting on a series of value for money and impact measurements at each AGM (including financial resilience, retail and fundraising performance): reported at AGM

A 2021/22 Business Plan has been agreed by the Board that set out the priorities for the year.



Looking ahead

The roll out of the vaccination programme in 2021/22 is enabling the Government to progress with the easing of restrictions. This has enabled YMCAs to begin the process of, where closed, now reopening and once again focusing on how best to move forward and meet community needs. The pandemic has provided much learning for YMCAs and, if anything, has quickened the appetite for change – whether reacting to the consequences of the pandemic or with many taking advantage of the opportunities that are now presented to continue to innovate and meet community and youth needs. This opportunity applies equally to YMCA EW as we conclude work on defining purpose and embark on the development of a new Federation Strategy that will provide a focus until 2025. The YMCA EW Business Plan for 2021/22 sets out an ambitious set of objectives that build on the progress in the Federation Strategy (2017–2021). Alongside the important work on a new Federation Strategy work will also be taken forward in relation to standards, impact measurement, compliance and risk management as well as the continued activity that extends the YMCAs reach in society.



Risk management and internal controls

YMCA EW operates a comprehensive corporate risk management process in order to manage and mitigate risk. The Board of Trustees has overall responsibility for ensuring that we operate an appropriate system of controls, financial and otherwise, to provide assurance that:

- ▶ Our resources are used in a way that maximise impact for our beneficiaries and the Federation
- ▶ We are operating efficiently and effectively within a climate of value for money
- ▶ Our assets are safeguarded against unauthorised use
- ▶ Proper records are maintained and financial information used within YMCA EW and for publication is reliable and accurate
- ▶ We comply with relevant laws and regulations.

The systems of internal control are designed to provide assurance against material misstatement or loss. These include:

- ▶ A Business Plan and budget approved by the Board following a thorough business planning process that allocates resources to priorities
- ▶ Ensuring that the Board, Committees and Senior Leadership Team are appraised of financial results, variances from budgets and non-financial performance indicators

- ▶ A Committee structure that ensures an appropriate skills mix to be able to have informed challenge
- ▶ Effective management information systems, which continue to develop with the provision of monthly management accounts to a range of audiences including: Trustees, Committee members, Leadership Team and Budget Holders
- ▶ Delegation of authority and appropriate segregation of duties ensuring controls on expenditures
- ▶ Appropriate financial policies, processes and systems as detailed in a Finance Manual
- ▶ Identification and management of financial and other risks by the Board and Senior Leadership Team including frequent review of the Risk Register by the Board and Finance and Audit Committee
- ▶ Processes to ensure that conflicts of interest are identified and recorded
- ▶ Regular checks and review through internal, joined up budget/outturn conversations
- ▶ Updates from investment managers and provision of information to Committees
- ▶ Accountability to members through an Annual General Meeting

The Finance and Audit Committee monitors the effectiveness of audit and reviews our risk management processes. The Committee has provided the following statement:

The Finance and Audit Committee has reviewed the reports from the senior management, auditors and other reports on areas of operation. It is through regular review, scrutiny and challenge from experts that the environment for continuous improvement is created, providing a basis for the assessment of whether internal controls and risk management have operated effectively during the year. Future developments, which have been deferred from 2020/21, include internal review of key areas of risk (whether commissioned internal audit reviews or peer review) and a coordinated Finance Improvement Plan, providing a single programme for ongoing improvement of performance.

In relation to risk, the Board operates a formal risk management process to assess risk and implement mitigating strategies. This involves identifying the types of risks faced, prioritising them in terms of potential impact and likelihood of occurrence, and identifying a means of management. This has also informed the Reserves Policy that is set by the Board. As part of this process the Board receives regular reports detailing major risks, approves plans for the implementation or enhancement of procedures and policies where these are required, and otherwise ensures that appropriate steps are being taken to manage the key risks. Approved actions are implemented by senior managers who are accountable to the Board.

A number of risks have been managed in 2020/21 but overall the number of risks have increased given the impact of the pandemic. Prior to the pandemic the overall risk environment had reduced given the actions taken. In the light of the current 13 significant risks there are nine that relate to either the pandemic or pension implications. Of these six have reduced in the latest assessment of the risk register as the country emerges from the pandemic and restrictions are eased. The highlights from the YMCA EW Risk Register are listed below:

Risk**Latest Action**

- | | | |
|------------|--|---|
| 1 | Increase in pension deficit obligations with implications for solvency and liquidity | Triennial valuation concluded and will lead to an extension of the repayment term by two years. This will not impact cash, as contribution levels will remain, but will have a balance sheet and income / expenditure impact. Indications suggest at this stage that pension movement has been favourable, bringing the scheme back in line with the original funding plan |
| 2 | Income is below expected levels across retail and fundraising. Investment in Fundraising does not achieve its objectives | Current environmental challenges of COVID-19 remain but delivered in excess of targets for 2020/21. Fundraising income in line with forecast although some slower pipeline on legacies. |
| 3 | Key Person Dependency – including Payroll, Legacy, Supporter Services | An increased risk due to remote working but with fall back plans in place should this be necessary. Some areas to be subject to a more detailed review. |
| 4 | Reputational impact for YMCA Federation due to local YMCA issue | Continue to work on a number of cases across YMCAs in order to manage reputational risk. |
| 5 | YMCAs not signing the Membership Agreement making links to the Commission / affiliation fee | Only one YMCA has indicated that they will not be signing and disaffiliate but not linked to the membership agreement. Health-checks have continued to be submitted. |
| 6 | COVID-19 – Financial Implications for YMCA EW | YMCA EW retail closed until April 2021. Financial impact assessed and mitigated by cost savings and Government grants. Fundraising performance on track although some deferral in the timing of the receipt of legacies but offset elsewhere. Financial forecasts suggest that although an impact on the financial position across the two years this remains manageable with performance in 2020/21 representing an improvement against budget on all metrics other than post exceptional items. |

Risk**Latest Action**

- | | | |
|-------------|---|--|
| 7 | COVID-19 – Pensions Implications for YMCA EW and Federation | Triennial valuation concluded and will lead to an extension of the repayment term by two years. This will not impact cash, as contribution levels will remain, but will have a balance sheet and income and expenditure impact. Indications post the triennial valuation suggest that the funding position of the scheme has improved markedly since the triennial valuation assessment. |
| 8 | COVID-19 – Investment Implications for YMCA EW and Federation | Significant improvement in investment performance in 2020/21, both returning values on losses at the end of 2019/20 and additional return. This will assist manage the overall position offsetting the pension costs in 2020/21 |
| 9 | COVID-19 – Financial Implications for YMCA Federation (with impact for YMCA EW) | A number of activities undertaken to support YMCAs including direct financial support. Recent polling suggests mixed economy across YMCAs but generally much improved from the initial COVID-19 assessment - and indeed with a number of YMCAs growing out of the pandemic. It is recognised that for many 2021/22 will be as difficult as 2020/21 as the financial implications of the pandemic are realised. Further polling / assessments continue to be undertaken in 2021 to assess implications for YMCAs. |
| 10 | In the short term the income levels at shops do not return in line with forecasts | Initial weekly performance positive although perhaps buoyed by a desire for the public to return to more normal behaviours. Expected that income levels will level out but weekly forecasting undertaken, with strategy to manage in the event that income levels do not return in line with forecast. |
| 11 | In the long term the income levels at shops do not return in line with forecasts | Initial weekly performance positive although perhaps buoyed by a desire for public to return to more normal behaviours. Expected that income levels will level out but weekly forecasting undertaken, with strategy to manage in the event that income levels do not return in line with forecast. |

Risk	Latest Action
12 Impact of a second national lockdown	Ongoing monitoring of the external environment. Further modelling planned of lockdown scenarios and impact on shops (now overtaken with wider national lockdown).
13 Forecast Government levels of support for closed business (RHLG and local restrictions) is not received or is considered to be subject to state aid thresholds (albeit interpretation post-Brexit, WTO agreement replacing the previous position on subsidies and communication from the CRA suggests thresholds not applicable).	Revised forecast assumed grants to be received in final quarter of 2020/21, and applications in the process of being submitted. Charity Retail Association and Charity Finance Group called for clarity on the treatment of grants, with Government responding to increase the threshold that applies – subject to meeting revenue loss / fixed costs criteria.
14 Pensions implications for YMCAs	Triennial valuation recently concluded. Communication of outcomes to YMCAs generally received as better news than otherwise expected. Deficit Repair Contributions to remain at current trajectory (and as budgeted) for the 2020/21 financial year with a review of DRCs (at individual YMCA level) to be undertaken in 2021.

The full risk register is considered by the Finance, Audit and Risk Committee at every meeting, and by the Board annually. At other meetings the Board review the key (red) risks that have been highlighted through appraisal of cause / consequence.

The Trustees believe that the system of internal controls has been adequate to provide assurance against material misstatement or loss.



Fundraising

Approach to fundraising activity

Our fundraising activity falls under two broad headings.

Individual giving

- ▶ Our Acquisition activity seeks to recruit donors to make a cash gift or to commit to a programme of regular giving. We recruit donors through online marketing via social media, through offline marketing by the insertion of recruitment flyers in magazines and newspapers, and through telephone marketing – using the services of a professional telemarketing agency.
- ▶ Our Appeals programme is focussed on individuals who have previously made charitable gifts to YMCA EW and is delivered via direct mail and email. In addition, the services of a professional telephone marketing agency may be used to ask donors to reinstate lapsed regular giving or to increase the value of their regular gifts.
- ▶ Our Legacy programme seeks to encourage already engaged donors to consider leaving a gift in their Will. Our partnership with National Free Wills Network has also enabled us to engage with a cold audience via social media.

Strategic partnerships

- ▶ High Net Worth individuals are approached on a personal basis to encourage their continued support, by post, telephone and email.
- ▶ Approaches to and relationships with Charitable Trusts are conducted via post, email and telephone.
- ▶ Approaches to and relationships with Corporate donors and prospective donors and conducted via email and telephone.
- ▶ Participants in challenge events, such as the London Marathon, are recruited via focused social media advertising.

Compliance with fundraising and data protection standards

In all our fundraising, we adhere fully to the Fundraising Code of Practice, in respect of both the legal rules that apply to fundraising and the standards designed to ensure that fundraising is open, honest and respectful.

- ▶ We are registered with and regulated by the Fundraising Regulator (Membership Number: 000206)
- ▶ We are members of and adhere to the standards of the Institute of Fundraising (Membership Number: Z2043125).
- ▶ We require others acting on our behalf to adhere to the same standards and will take appropriate action promptly if we find any failure to do so.

Our full compliance with GDPR legislation ensures the protection of personal details and the privacy of our fundraising audience. Our capturing, management and application of communication consents is robust and subject to strict vigilance. Neither YMCA EW nor any person acting on behalf of YMCA EW was subject to an undertaking to be bound by any voluntary scheme for regulating fundraising, or any voluntary standard of fundraising, in respect of activities on behalf of the charity.

Monitoring of fundraising activities

Telephone marketing was carried by a professional telemarketing agency on behalf of YMCA EW for the purpose of fundraising. The audience was individuals who had added their name to a petition in support of a campaign run by YMCA focussed on cuts to Youth Services, had given their telephone number and consented to being contacted by telephone for fundraising purposes. All the agency staff involved in this activity received training directly from YMCA on our brand and our compliance policies. This is in addition to the training that our partnering professional fundraising agency provides on data protection, compliance and maintaining call quality. We listened to randomly selected calls (approximately 5% of all calls) to ensure the highest of standards, and that we are complying with all relevant regulations and legislation.



Protecting vulnerable people

The telephone marketing agency who acted as our agent, has a comprehensive policy in respect of Safeguarding Vulnerable People, which is taken seriously and owned at all levels within their organisation. All their employees are required to undergo vulnerable persons training upon joining the organisation, utilising an adapted version of the 'Caring for the Vulnerable' training as compiled by the Direct Marketing Association, and the 'Treating Donors Fairly' training as compiled by the Institute of Fundraising. All their employees must agree to abide by this Policy.

In compliance with Institute of Fundraising guidance on protecting supporters, YMCA EW will:

- ▶ Never pressure someone into making a donation.
- ▶ Be alert to signs that someone may be confused or vulnerable and need additional support.
- ▶ Take care not to take advantage of mistakes by donors or to exploit their lack of knowledge or need for care.
- ▶ Not accept a donation from an individual if we believe he/she lacks the capacity to make the decision to donate.

We actively look for indicators that a donor might be vulnerable, such as:

- ▶ Making repeated telephone calls to make a donation or check a donation
- ▶ Sending weekly donations in post
- ▶ Mention of low income or relying on benefits
- ▶ Communication covering unrelated topics e.g. aliens, blue moon, death, self-harming
- ▶ Communication indicating that a person is deeply affected by a mailing sent e.g. legacy mailing triggering deep concerns about death.
- ▶ People who inform they have health issue e.g. Dementia/ Alzheimer's/mental health issues/ cancer

Each individual is dealt with, respectfully, on a case by case basis and we are careful when recording sensitive information. For example, if a person informs us they have Dementia in its early stages but is still capable of making rational decisions/ donations, we will continue to send mailings but will log on their record that they need Special Consideration and take note that the supporter has dementia. If we start to see a different behaviour pattern, we will upgrade our action and consider reducing mailings or remove the supporter from our mailing lists.

Complaints

We closely monitor any complaints that we receive. During the reported year we received just nine complaints:

- ▶ One person complained that they felt an email fundraising communication related to our campaigning activity had made them feel that they were 'just a number in your database of warm contacts.'
- ▶ One Person complained that they felt our newsletter demonstrated an alignment with the Black Lives Matter movement.
- ▶ Four people complained that they had received requests for monetary gifts in addition to their regular monthly Direct Debit gifts. Of these, two complained that the suggested gift amount of £50 was too high.
- ▶ Two people complained that they had previously asked to be excluded from our mailing list but had nonetheless received further mail from us.
- ▶ One person complained that they had received an appeal reminder mailing, having already made a donation in response to the original appeal. In addition, this person complained about the length of time taken to bank her cheque.

Each of these complainants received a personal response to offer clarification, to apologise, and to ensure that their communication preferences were updated in accordance with their wishes



Trustees Report

Financial Review

Format of accounts

As a Registered Social Landlord, YMCA EW is governed by the regulations of the Statement of Recommended Practice issued by the National Federation of Housing Associations (the Housing SORP) and the Accounting Direction for Private Registered Providers of Social Housing from January 2019 (the Accounting Direction).

As a leading UK charity, our Board of Trustees has chosen to follow the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Ireland (FRS 102) (effective 1 January 2015) issued by the Charity Commission (the Charities SORP), so long as it does not conflict with the Housing SORP.

As a company limited by guarantee, we must follow the Companies Act 2006 and applicable accounting standards. To meet the terms of this Act, we have prepared a separate income and expenditure account. To comply with the Housing SORP and the Accounting Requirements of Private Registered Providers of Social Housing, this has been configured to separate the performance of housing and non-housing activities.

Consolidation

In these accounts we have brought together the results of YMCA EW with:

1. Our three connected subsidiary charities

- ▶ Dunford House Trust, which previously owned Dunford House but with the proceeds held as a restricted fund subject to the Dunford covenant
- ▶ Douglas Wood Charity, which provides funding for agricultural training activities. The majority of the funds of this subsidiary were used in the year to support organisations inside and outside of YMCA
- ▶ The YMCA Trust Fund (known as The Movement Trust Fund), which provides grants and loans to YMCAs. All of the funds of the Trust were used in year to support YMCAs

2. Our subsidiary trading company (described in note 8 to the accounts)

In order to prevent a tax charge arising in the charity, the subsidiary trading company Gift Aid its surplus to YMCA EW. The performance of YMCA Retail Limited was considered to be satisfactory, given the current operating environment.

3. Restricted funds under the control of YMCA EW

Over the passage of time several trusts and funds have come under the stewardship of YMCA EW. Usually these were for buildings or were trusts with particular objectives, and most were not significant and have subsequently ceased to exist.

However, there are three groups of trusts that we continue to look after:

- ▶ Trusts that share our aims and objectives, which are added to the YMCA EW figures on the financial statements and include the subsidiary charities listed above;
- ▶ Instances where YMCA EW has been appointed to act as sole Trustee of a charity and we look after its assets (these are included in the financial statements as part of the restricted Trust and Association funds in note 14); and
- ▶ Instances where we have been appointed to act as Trustee but we have no financial relationship. This is usually because a YMCA cannot hold title deeds itself and YMCA EW holds them as trustee. As these are not the equitable property of YMCA EW, we do not include them in these financial statements.

Funds and reserves

Total reserves at 31 March 2021 were £6.0m (2020: £6.7m) this reduction arises solely from the pension triennial valuation, which coincided with the start of the pandemic, and is due to actuarial assumptions. If this ‘notional’ adjustment was excluded fund balances would have increased to £8.3m given the increase in investments. Of these, the restricted funds of £2.1m (2020: £2.1m) are held for specific purposes and can only be used for these purposes. The remaining reserves of £4.0m (2020: £4.6m) are known as “unrestricted” funds.

Unrestricted funds

The 2021 accounts show net expenditure on unrestricted funds of (£0.15m) (2020: net expenditure £0.24m), before the adjustments for revaluation and pension scheme deficit obligations.

Free Reserves

These are funds that the Board is free to use to support our charitable work, available at short notice and are known as the “free reserves”.

YMCA EW Board of Trustees aims to hold sufficient free reserves to provide financial stability when considering the key areas of risk. The Free Reserves at March 2021 were £2.2m (2020: £2.5m) against the target level of £3.4m (see note 15 for a breakdown of free reserves). Given the significant increase in investment values during 2020/21 offsetting the decrease from 2019/20, this reduced figure is solely due to the impact of the pension triennial valuation increasing estimated liability by £2.25m. Since the time of the valuation there has been an improvement in the funding position of the scheme, reversing out the now accounted for impact of the triennial valuation. The Trustees are therefore comfortable that the Reserves position is appropriate given the reduction due to the pension, and may yet change depending on the outcome of next triennial valuation).

Restricted funds

While still meeting our wider charitable objectives, there is some funding that has restrictions on how it can be spent. The principle restricted funds are listed below:

- ▶ Dunford House, which has its own Trust
 - all surpluses generated by the work of Dunford House were previously added to the Trust. Dunford House has now been sold with balances retained for the purposes of the original covenant
- ▶ YMCA EW activities – monies given to us to support specific activities either at local YMCAs or within YMCA EW
- ▶ The Movement Trust Fund, the Hartwoodside Award and the Douglas Wood Charity – these funds provide grants and loans for YMCA work
- ▶ Other Trust and Association Funds – these are funds we hold on behalf of YMCAs that have closed or when we hold assets on behalf of a specific Trust (not already listed above).

Movement in restricted funds during the year

Restricted funds remained at the prior year level with funds distributed from the Douglas Wood Fund and Movement Trust Fund offset by the increase in value of the Dunford House fund following disposal.

Going concern

In line with current best practice, the Board has reviewed the financial impact of those risks identified as part of YMCA EW’s ongoing risk management process and its going concern status. As part of this review, the following have been considered:

- ▶ Forecasts and cash-flows for future years’ income
- ▶ Forecasts and cash-flows for future years’ expenditure
- ▶ Future needs, opportunities, contingencies and/or risks

Whilst the impact of COVID-19 has been significant, the ongoing financial management of YMCA EW has enabled the challenges of the pandemic to be managed without adverse impact on the financial position of YMCA EW. In year this has involved a number of actions both in terms of frequent re-forecasting in the light of the changing environment but also close monitoring, with Retail shops closed for a significant portion of the year and actions taken to mitigate the impact of this lost income. This frequent re-forecasting enabled the Leadership Team, as instructed by the Board, to find savings in-year which, with the availability of Government support enabled much of the impact to be offset. This operating position enabled the Board to continue to pay our Retail staff, many of whom were unable to work for over seven months of the year, continued salaries at 100% despite the tapering of Government support. The Board are of the view that this position adopted in relation to staff will be rewarded, and indeed with the reopening of the economy is already proving to be the case with income targets for Retail being exceeded on a weekly basis.

As well as an operating performance that improved on that in 2019/20 (which was also impacted on by the start of the pandemic), the return of investment values has seen the General Reserve position increase during the year from £11.6m (2019/20) to £12.5m (2020/21). As such, whilst the outcome of the pandemic has been a challenge and remains uncertain the early signs are of a promising return. That noted, the key impact which influenced an otherwise positive outcome in 2020/21 was the triennial review of the closed pension scheme, which the valuation being undertaken at the time of greatest uncertainty in relation to the implications of the pandemic. This valuation has led to an extension of the period over which deficit payments are due by an extra two years, requiring YMCA EW to take a further pension adjustment through the SOFA of £2.25m. Excluding this item the position reported, with the return of investments, would have delivered significant surplus for the year. The Board liaise closely with the Pension Trustee, and whilst the need for this adjustment in 2020/21 was disappointing, we understand that scheme performance has improved significantly since the time of the valuation, offsetting the financial impact and returning the scheme to its original funding trajectory.

In relation to 2021/22, the setting of a Budget (and for forward years) was deferred until as late as possible in the prior financial year to be able to take account of the latest changing environment (given Government announcements in relation to the reopening of the economy and return to the office). This budgeting process involved consideration of a number of possible scenarios, as well as opportunities to consider the way in which YMCA EW delivers its services in the light of the changed environment. Once again, a balanced budget pre pension and investments has been set for the forthcoming year, with the first quarter results supporting decisions in relation to Retail and with other income generating activities holding up across all areas (with some deferral in legacies due to changes at the Courts and Tribunals Service Centre) and indeed with further return on investments held. In the light of all of the above factors, which the Board review not only during the business planning process but at each and every meeting, the Board remain of the view that YMCA EW has sufficient assets to enable future obligations to be met, and therefore continues to operate as a going concern.

Further details in relation to the income and expenditure of YMCA for the year are set out in detail in the Statement of Financial Activities (SoFA) on page 62.

Review of 2020/21 Financial Performance

The annual accounts report a (£0.60m) net deficit for the year (2020: net deficit of £1.3m). This position however includes the outcome from the pension triennial valuation which added a further (£2.25m) liability to the balance sheet in the light of actuarial assumptions. Excluding this item, the position would have been for a surplus of £1.7m although this includes a significant increase in asset value of £1.8m (returning losses from the prior year. In terms of operational performance this reports a deficit of (£0.25m) (2020: deficit of (£0.39m). This includes the restricted income generated from the sale of Dunford House which realised £1.3m after costs of disposal and restricted funds distributed to YMCAs through the Emergency Response of (£1.6m). Excluding these restricted fund items, the operational position would have been a surplus of £0.05m.

The above reported position again includes distributions to the Federation of (£0.5m) i.e. which otherwise would have included the reported operating position to over a £0.5m surplus. Whilst representing a strong operating performance it should be noted that for much of the year the YMCA EW Retail operation has been closed, and as such the position presented is also due to the Government support that has been made available. When open, however, the shops have performed well – both during the period when allowed to open in 2020/21, but also following the further relaxing of restrictions in April 2021. We remain very grateful for the commitment, hard work and contribution of all our staff and volunteers.

Income

Total income was £14.4m (2020: £14.4m) of which £1.3m arose from gains on the sale of Dunford House). This reduction reflects the closure of the YMCA EW Retail operation for over seven months of the year – mitigated by Government support. The reduction also reflects a three-month affiliation fee holiday with affiliation fee income falling to £0.7m (before contributions to World Alliance and YMCA Europe on behalf of YMCAs (2020: £0.9m).

Expenditure

Total expenditure was £14.6m (2020: £14.8m). This reduction is due to the reduced costs of Retail, cost savings achieved but also significantly includes the £1.6m of expenditure that was distributed to YMCAs through the Emergency Response Fund. Expenditure of £8.5m (2020: £9.5m) arose from costs of the charity shops, including provisions for future dilapidation costs. This included the Board decision to retain staff salaries at 100% during the closure period, but also the fact that many of the costs associated with Retail are fixed (in particular in relation to property). Fundraising activity and support / representation for member YMCAs accounted for most of the remaining expenditure.

In addition to the £1.6m Emergency Response Fund, we distributed £0.5m (2020: £0.5m) to member YMCAs during the year to support their work with and for young people. This figure continues to be supplemented by the broad range of additional services provided to member YMCAs by YMCA EW departments as well as support in relation to local fundraising activities where funds are remitted directly.

Looking ahead

Whilst the impact of COVID-19 has been significant the intervention support that has been provided by Government in the form of both furlough and retail focused grants has been enormously beneficial in mitigating the financial consequences. Further to this, and whilst the pension triennial valuation outcome has had a significant impact on the financial position, the significant increase in investment values has assisted to alleviate this further adverse financial impact – and indeed if the triennial valuation had not had such an impact would have delivered a surplus for the year. With the pension scheme now returning back to prior levels, and whilst still uncertain outcomes subject to changes in the economic environment, YMCA EW continues to retain Reserves that will enable any further challenges to be overcome. With the more recent relaxation of social distancing measures, and reopening of shops, we remain optimistic that the solid financial foundations will be built upon in the coming year returning to the original trajectory of profitability and in generating an income that both subsidises the work that YMCA EW undertakes for its members, which is likely to require further increased support in the light of the outcomes from the pandemic and for the Federation.

Grant making policy

The Movement Trust Fund administers three funds from which grants are made:

- The YMCA Trust fund provides grants to YMCAs in England or Wales to start new projects
- The Hartwoodside Award gives grants to YMCAs to help disabled staff or volunteers to take part in activities such as training courses or conferences
- The Douglas Wood Charity gives grants to young people to train in agriculture, horticulture, farming, environmental protection or other similar activities.

Investment policy and performance

Net funds released from the sale of the housing schemes have all been invested with Investment Managers (£10m) (2020: £7m). Whilst at the end of 2019/20 the impact of COVID-19 resulted in a significant fall in market values, 2020/21 has seen a significant increase bringing those investments to £11.3m. The majority of our restricted funds were held in a portfolio of common investment funds (as detailed in note 7), which were sold during the year to finance the Emergency Response Fund payments to YMCAs.

Value for money

YMCA England has limited resources and it is important that we derive the maximum benefit from these. Value for Money is concerned with not only reduced costs, but rather maximising the benefit from the resources at our disposal to achieve our desired outcomes. In this respect we are conscious of the principles of economy, efficiency and effectiveness and strive to ensure that these underpin the decisions that we make when using resources to maximise impact for our beneficiaries. The full annual Value for Money statement which is available on our website: ymca.org.uk/value-for-money-2021

Our approach to value for money

Value for Money is led by the Board and overseen by our Finance and Audit Committee. Value for money is viewed as the key to financial sustainability as we optimise cost relative to outcomes, and seek to maximise impact with scarce resources. The Board is responsible for setting and monitoring the value for money through oversight of the annual plan and receives performance updates at each of their meetings, and reports on the consumption of resources. The Board holds an annual strategy session at their November residential meeting, which informs the development of the plans and budget for the following year. The following provide a brief overview of some of the measures that are used to inform the Boards assessment. The five key components of our value for money strategy are:

- **Governance** – to develop a Board led value for money culture within YMCA EW with all staff encouraged to accept ownership and accountability for achieving it
- **Customer focus** – to ensure that the services we provide are shaped around the needs of our members
- **Performance** – to ensure that staff understand their objectives and the right things are measured
- **Financial stewardship** – setting budgets understanding our cost base and sources of income and to report performance against these budgets. To optimise the use of assets
- **Procurement** – buying goods at the optimum price/quality mix.

The above measures relate to the direct work within the remit / control of YMCA EW. However, there are wider opportunities for driving value for money across the Federation – some of which have been implemented where considered appropriate e.g. insurance, group life, VAT advice, payroll and human resources. There remains however significant scope to further maximise value for money across the Federation and through the work on the YMCA EW business model a number of opportunities were identified. It is hoped that further progress can be made on collaborative opportunities moving forward.

Overall Measures

Measures for return from our staff

The following measures relate to the performance of staff:

	2021	2020	2019
Human capital cost (total staff cost per FTE)			
	£26,970	£26,502	£25,868
Gross revenue per employee:			
► Retail	£37,070	£44,940	£47,700
► Non-Retail	£101,440	£112,020	£169,410
Staff turnover	28%	56%	50%
► Retail	31%	58%	56%
► Non-Retail	12%	45%	24%

The increase in total staff costs per FTE reflects the cost of living rises, particularly in retail where salaries are linked to the living wage. The fall in retail gross revenue per employee is due to closure of the shops for much of the year. Staff turnover remains a challenge, in particular in retail although much work has been done to improve this area including work in relation to staff terms, welfare and environment but also given the environment we have seen this reduce significantly – both Retail and Non-Retail.

Measures for use of assets

The following measures relate to the use of assets:

	2021	2020	2019
Operational surplus as % of turnover (excluding sale of assets)	(1.90)%	(2.30)%	6.77%
Staff costs as % of total expenditure	49%	46%	39%
Expenditure as % of budgeted costs	81%	99%	104%
Unrestricted bank and investment balances	£13.1m	£10.0m	£11.5m

As would be expected with the Retail operation closed for seven months of the year. YMCA EW is reporting an operational deficit for the year – albeit if movements on restricted funds were excluded (Dunford / Emergency Response Fund) this would have reported a surplus. This deficit includes the government grants for the year, which alleviated much of the impact of the pandemic. The removal of housing activity reducing the cost base, has resulted in the increased staff costs as a percentage of total expenditure alongside some necessary cost of living increases in retail.

Measures for return from our Retail and Fundraising operations

The following measures relate to performance of our retail and fundraising activities, which make up a significant proportion of the activity of YMCA EW:

	2021	2020	2019
Retail operations			
Average number of shops	91	90	88
Average weekly income	£2,487	£2,045	£1,854
Average number of staff	275	274	234
Full-time equivalent	215	213	184
Fundraising operations			
Gift Aid penetration in fundraising	69%	73%	60%
Return on Investment in fundraising	2.47x	2.38x	3.22x

Retail operations

There has been a deliberate strategy of reducing loss making shops, and only increasing shop numbers where there is a profit making shop that can be taken on the appropriate lease terms. The average weekly income for 2021 is based on the 20 weeks when all shops were open but as shown reported a significant increase. This increase has continued into the early part of 2021/22. The increased staff numbers from 2019 reflect the filling of vacancies with permanent staff rather than, as previously, covering vacancies with overtime.

Fundraising

The 2019 fundraising figures showed a one-off improvement due to two donated properties and increased legacy income with 2020 and 2021 returning to prior levels.

Measures for our housing operations

During the year ended March 2020 YMCA EW sold its last housing scheme so no longer has any housing stock.

Corporate governance statement

Structure, governance and staff

YMCA EW

The first YMCA was founded by George Williams in London in 1844. YMCA England was established in 1882, registered as a charity on 24 September 1962 and took over responsibility for YMCAs in Wales on 3 December 2015. YMCA EW is a company limited by guarantee (incorporated in 1902), a registered social landlord and a registered charity governed by its Memorandum and Articles of Association.

A worldwide movement of YMCAs

Each YMCA in England and Wales is an individual, self-governing charity that affiliates to YMCA EW. Through this affiliation, YMCAs become part of the YMCA Movement in England and Wales, and part of the World Alliance of YMCAs.

Governance

The Board of Trustees guides YMCA EW in its work and development. It provides strategic leadership to the Senior Leadership Team which is responsible for decisions on operational issues. The Board comprises no more than 12 Trustees elected by members and three co-options i.e. not more than 15 in total. Trustees serve for a three-year term and may be re-elected for two further three year terms. Once a Trustee has served his or her full term, they must wait one year before they can stand for re-election. We hold elections to fill vacancies annually as necessary. Applications for Board membership are invited from across the YMCA Movement and by external advertisement and are considered by the Nominations Committee based on relevant skills, competencies and experience.

YMCA EW continually seeks to improve and strengthen its governance duties to ensure these are fit for purpose. YMCA EW has adopted the Charity Governance Code.

The Board confirms that YMCA EW fully complies with the Regulator of Social Housing Governance and Financial Viability Standard.

During 2020/21, one new Trustee appointment was made to the Board. A full listing can be seen on page 54. YMCA EW has purchased Trustee indemnity insurance.

Committee structure

During the year the Board of Trustees had two Committees. These were:

1. The Finance, Audit and Risk Committee which oversees the management and direction of the finances of YMCA EW, monitors the effectiveness of internal and external audit and reviews our risk management processes. Key financial decisions are submitted to the Finance, Audit and Risk Committee for consideration.
2. The Governance Committee provides advice on the governance of the National Council and on governance issues for the YMCA Federation in England and Wales.

These committees comprise members from the Board of Trustees, members from local YMCAs plus independent persons with specialist expertise. All the above have terms of reference and meet regularly.

Board member's induction and development

Induction training is offered to all trustees. In addition, each new Board member receives background information on the operations of YMCA EW. Where appropriate, Board members are encouraged to visit the work of YMCA EW and that of the Federation in order to develop understanding.

Code of Governance

A self-assessment review has been undertaken against the Code of Governance to identify and inform areas for improvement. This has included as assessment of all aspects of the charities governance and will inform future developments.

Organisation structure

YMCA EW has premises in all parts of the country in order to deliver our retail operations. The members of staff based in London operate from the central London office which moved to Charterhouse Square in August 2016. During the year our operations were organised into divisions, each headed by a Director:

- ▶ **Chief Executive's Office supports the Board and coordinates the activity of YMCA EW.**
- ▶ **Corporate Resources**
 - Company Secretary providing support to the Board and member YMCAs on all aspects of charity governance;
 - Finance provides internal services to ensure that YMCA EW operates efficiently and meets regulatory requirements;
 - Human Resources is responsible for implementing strategies and policies relating to the management of individuals throughout YMCA EW;
 - IT supports the infrastructure used by YMCA EW
 - Administration supporting the staff of YMCA EW
 - Health and safety: review the health and safety aspects of YMCA EW operations and reporting to the Board and senior management
 - Movement Services provides support, advice and guidance to YMCAs in areas such as HR and governance.

▶ Income Generation

- Fundraising raises funds for YMCA EW and the YMCA Federation as well as providing fundraising advice and support to member YMCAs.
- Retail operates the YMCA EW charity shops, raising funds to support the work of YMCA EW and member YMCAs via the profit sharing arrangement.
- Business Development explores, coordinates and manages business and funding opportunities to benefit the Federation.

▶ Policy, Research, Communications and International

- Policy and Research raises the public profile of YMCA through work with national and local government and works to influence key decision makers.
- Communications and Brand manages the YMCA national brand and develops communications for both member YMCAs and YMCA EW. The team manages the YMCA EW website, supports member YMCAs to develop their own websites and manages social media channels for YMCA EW. It also has responsibility for national media and PR and provides advice and support to member YMCAs on media relations and crisis communications.
- International represents YMCAs in England and Wales at the European and World Alliance of YMCAs.

Staff and volunteers

YMCA EW relies on the skills and dedication of its staff throughout England and Wales and across all of our activities. The Chief Executive holds a monthly consultation for staff on topical issues and regular updates for staff are provided via our intranet site.

The average number of staff we employed during 2020/21 was 327 (2019/20: 320). The increase is due to the expansion of the support services to local YMCAs with funded activities generating the need for additional staffing to facilitate and run activities e.g. in relation accommodation best practice, a national girls mentoring programme. Note 3.5 gives more detail on employee costs and staff numbers whilst note 3.6 gives details of the expenses reimbursed to trustees and senior staff.

YMCA EW need to employ staff with the right skills for their role. Salaries offered are usually significantly lower than those available for comparable roles in the commercial or public sectors, and at the lower quartile of roles in the charity sector. This differential becomes more marked at senior levels although a deliberate effort of moving staff close to the medium of the charity sector has been a strategy in recent years, in order to ensure that YMCA EW recruit and retain the very best. The Chief Executive earned £108k pa plus pension contributions of £19k for the year (unchanged from previous year). The majority of our staff (over 80% based on headcount) work part-time in the Retail operation where salaries are set based on the minimum wage. We have implemented the National Living Wage, and intend to increase this further as financial results allow, continuing to follow Government guidelines in this area. For the remaining staff the average salary is £39,858, giving a remuneration ratio of 2.7 to the Chief Executive (2020: average salary was £40,434 with a remuneration ratio of 2.7).

Inevitably COVID-19, and the temporary closure of the retail operation has posed a number of challenges for YMCA EW. Throughout decision making the impact on staff welfare has been a key concern and we have been delighted that to date we have not only manage to retain staff salaries (in particular ensuring those within our retail operation and furloughed have been able to continue to be paid 100%) but also to avoid redundancies. We continue to be mindful of the impact of COVID-19 on our staff and will endeavour to ensure decisions are made that balance the need to ensure a viable YMCA EW going forward alongside the welfare of our staff.

Finally, we owe a huge debt of gratitude to the efforts of our volunteers, whose energy and commitment is vital to our work. Inevitably with the closure of the Retail operation the opportunity for volunteer involvement has been much reduced with the majority, 967 (2020: 854) during the year, on average contributing over 25,000 hours per month when open. Others are involved in fundraising, raising awareness of our work at public events and contributing to our governance on the Board, committees, panels and advisory groups.

How we engage with our employees

Throughout the year the Board, through the Chief Executive and Leadership Team have ensured an active dialogue with employees to ensure that staff have been equipped with information whether in relation to day to day performance, the pandemic, the implications for them of the pandemic and future plans (as well as financial and operational information that provides context to decision making). During the year there has been both frequent written and oral communication at a range of points – and in particular at key points when there has been a need to clarify and communicate the implications of the Government’s response to the pandemic. This included staff meetings, team meetings, opportunities for staff to come together to talk about concerns as well as more social opportunities. These have all helped with the management of staff morale and welfare during the last year – ensuring that staff are appraised of the position, and that their views are taken into account when leadership are making decisions.

Equality, diversity and inclusion

Inclusiveness is fundamental to the ethos of the YMCA Movement. We have a wholehearted commitment to welcome people of other faiths and those of none, linked to a confident identity as a Christian faith-based organisation. This includes ensuring that diversity is reflected strongly within our structures and that the services and activities managed by YMCA EW are designed to provide equal opportunities – with the Board and leadership team undertaking unconscious bias training. A great deal of work has been taken forward in 2020/21 to improve equality, diversity and inclusion. This has included the development of a strategy that ensures ownership to the agenda, raises awareness and implements a number of targeted actions.

Salaries are based on the role regardless of the gender of the person performing the duties. YMCA EW operates a staff grading system for all roles, where points are allocated based on the skills and responsibility of each role which determines the salary level for that role. Salary levels for each grade are set by benchmarking against other voluntary sector organisations. As we have more than 250 staff we are required to give our gender pay analysis in the statutory format, as at 5 April 2021:

Pay level	Male employees	Female employees
Number of employees	107	216
Quartile 1 (highest)	39%	61%
Quartile 2	32%	68%
Quartile 3	25%	75%
Quartile 4 (lowest)	36%	64%
Average hourly rate	£13.94	£11.38
Median hourly rate	£9.25	£9.25

As is shown in the table above, two thirds of the staff working for YMCA EW at April 2021 were female. In addition, over 80% of the staff employed by YMCA EW work in Retail (many of whom welcome the ability to work part-time) and consequently means that a more significant percentage of staff fall within the lower quartile bands. As a consequence, the above analysis is distorted and it is more meaningful to separate out the results of Retail staff from non-Retail staff which provides for the following analysis:

Pay level	Retail		Non-Retail	
	Male employees	Female employees	Male employees	Female employees
Quartile 1 (highest)	11%	23%	28%	38%
Quartile 2	30%	67%	2%	1%
Quartile 3	25%	75%	-	-
Quartile 4 (lowest)	36%	64%	-	-
Average hourly rate	£10.31	£9.72	£25.84	£20.96
Median hourly rate	£9.00	£9.00	£23.86	£19.49

The above analysis is further explained below.

- ▶ Two-thirds of the staff working for YMCA EW are female.
- ▶ In every pay quartile YMCA EW employs more women than men (which is common throughout the voluntary sector). This is partly due to the range of family friendly and flexible working policies available to staff. The pay disparity shown in the table is largely due to the relatively low number of male employees.
- ▶ As at April 2021, there were 4 people on the Senior Leadership Team of which two are female and two were male.
- ▶ Over 80% of our staff work in the retail operation. Hourly rates for the Retail staff have been increased and from March 2020 the lowest level is above the rates required by the National Living Wage.

Every role within YMCA EW is benchmarked and considered against the market. YMCA EW ensures its assessment of salaries is undertaken against a robust job evaluation process and consistent with our range of policies that ensure fair recruitment. We continue to review the implications of our gender pay gap statement and specifically the gender balance of staffing across the organisation – in particular at the higher quartiles – and have an objective to review our pay and grading framework during 2021/22.

YMCA EW has awarded cost of living increases in previous years of 2% (2019/20), 2% (2018/19), 2% (2017/18) and nil (2016/17). In view of the financial situation caused by COVID-19 there were no increases at April 2020 (or April 2021) but as the position clarified, and so as to not impact on 2021/22, the Board awarded a one-off award of 2% of gross salary in March 2021.

Employment of disabled persons

We operate an equal opportunities employment policy. In particular, we give full and fair consideration to applications for employment and volunteering made by people who are disabled having regard to their particular aptitudes and abilities. Where possible, we continue the employment of, and arrange appropriate training for, employees who have become disabled during the period they were employed. People who are disabled are treated in the same way as other employees and volunteers when training, career development and promotion opportunities are being considered. Full details of these and our other policies are available on request from our registered office.

Safeguarding

As an organisation that works in communities and with young people the YMCA EW Board recognises its responsibilities in relation to safeguarding, and promoting a climate in which individuals are able to report their concerns in confidence and have these dealt with appropriately. The Board have an appointed individual with responsibility for safeguarding and safeguarding is a standing item at all Board meetings, with the Board being informed on not only current status but also progress against the actions that make up the Safeguarding Strategy.

Transparency and individual understanding of the practices and procedures to be followed are key in ensuring that all individuals feel safe in any engagement with YMCA EW (whether an employee, volunteer or user of services). During 2020/21 we have continued work in relation to our Safeguarding Strategy ensuring continuous improvement in our policies, practices and procedures to ensure that these remain appropriate. Actions taken have included improvements to our recruitment procedures, ensuring that all members of staff receive safeguarding training, additional steps to encourage and enable staff to report any safeguarding concerns (especially during the time over which our shops have been closed during the pandemic and staff working virtually) as well as more detailed training for all line managers on safeguarding, in particular on how to encourage reporting and their role in subsequent action given their position in the organisation.

Whilst highlighting these improvements, the Board are not complacent in their responsibilities, recognising that there is always more to do with a need to continue to learn and adapt to changes in the environment. Work is therefore continuing to be taken forward in 2021/22, including looking at how safeguarding practices can be promoted across our federated structure (with safeguarding given a focus in our Federation Membership Agreement) including software packages that aid transparency and management, as well as tools and techniques that can be shared – with a Federation Safeguarding Group meeting to drive forward action.

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the strategic report, the Trustees' annual report and the financial statements in accordance with applicable law and regulations.

Company and social housing regulations require the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and parent charity and of the surplus or deficit of the group for the year. In preparing those financial statements the Trustees are required to:

- ▶ Select suitable accounting policies and then apply them consistently
- ▶ Make judgements and accounting estimates that are reasonable and prudent
- ▶ State whether applicable UK Accounting Standards have been followed and the Statement of Recommended Practice: Accounting by registered providers of social housing 2014, 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 charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the group and parent's transactions and disclose with reasonable accuracy at any time the financial position of the group and parent charity and enable us to ensure that the financial statements comply with the requirements of the Companies Act 2006, Housing and Regeneration Act 2008, and the Accounting Direction for Private Registered Providers of Social Housing from January 2019. They are also responsible for safeguarding the assets of the group and parent charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that the report of the board is prepared in accordance with the Statement of Recommended Practice: Accounting by registered social housing providers 2014.

Financial statements are published on YMCA EW's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of this website is the responsibility of the board. The Board's responsibility also extends to the ongoing integrity of the financial statements contained therein.

Members of the Board of Trustees

The members of the Board of Trustees who served during the year, including the Chairman, Vice Chair and the Senior Leadership Team are listed on pages 54 and 55.

Appointment of auditors

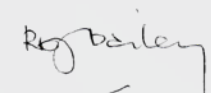
The Finance, Audit and Risk Committee agree the audit strategy each year during which they assess the independence of external auditors.

Crowe UK LLP were reappointed as auditors during the year. External audit services are placed out to tender every five years and were last reviewed in 2020.

Disclosure of information to auditors

Each of the Board members (who are also Trustees and directors of YMCA EW) has confirmed that so far as they are aware, there is no relevant audit information of which the auditors are unaware, and that they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Strategic and Trustee reports were approved by the Board of Trustees on 22 September 2021 and signed on its behalf by



Reg Bailey CBE
Chair,
YMCA England & Wales

Trustees and Advisors

President:	Dr John Sentamu, Archbishop of York
Vice-presidents:	Tim Waldron Val Wallis MBE ³ Peter Posner OBE

Board members

▶ Reg Bailey CBE ²	Chair
▶ Graham Bratby ¹	
▶ Peter Calderbank ¹ (Co-opted)	Chair of Finance, Audit and Risk Committee
▶ Maxine Green	
▶ Ross Hendry	
▶ Paul Laffey	
▶ Jemima Lovett (Co-opted)	
▶ Jonathan Rowe	
▶ Hanna Sebright	
▶ Gillian Sewell	
▶ Chris Stern (appointed December 2020)	
▶ Dawn Ward CBE	
▶ Emma White (Osmundsen) Vice-Chair	

Membership of divisional boards, committees, panels and advisory groups during the year ended March 2021:

- ¹ Finance, Audit and Risk Committee (two Board members plus seven independent members)
- ² Constitution Committee (Chair of the Board plus five independent members)
- ³ Archives Group (a Vice-President plus four independent members)

All members of the Board and its committees and groups give their time voluntarily and receive no benefits from YMCA EW. Any expenses reclaimed are set out in note 3.6 to the accounts.

Advisors

- Auditors:**
Crowe U.K. LLP
55 Ludgate Hill
London EC4M 7JW
- Bankers:**
Lloyds Bank plc
Fourth Floor,
25 Gresham Street,
London, EC2V 7HN
- Barclays Bank plc
Charities Team, Level 27
1 Churchill Place
London E14 5HP
- Solicitors:**
Bates, Wells & Braithwaite LLP
10 Queen Street Place,
London EC4R 1BE
- EDC Lord & Co
One the Square
Southall Lane, Southall
Middlesex, Heathrow UB2 5NH

Senior staff

- Chief Executive and National Secretary of the Council of YMCAs in England and Wales:**
- ▶ Denise Hatton
- Senior Leadership Team:**
- ▶ Jo Chettleburgh, Director of Income Generation
 - ▶ Jamie Hutchinson, Director of Resources
 - ▶ Jason Stacey, Director of Policy, Research, Communications and International
- Company Secretary:**
Duncan Berry
- Registered Office:**
Third Floor
10–11 Charterhouse Square
London EC1M 6EH
- | | |
|-------------------------------------|--------|
| Registered charity number: | 212810 |
| Registered company number: | 73749 |
| Homes England agency number: | LH2204 |

Independent Auditor's Report

**To the members of
the National Council
of Young Men's
Christian Associations
(incorporated)**

Opinion

We have audited the financial statements of National Council for Young Men's Christian Associations (Incorporated) ('the charitable company') and its subsidiaries (the "group") for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, the Consolidated and Parent Balance Sheets, the Consolidated and Parent Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ▶ give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2021 and of its profit for the year then ended;
- ▶ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ▶ 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 from April 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information contained within the annual report. 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.

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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 or the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

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

Responsibilities of Trustees

As explained more fully in the statement of Trustees' Responsibilities on page 53, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011, the Housing and Regeneration Act 2008, together with the Housing SORP. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within charitable company for fraud. The laws and regulations we considered in this context for the UK operations were requirements imposed by the Regulator of Social Housing, GDPR, taxation legislation, health & safety legislation and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, legal counsel and the Finance, Audit and Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

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

Tim Redwood
Senior Statutory Auditor
For and on behalf of

Crowe U.K. LLP
Statutory Auditor
London

Date: 30 September 2021

FINANCIAL STATEMENTS



National Council of Young Men's Christian Associations (Incorporated) | Consolidated statement of financial activities | Year ended 31 March 2021

		2021			2020		
	Note	UNRESTRICTED £'000	RESTRICTED £'000	TOTAL £'000	UNRESTRICTED £'000	RESTRICTED £'000	TOTAL £'000
<u>INCOME FROM</u>							
Donations and legacies	2.1	3,045	474	3,519	3,095	125	3,220
Affiliation fees	2.2	736	-	736	900	-	900
Income from charitable activities	2.3	199	348	547	358	103	461
Income from trading activities	2.4	7,994	-	7,994	9,644	-	9,644
Investments, interest and rental income	2.5	228	18	246	132	64	196
Profit (loss) on disposal of fixed assets	2.6	-	1,325	1,325	(2)	-	(2)
TOTAL INCOME		12,202	2,165	14,367	14,127	292	14,419
<u>EXPENDITURE FROM</u>							
Costs of raising funds	3.1	1,427	-	1,427	1,389	-	1,389
Expenditure on charitable activities	3.2	2,417	2,271	4,688	3,399	436	3,835
Operating costs of trading activities	3.3	8,503	-	8,503	9,583	-	9,583
TOTAL EXPENDITURE		12,347	2,271	14,618	14,371	436	14,807
NET (EXPENDITURE) FOR THE YEAR		(145)	(106)	(251)	(244)	(144)	(388)
Net gains (losses) on investments	7.	1,843	62	1,905	(501)	(189)	(690)
Other recognised gains and losses: (Losses) on defined benefit pension schemes		(2,254)	-	(2,254)	(203)	-	(203)
NET MOVEMENT IN FUNDS		(556)	(44)	(600)	(948)	(333)	(1,281)
Reconciliation of funds							
Fund balances at 1 April		4,555	2,118	6,673	5,503	2,451	7,954
FUND BALANCES AT 31 MARCH		3,999	2,074	6,073	4,555	2,118	6,673

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

The notes on pages 68 to 91 form part of these accounts.

National Council of Young Men's Christian Associations (Incorporated) | Consolidated statement of financial activities | Year ended 31 March 2021**Commentary**

Fundraising income includes the emergency appeal to assist the YMCA Federation survive the loss of income from Covid. In addition YMCA England & Wales gave a three month affiliation fee holiday (resulting in a reduced income of £0.25m). The reduction in income from charitable activities largely arises from cessation of housing work part way through the prior year.

Covid resulted in the forced closure of our charity shops for large parts of the year, the impact of which has been softened by the government grants available.

Expenditure on charitable activities includes grants of over £1.6m paid to local YMCAs to assist with the impact of Covid plus distribution of programme funds, resulting in total payments of over £2m to local YMCAs in the year.

YMCA England & Wales is reporting an operating deficit on general funds of £0.15m for the year (2020: operating deficit £0.24m). This would have been a surplus but for the affiliation fee holiday. However, it is recognised that YMCA England & Wales needs to ensure that our annual income regularly exceeds annual expenditure and this is being addressed by changes to our operating model to ensure that we continue to meet the changing needs of our member YMCAs.

National Council of Young Men's Christian Associations (Incorporated) | Statements of comprehensive income | Year ended 31 March 2021

	Note	31 March 2020		GROUP TOTAL £'000	PARENT £'000	31 March 2020		GROUP TOTAL £'000	PARENT £'000		
		Non-housing operations £'000	Discontinued £'000			Housing operations Continuing £'000	Non-housing Discontinued operations £'000				
Income	5.1	12,792	4	12,796	12,772	-	173	14,047	5	14,225	14,153
Operating Costs	5.1	(14,562)	(56)	(14,618)	(14,598)	-	(179)	(14,498)	(108)	(14,785)	(14,742)
Operating (deficit) surplus		(1,770)	(52)	(1,822)	(1,826)	-	(6)	(451)	(103)	(560)	(589)
Investment income	4.	181	-	181	181	-	-	91	-	91	91
Interest and rents receivable	4.	65	-	65	65	49	-	56	-	105	105
Interest payable	4.	-	-	-	-	-	-	(22)	-	(22)	(22)
Profit on sale of assets		-	1,325	1,325	1,325	-	(2)	-	-	(2)	(2)
Net gains (losses) on investment assets		1,898	7	1,905	1,905	-	-	(690)	-	(690)	(690)
SURPLUS (DEFICIT) FOR THE YEAR		374	1,280	1,654	1,650	49	(8)	(1,016)	(103)	(1,078)	(1,107)
(Losses) on defined benefit pension schemes				(2,254)	(2,254)					(203)	(203)
TOTAL COMPREHENSIVE INCOME FOR YEAR				(600)	(604)					(1,281)	(1,310)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

	General £'000	Revaluation £'000	Pension £'000	Unrestricted Funds £'000	Restricted Funds £'000	TOTAL £'000
Surplus (deficit) at 31 March 2019	12,241	1,069	(7,807)	5,503	2,451	7,954
Net income (expenditure) for the year	(150)	(1,069)	975	(244)	(144)	(388)
Net gains (losses) on investments	(501)	-	-	(501)	(189)	(690)
Other recognised gains and losses	-	-	(203)	(203)	-	(203)
Surplus (deficit) at 31 March 2020	11,590	-	(7,035)	4,555	2,118	6,673

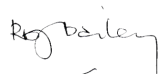
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

	General £'000	Revaluation £'000	Pension £'000	Unrestricted Funds £'000	Restricted Funds £'000	TOTAL £'000
Surplus (deficit) at 31 March 2020	11,590	-	(7,035)	4,555	2,118	6,673
Net income (expenditure) for the year	(899)	-	754	(145)	(106)	(251)
Net gains on investments	1,843	-	-	1,843	62	1,905
Transfers between funds	-	-	-	-	-	-
Other recognised gains and losses	-	-	(2,254)	(2,254)	-	(2,254)
Surplus (deficit) at 31 March 2021	12,534	-	(8,535)	3,999	2,074	6,073

The notes on pages 68 to 91 form part of these accounts.

National Council of Young Men's Christian Associations (Incorporated) | Balance sheets | Year ended 31 March 2021

31 March 2021					31 March 2020				
Note	Unrestricted Funds £'000	Restricted Funds £'000	GROUP TOTAL £'000	PARENT £'000	Unrestricted Funds £'000	Restricted Funds £'000	GROUP TOTAL £'000	PARENT £'000	
FIXED ASSETS									
Tangible Assets:									
Other tangible assets	6.	572	-	572	572	686	141	827	827
Fixed asset investments	7.	11,342	34	11,376	11,376	6,499	1,818	8,317	8,317
Investments in subsidiaries	8.	-	-	-	1	-	-	-	1
		11,914	34	11,948	11,949	7,185	1,959	9,144	9,145
CURRENT ASSETS									
Stocks	9.	167	-	167	167	-	167	167	
Debtors	10.								
Due within one year		1,817	6	1,823	1,830	2,070	69	2,139	2,193
Due after one year		1,184	-	1,184	1,184	1,353	-	1,353	1,353
Short-term deposits		71	424	495	495	71	201	272	272
Cash and cash equivalents		1,708	1,724	3,432	3,425	3,491	472	3,963	3,916
		4,947	2,154	7,101	7,101	7,152	742	7,894	7,901
CREDITORS: Amounts falling due within one year	11.	(4,930)	(114)	(5,044)	(5,045)	(2,888)	(583)	(3,471)	(3,479)
NET CURRENT ASSETS		17	2,040	2,057	2,056	4,264	159	4,423	4,422
TOTAL ASSETS LESS CURRENT LIABILITIES		11,931	2,074	14,005	14,005	11,449	2,118	13,567	13,567
CREDITORS: Amounts falling due after one year:									
Provisions for liabilities	12.	(684)	-	(684)	(684)	(613)	-	(613)	(613)
Pension scheme obligations	13.1	(7,248)	-	(7,248)	(7,248)	(6,281)	-	(6,281)	(6,281)
NET ASSETS		3,999	2,074	6,073	6,073	4,555	2,118	6,673	6,673
The funds of the charity:									
Restricted Funds	14.	-	2,074	2,074	2,074	-	2,118	2,118	2,118
Unrestricted Funds:	15.								
- General reserve		12,534	-	12,534	12,534	11,590	-	11,590	11,590
- Pension reserve		(8,535)	-	(8,535)	(8,535)	(7,035)	-	(7,035)	(7,035)
		3,999	2,074	6,073	6,073	4,555	2,118	6,673	6,673


Reg Bailey CBE
Chair

Peter Calderbank
TreasurerThe notes on pages 68 to 91
form part of these accounts.These accounts were approved and authorised
for issue by the Board on 22 September 2021.

National Council of Young Men's Christian Associations (Incorporated) | Statement of cash flows | Year ended 31 March 2021

	31 March 2021		31 March 2020	
	Group £'000	Parent £'000	Group £'000	Parent £'000
CASHFLOWS FROM OPERATING ACTIVITIES				
Net (expenditure) for the year	(251)	(251)	(388)	(388)
(Profit) loss on disposal of fixed assets	(1,438)	(1,438)	39	39
Depreciation charge	323	323	310	310
Return on investments and servicing of finance	(246)	(246)	(174)	(174)
(Increase) in stocks	-	-	(28)	(31)
Decrease in donated properties	-	-	410	410
Decrease (increase) in debtors	485	532	(477)	(457)
Increase (decrease) in creditors and deferred creditors	1,369	1,362	(503)	(482)
NET CASHFLOW GENERATED FROM OPERATING ACTIVITIES	242	282	(811)	(773)
CASHFLOWS FROM INVESTING ACTIVITIES				
Unrestricted fund investments:				
Funds placed into investments	(3,000)	(3,000)	(7,000)	(7,000)
Restricted fund investments:				
Proceeds from sale of investments	1,845	1,845	-	-
Trust & Association and Movement Trust Fund investments:				
Decrease (increase) in funds on short term deposit	(223)	(223)	125	125
Investment income	181	181	91	91
Interest received	65	65	105	105
	(1,132)	(1,132)	(6,679)	(6,679)
Cash inflow from sale of fixed assets	1,600	1,600	1,100	1,100
Cash (outflow) from purchase of other fixed assets	(230)	(230)	(523)	(523)
NET CASHFLOW FROM INVESTING ACTIVITIES	238	238	(6,102)	(6,102)
CASHFLOWS FROM FINANCING ACTIVITIES				
Repayment of fixed asset loans	(6)	(6)	(34)	(34)
Interest paid	-	-	(22)	(22)
Pension deficit payments	(1,005)	(1,005)	(975)	(975)
Funds removed from (placed on) short term deposit	-	-	10,015	10,015
NET CASHFLOW FROM FINANCING ACTIVITIES	(1,011)	(1,011)	8,984	8,984

National Council of Young Men's Christian Associations (Incorporated) | Statement of cash flows | Year ended 31 March 2021

(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(531)	(491)	2,071	2,109
Cash at bank and in hand at 1 April	3,963	3,916	1,892	1,807
Cash at bank and in hand 31 March	3,432	3,425	3,963	3,916

ANALYSIS OF CHANGES IN GROUP NET DEBT

	At 31 March 2021 £'000	Cashflows arising from Operational	Loan / lease repayments £'000	Asset sales £'000	At 31 March 2020 £'000
Cash and cash equivalents	3,432	(2,125)	(6)	1,600	3,963
Short-term deposits	495	223	-	-	272
Finance lease obligations (note 12.1)	-	-	6	-	(6)
	3,927	(1,902)	-	1,600	4,229

ANALYSIS OF CHANGES IN PARENT NET DEBT

	At 31 March 2021 £'000	Cashflows arising from Operational	Loan / lease repayments £'000	Asset sales £'000	At 31 March 2020 £'000
Cash and cash equivalents	3,425	(2,085)	(6)	1,600	3,916
Short-term deposits	495	223	-	-	272
Finance lease obligations (note 12.1)	-	-	6	-	(6)
	3,920	(1,862)	-	1,600	4,182

The notes on pages 68 to 91
form part of these accounts.

National Council of Young Men's Christian Associations (Incorporated) | Accounting policies | Year ended 31 March 2021**1 | Accounting Policies**

The financial statements have been prepared in accordance with applicable accounting standards for a public benefit entity. The most important accounting policies are:

1.1 | Basis of accounting

These financial statements are prepared under the historical cost convention, except for the valuation of investments and social housing properties, and comply with the Accounting Direction for Private Registered Providers of Social Housing from April 2015, the Statement of Recommended Practice issued by the National Federation of Housing Associations (the Housing SORP) and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Ireland (FRS 102)" issued by the Charity Commission (the Charities SORP (FRS 102)), where this does not conflict with the Housing SORP, the Charities Act 2011 and the Companies Act 2006.

As disclosed on page 53, the trustees are responsible for preparing the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue on this basis. The trustees have undertaken an assessment in relation to going concern and has considered such matters as the level of reserves, together with the Plan's forecasted future results. The trustees have determined that there is not a material uncertainty as to the ability of the charity to

continue as a going concern for the foreseeable future and the trustees therefore believe it remains appropriate to prepare the financial statements on a going concern basis.

1.2 | Basis of consolidation

The National Council of YMCAs is required to prepare consolidated financial statements on a line-by-line basis including the results of the company's trading subsidiary (YMCA Retail Limited), and the operations of Dunford Trust, Douglas Wood Charity and the YMCA Trust Fund. Prior to the gift aid payment from the subsidiaries, the gross income of the parent company was £14.3m (2020: £14.3m) and the net movement in funds reported for the year includes a deficit of £0.6m (2020: deficit of £1.3m) which is dealt with in the financial statements of the parent company.

1.3 | General

The Statement of Financial Activities records the activities of the National Council of YMCAs and its subsidiaries, both as an affiliating body and of operating projects on a national basis and the balance sheet sets out its assets and liabilities. In addition to its own assets, properties and investments are registered in the name of YMCA England & Wales as formal trustee for Associations. These assets are excluded from these financial statements.

Restricted funds are raised for specific purposes and may only be used for the specified purpose. The movement on these funds are separated from

movements in unrestricted funds on the Statement of Financial Activities and the amount at the balance sheet date is shown in note 14. Where funds are in deficit they are charged against the General Fund.

1.4 | Discounted activities

In view of the disappointing performance of Dunford House, the Board decided to close this activity with effect from 26 March 2018 and the property was sold in August 2020. Therefore this activity is shown as a discontinued non-housing activity. This property was held by YMCA England & Wales as trustee, and under the terms of the Trust Deed the surpluses from operations can only be applied for specified purposes accordingly this is shown as a movement on restricted funds.

1.5 | Turnover

The total income represents the amounts receivable exclusive of VAT in respect of operational activities, grants receivable and fundraising activities. All income arose in the United Kingdom. All income from operations, grants and fundraising is recognised in the Statement of Financial Activities when any conditions relating to the income have been satisfied, and any amounts in respect of future periods are carried forward as deferred income.

Goods donated for sale in the charity shops are included at their sales value. Gifts received in kind are included in income at their market value with a

National Council of Young Men's Christian Associations (Incorporated) | Accounting policies | Year ended 31 March 2021

corresponding charge included within expenditure.

Grants of a revenue nature are credited to the Statement of Comprehensive Income in the period to which they relate.

1.6 | Legacies

Legacies are recognised within income and debtors when probate is granted unless there are specific conditions preventing receipt, e.g. a life tenant. At the year end there were 2 legacies notified but not recognised as probate had not been granted and 7 legacies subject to life tenants with an estimated value of £69k (2020: 5 legacies with estimated value of £66k) which are held in property and investments.

1.7 | Capital expenditure and depreciation

Fixed assets are items costing in excess of £1,000 with a useful life of more than one year and are stated at cost less depreciation. The depreciation charge is calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

Freehold buildings	— 50 years
Leasehold land and buildings	— Period of the lease or earlier break
Shop leases and shop fittings	— Period of the lease or five years
Computers, equipment and motor vehicles	— 3 years straight line

Estimated provisions are made for significant leasehold property dilapidation liabilities.

1.8 | Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value. Goods donated for sale in the charity shops are included at their fair value.

1.9 | Expenditure

Expenditure is accounted for on an accruals basis. Direct expenses are allocated to the department incurring the expenditure. Expenditure is stated inclusive of irrecoverable VAT. During the year ended 31 March 2021 YMCA England incurred VAT of £33,340 (2020: £120,829) which it was unable to recover.

Costs of generating funds includes all fundraising departments and operating costs for the trading subsidiaries.

Charitable activities comprises expenses attributable to the operating departments as detailed in note 3.2. Central services are allocated to activities/departments based on the estimated usage of the services on the following basis:

Function

Office Services

Central overheads

Personnel and payroll

Finance

IT

Allocation basis

Average number of employees

Average number of employees

Average number of employees

Non-staff expenditure

Number of PCs

1.10 | Investments

FRS102 provides that investments should be shown as fixed assets at their market value. To comply with FRS102 investment gains and losses have to be shown on the face of the Statement of Comprehensive Income.

Investments in subsidiary companies are stated at cost less accumulated impairment.

Investment income is accounted for on a receivable basis.

1.11 | Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the term of the lease.

1.12 | Pensions

YMCA England & Wales 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

National Council of Young Men's Christian Associations (Incorporated) | Accounting policies | Year ended 31 March 2021

accruals on 30 April 2007. Due to insufficient information, the plan's actuary has advised that it is not possible to separately identify the assets and liabilities relating to YMCA England & Wales.

As described in note 13, YMCA England & Wales has a contractual obligation to make annual pension deficit payments of £1.04m over the period to April 2029 (2020: £1m pa over period to April 2027) , accordingly this is shown as a liability in these accounts. In addition, YMCA England & Wales is required to contribute £245k (2020: £203k) pa to the operating expenses of the Pension Plan and these costs are charged to the Statement of Comprehensive Income as made.

As described in note 13 a defined contribution scheme has been set up which all staff are eligible to join.

1.13 | Liabilities

Liabilities are recognised when YMCA England & Wales has an absolute obligation to make payment to a third party.

1.14 | Cash at bank and in hand

This includes amounts held on accounts with access within thirty days. Amounts held on longer term notice are shown as short-term deposits.

Liquid resources for the purposes of the cashflow statement comprise bank and cash balances.

1.15 | Foreign currencies

Items paid in foreign currencies are translated at the exchange rate incurred for that transaction.

1.16 | Judgements in applying accounting policies and key sources of estimation uncertainty

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

- ▶ The State Aid limitations in force changed during the year and we are seeking clarity on the new regulations.
- ▶ Whether there are indicators of impairment of the group's assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.
- ▶ Depreciation of tangible assets is based on their estimated useful lives.
- ▶ Provision is made for future leasehold property dilapidation costs at the best estimate of the likely future liability based on the nature and condition of the property.
- ▶ The discount factor used for pension deficit contributions in future years.
- ▶ The critical underlying assumptions in relation to the estimate of the pension plan obligations such as return on assets, increases in pensions in payment and mortality. Variations in these assumptions have the ability to significantly

influence the value of the pension liability and the annual contributions required.

National Council of Young Men's Christian Associations (Incorporated) | Analysis of total income | Year ended 31 March 2021

	Grants and Contracts for services £'000	Other Income £'000	TOTAL 2021 £'000	Grants and Contracts for services £'000	Other Income £'000	TOTAL 2020 £'000
2.1 DONATIONS AND LEGACIES						
Individuals	-	2,519	2,519	-	2,092	2,092
Legacies	-	858	858	-	1,010	1,010
Corporate and Trusts	-	142	142	-	118	118
	-	3,519	3,519	-	3,220	3,220
2.2 AFFILIATION FEES	-	736	736	-	900	900
2.3 INCOME FROM CHARITABLE ACTIVITIES						
Housing Management	-	-	-	-	166	166
Movement Services	-	43	43	-	78	78
Programme Development	348	-	348	113	25	138
Communications, Policy & Research	-	-	-	-	1	1
International	-	-	-	1	10	11
Central Services	74	82	156	-	67	67
	422	125	547	114	347	461
2.4 INCOME FROM TRADING ACTIVITIES						
Income generated by charity shops	3,444	4,526	7,970	-	9,572	9,572
Trading companies (note 8)	-	24	24	-	72	72
	3,444	4,550	7,994	-	9,644	9,644
2.5 INVESTMENTS, INTEREST AND RENTAL INCOME						
Investment income	-	181	181	-	91	91
Interest receivable	-	64	64	-	100	100
Rental Income	-	1	1	-	5	5
	-	246	246	-	196	196
2.6 PROFIT ON SALE OF FIXED ASSETS						
Profit (Loss) on sale of assets	-	1,325	1,325	-	(2)	(2)
	-	1,325	1,325	-	(2)	(2)
TOTAL INCOME	3,866	10,501	14,367	114	14,305	14,419

National Council of Young Men's Christian Associations (Incorporated) | Analysis of total income | Year ended 31 March 2021

To assist local YMCAs respond to the Covid pandemic, YMCA England & Wales gave a three-month affiliation fee holiday.

The figures shown above for 'Grants and contracts for services' include amounts raised by fundraising staff for specific purposes.

YMCA England & Wales benefits greatly from the involvement of its many volunteers. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of volunteers is not recognised in these accounts.

The above income includes the following statutory items:

Grants and contracts for services from Government sources:

- Furlough income
- Retail, leisure and hospitality grants
- Gift aid receivable

Grants and Contracts for services £'000	Other Income £'000	TOTAL 2021 £'000	Grants and Contracts for services £'000	Other Income £'000	TOTAL 2020 £'000
1,667	-	1,667	-	-	-
1,851	-	1,851	-	-	-
-	546	546	-	698	698
<u>3,518</u>	<u>546</u>	<u>4,064</u>	<u>-</u>	<u>698</u>	<u>698</u>

National Council of Young Men's Christian Associations (Incorporated) | Expenses | Year ended 31 March 2021

	Staff Costs (Note 3.5) £'000	Other Costs £'000	Grants payable £'000	Support Costs £'000	TOTAL 2021 £'000	Staff Costs (Note 3.5) £'000	Other Costs £'000	Grants payable £'000	Support Costs £'000	TOTAL 2020 £'000
3.1 COSTS OF RAISING FUNDS										
Individuals	511	439	-	172	1,122	365	510	-	214	1,089
Legacies	48	92	-	34	174	35	54	-	43	132
Corporate and Trusts	51	11	-	69	131	71	12	-	85	168
	<u>610</u>	<u>542</u>	<u>-</u>	<u>275</u>	<u>1,427</u>	<u>471</u>	<u>576</u>	<u>-</u>	<u>342</u>	<u>1,389</u>
3.2 CHARITABLE ACTIVITIES										
Housing Management	-	1	-	-	1	32	137	-	16	185
Movement Services	238	(64)	-	327	501	236	288	-	386	910
Funding support	76	77	-	69	222	120	28	-	85	233
Programme Development	71	134	85	51	341	50	132	-	34	216
Communications, Policy & Research	467	178	-	212	857	411	309	-	280	1,000
Legal Support and Trust & Association Funds	-	14	1,626	27	1,667	-	41	175	35	251
Payments to YMCAs	-	-	425	-	425	-	-	361	-	361
International Work	35	191	-	26	252	60	248	-	35	343
Dunford House	3	23	30	-	56	3	104	-	-	107
Defined benefit pension scheme operating expenditure	213	-	-	-	213	162	-	-	-	162
Central Services (note 3.4)	1,048	927	-	(1,822)	153	890	1,205	-	(2,028)	67
	<u>2,151</u>	<u>1,481</u>	<u>2,166</u>	<u>(1,110)</u>	<u>4,688</u>	<u>1,964</u>	<u>2,492</u>	<u>536</u>	<u>(1,157)</u>	<u>3,835</u>
3.3 OPERATING COSTS OF TRADING ACTIVITIES										
Operating costs of charity shops	4,386	3,262	-	835	8,483	4,376	4,349	-	815	9,540
Trading companies (note 8)	-	20	-	-	20	-	43	-	-	43
	<u>4,386</u>	<u>3,282</u>	<u>-</u>	<u>835</u>	<u>8,503</u>	<u>4,376</u>	<u>4,392</u>	<u>-</u>	<u>815</u>	<u>9,583</u>
TOTAL EXPENDITURE	<u>7,147</u>	<u>5,305</u>	<u>2,166</u>	<u>-</u>	<u>14,618</u>	<u>6,811</u>	<u>7,460</u>	<u>536</u>	<u>-</u>	<u>14,807</u>

Other costs within "operating costs of charity shops" in note 3.3 includes dilapidation provisions of £119k (2020: £151k), which is the estimated value of dilapidation obligations arising on the retail units based on floor area.

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3.4 Central Services

Central service costs less the associated income (as shown in note 2.3) are allocated across activities on the following basis:

	Basis of allocation	Fundraising Activities £'000	Retail activities £'000	Housing Services £'000	Influencing Activities £'000	Business Development £'000	Movement Support £'000	TOTAL 2021 £'000
Office Services	London staff numbers	156	172	-	104	-	-	432
Central Overheads	Estimated time	19	19	-	50	8	287	383
Personnel and payroll	Average number of employees	91	233	-	61	30	26	441
Finance	Estimated time	56	323	-	36	6	14	435
IT	Number of PCs	22	88	-	14	7	-	131
TOTAL 2021		344	835	-	265	51	327	1,822
	Basis of allocation	Fundraising Activities £'000	Retail activities £'000	Housing Services £'000	Influencing Activities £'000	Business Development £'000	Movement Support £'000	TOTAL 2020 £'000
Office Services	London staff numbers	189	173	-	126	-	-	488
Central Overheads	Estimated time	25	51	10	76	10	335	507
Personnel and payroll	Average number of employees	115	165	-	77	15	35	407
Finance	Estimated time	63	318	6	48	6	16	457
IT	Number of PCs	35	108	-	23	3	-	169
TOTAL 2020		427	815	16	350	34	386	2,028

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3.5 EMPLOYEE COSTS (including subsidiaries)

	TOTAL 2021 £'000	TOTAL 2020 £'000
Staff costs comprise:		
Wages & salaries	6,237	5,978
Social security costs	475	464
Employer's contribution towards pension scheme operating expenditure	213	162
Other pension costs	222	207
	<u>7,147</u>	<u>6,811</u>

The average number of employees during the year, including part time and seasonal staff, analysed by function was:

	Average Number	Full-time Equivalent	Average Number	Full-time Equivalent
UK - charitable activities	15	14	14	14
UK - fundraising	17	17	15	15
UK - charity shops	275	215	274	213
UK - other activities	20	19	17	15
TOTAL	<u>327</u>	<u>265</u>	<u>320</u>	<u>257</u>

The number of employees whose emoluments exceeded £60,000 (including pension contributions) per annum during the year was as follows:

	Number	Number
£60,001 to £70,000	3	3
£70,001 to £80,000	1	1
£80,001 to £90,000	-	-
£90,001 to £100,000	-	-
£100,001 to £110,000	2	2
£110,001 to £120,000	1	1
£120,001 to £130,000	1	1
	<u>8</u>	<u>8</u>

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YMCA England & Wales operates a salary sacrifice scheme for pension contributions.

All staff are eligible to join the defined contribution pension scheme. The Chief Executive is an ordinary member of the YMCA Group Personal Pension Plan.

Total redundancy costs of £20,379 arose from restructuring the staff team (2020: £34,898).

The following information is given in respect of those employees defined as "directors" by the Accounting Direction for Private Registered Providers of Social Housing 2019.

	2021		2020	
	Number	£'000	Number	£'000
Aggregate remuneration (excluding pension contributions)		382		392
Pension contributions		67		57
Aggregate remuneration (including pension contributions)	4	<u>449</u>	4	<u>449</u>
Highest paid (excluding pension contributions)		108		108
Pension contributions		19		19
Highest paid (including pension contributions)		<u>127</u>		<u>127</u>

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3.6 EXPENSES

Due to Covid all Board meetings were held electronically so there were no board expenses to reimburse (2020: 9 members reimbursed £3,747 in respect of their travel expenses). No board members received any remuneration for their services during the year (2020: £nil).

Members of the Senior Leadership Team were reimbursed for the following items of expenditure:

	2021 £'000	2020 £'000
Travel costs	3	7
Subsistence	-	4
Others	4	3
	<u>7</u>	<u>14</u>

4. NET EXPENDITURE FOR THE YEAR

The reported net expenditure for the year is after charging:

	2021 £'000	2020 £'000
Operating lease rentals payable:		
Property rentals	1,440	1,614
Motor vehicles	60	51
Equipment	13	24
	<u>1,513</u>	<u>1,689</u>
Interest Payable:		
Finance leases	-	22
Auditors remuneration:		
Total (parent company £26,100 (2020: £25,500))	<u>26</u>	<u>26</u>
and after crediting:		
Income from UK listed investments	<u>181</u>	<u>91</u>
Rental income:		
- External	<u>1</u>	<u>5</u>
Interest receivable:		
- Interest on bank deposits	2	43
- Loan interest	62	57
	<u>64</u>	<u>100</u>

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5. REGISTERED SOCIAL LANDLORD ACTIVITIES

5.1 PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

	31 March 2021			31 March 2020		
	Turnover £'000	Operating costs £'000	Operating surplus £'000	Turnover £'000	Operating costs £'000	Operating surplus £'000
Social housing lettings (note 5.2)	-	-	-	173	(127)	46
Other social housing activities:						
Admin	-	-	-	-	(52)	(52)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>173</u>	<u>(179)</u>	<u>(6)</u>

5.2 PARTICULARS OF INCOME & EXPENDITURE FROM SOCIAL HOUSING LETTINGS

At March 2019 YMCA England & Wales had 66 units of supported housing accommodation (using management agents), which were sold to a local YMCA during the year ended March 2020. There were no units during the year ended March 2021.

	31 March 2021 Supported Housing £'000	31 March 2020 Supported Housing £'000
Income		
Rent receivable (net of identifiable service charges)	-	173
Service charge income	-	-
NET RENTAL INCOME	<u>-</u>	<u>173</u>
Expenditure		
Management	-	60
Service charge costs	-	-
Routine maintenance	-	29
Bad debts	-	7
Depreciation of housing properties	-	31
OPERATING COSTS ON SOCIAL HOUSING LETTINGS	<u>-</u>	<u>127</u>
OPERATING SURPLUS ON SOCIAL HOUSING LETTINGS	<u>-</u>	<u>46</u>

Rent losses from voids were £nil (2020: £11k). There were no capitalised repair costs in either year.

- 5.3 The housing schemes were operated by Associations as management agents for YMCA England & Wales. The gross income and expenditure are included in note 5.1 and 5.2 with amounts due (to)/from Associations at the year end date included within creditors/debtors as appropriate.

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6.1 TANGIBLE FIXED ASSETS

	Land & Buildings Freehold £'000	Short Leasehold £'000	Equipment & Vehicles £'000	TOTAL £'000
Cost:				
At 1 April 2020	214	485	1,896	2,595
Additions	-	37	193	230
Disposals	(212)	(35)	(25)	(272)
At 31 March 2021	2	487	2,064	2,553
Depreciation:				
At 1 April 2020	72	362	1,334	1,768
Charge for the year	-	66	257	323
Disposals	(71)	(28)	(11)	(110)
At 31 March 2021	1	400	1,580	1,981
NET BOOK VALUE:				
31 March 2021	1	87	484	572
31 March 2020	142	123	562	827
The above analysis includes Items held on leases:				
31 March 2021	-	87	-	87
31 March 2020	-	123	6	129

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	Land & Buildings		Equipment & Vehicles	TOTAL
	Freehold	Short Leasehold		
	£'000	£'000	£'000	£'000
The net book value at 31 March 2021 represents fixed assets used for:				
Charitable Activities	1	-	-	1
Management & administration	-	31	35	66
Retail Operations	-	56	449	505
	<u>1</u>	<u>87</u>	<u>484</u>	<u>572</u>
The net book value at 31 March 2020 represents fixed assets used for:				
Charitable Activities	142	-	-	142
Management & administration	-	53	31	84
Retail Operations	-	70	531	601
	<u>142</u>	<u>123</u>	<u>562</u>	<u>827</u>

The net book value of freehold land and buildings includes land at cost of £400 (2020: £479) which is not depreciated.

The sale of the freehold property (Dunford House) was agreed during the previous year but only completed in August 2020. As this asset was held in a restricted fund the sale proceeds are subject to the terms of the trust.

The majority of properties operated by the YMCA Movement throughout the country are owned by autonomous member YMCAs. Where the YMCA is unable to hold the title deeds itself these are held by the National Council as trustee for the YMCA. As these are not the equitable property of the National Council they are omitted from the above totals.

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7. INVESTMENTS

7.1 The unrestricted investments comprise investments in listed funds held in:

March 2021:

	At Cost			At Market Value	
	March 2020 £'000	Additions £'000	March 2021 £'000	March 2021 £'000	Unrealised gains during the year £'000
COIF Charities Ethical Investment Fund	5,000	-	5,000	5,407	907
UBS Managed Funds	2,000	3,000	5,000	5,935	936
	7,000	3,000	10,000	11,342	1,843

March 2020:

	At Cost			At Market Value	
	March 2019 £'000	Additions £'000	March 2020 £'000	March 2020 £'000	Unrealised (losses) during the year
COIF Charities Ethical Investment Fund	-	5,000	5,000	4,500	(500)
UBS Managed Funds	-	2,000	2,000	1,999	(1)
	-	7,000	7,000	6,499	(501)

These funds are held to enable the charity to meet its future obligations to the pension scheme.

Investment Analysis:

Cash and liquid assets £'000	Equities £'000	Other investments £'000
266	4,174	967
18	4,860	1,056
284	9,034	2,023

Investment Analysis:

Cash and liquid assets £'000	Equities £'000	Other investments £'000
10	3,236	1,254
222	1,472	305
232	4,708	1,559

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- 7.2 The restricted fixed asset funds comprise:
- Trust & Association Funds represented mainly by funds from defunct member YMCAs. Income is either remitted to a specific activity or accumulated;
 - The Movement Trust Fund is established under the trusteeship of the National Council of YMCAs, with the purpose of assisting member YMCAs with grants and loans.

	Cost £'000	Market value £'000
Value at 31 March 2019	1,086	2,007
Unrealised gains (losses) during the year	-	(189)
Value at 31 March 2020	1,086	1,818
Disposals during the year	(1,078)	(1,846)
Realised gains (losses) during the year	-	55
Unrealised gains (losses) during the year	-	7
Value at 31 March 2021	8	34

The fixed asset investments comprise investments in the following unit trusts:

	March 2021 £'000	March 2020 £'000
Blackrock Common Investment Fund	-	415
Schroder Institutional Overseas Equities	-	854
M&G Charifund	-	323
COIF Charity Funds - Property	-	199
COIF Charity Investment Funds	34	27
	<u>34</u>	<u>1,818</u>

The restricted fund investments were sold in the year to finance the emergency response fund to assist local YMCAs as a response to Covid.

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8. INVESTMENT IN SUBSIDIARIES

During the year, the charity had a trading company (registered in England & Wales) which covenanted its profits to the charity:

Name:	Company number	Nature of business:	Type of Share:	Holding:
YMCA Retail Limited	02232462	Sponsorship and sales of new goods	Ordinary	100%

A summary of its trading results is shown below:

	31 March 2021 YMCA Retail Limited £000	31 March 2020 YMCA Retail Limited £000
Turnover	24	72
Cost of sales	(19)	(42)
GROSS PROFIT	5	30
Interest receivable	-	1
Administration costs	(1)	(1)
NET PROFIT	4	30
Amount Gift Aided to YMCA England and Wales	(4)	(30)
Retained in subsidiary	-	-
Total Shareholders' Funds	1	1

	31 March 2021 £000	31 March 2020 £000
Reimbursement of items paid	19	32
Gift aid of profits	4	30
	23	62

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	31 March 2021		31 March 2020	
	GROUP £'000	PARENT £'000	GROUP £'000	PARENT £'000
9. STOCKS				
Donated goods for resale	167	167	167	167
10. DEBTORS				
Other debtors				
Due within one year	1,492	1,487	1,625	1,616
Due after one year (note 10.1)	1,184	1,184	1,353	1,353
Prepayments and accrued income	331	331	514	514
Due from Group Undertakings	-	12	-	63
	3,007	3,014	3,492	3,546
10.1 YMCA England & Wales had outstanding loans to:				
	31 March 2021			31 March 2020
	Repayment			Repayment
	within			within 12
	12			months
	months			After 12
	£'000			months
	£'000			£'000
YMCA Thames Gateway	1,259	215	1,044	1,317
YMCA Swansea	96	36	60	94
European Alliance of YMCAs (for YMCA 175 event)	102	22	80	123
	1,457	273	1,184	1,534
				181
				1,353
				Interest
				2.5%
				base +3%
				base +3%

During the year ended March 2015, YMCA England & Wales sold the freehold of the housing scheme at Dartford to the local association at open market value for social housing, the consideration being received by a 20 year interest bearing loan at 2.5%, with repayments deferred for 5 years. Due to Covid it was agreed that the first repayment could be delayed until December 2020 with the second repayment made in April 2021. Future payments to be made annually in March. The loans to YMCA Swansea (£95k) and European Alliance of YMCAs (£120k) were made during the year ended March 2020 and are repayable by instalments.

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11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 March 2021		31 March 2020	
	GROUP £'000	PARENT £'000	GROUP £'000	PARENT £'000
Finance lease obligations due within one year	-	-	6	6
Pension scheme obligations due within one year (note 13.1)	1,287	1,287	754	754
Taxes & Social Security Costs	123	123	129	125
Other Creditors	1,244	1,244	1,209	1,209
Recycled social housing grant (note 11.1)	172	172	172	172
Due to Group Undertakings	-	2	-	13
Provisions for liabilities payable within 12 months (note 12.1)	408	408	513	513
Accruals and deferred income	1,810	1,809	688	687
	<u>5,044</u>	<u>5,045</u>	<u>3,471</u>	<u>3,479</u>

Deferred income consists of grants received in advance.

11.1 Recycled social housing grant	£'000	£'000
Balance at 1 April 2020		
and 31 March 2021	<u>172</u>	<u>172</u>
This amount is over 3 years old and repayment to Homes England may be required.		

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12. CREDITORS: AMOUNTS FALLING DUE
AFTER MORE THAN ONE YEAR

12.1 PROVISION FOR LIABILITIES

At the balance sheet date YMCA England & Wales had obligations to make future payments in respect of the following items where the amount or timing is uncertain:

	Balance at 1 April 2020 £'000	Additional Provisions £'000	Utilised in the year £'000	Balance at 31 March 2021 £'000	Balance at 1 April 2019 £'000	Additional Provisions £'000	Utilised in the year £'000	Balance at 31 March 2020 £'000
Lease dilapidations - retail (see note 3.3)	983	119	(131)	971	1,005	151	(173)	983
Lease dilapidations - non-retail	100	-	-	100	100	-	-	100
Allocate rent-free period over lease term	43	-	(22)	21	65	-	(22)	43
Reorganisation costs	-	-	-	-	53	(3)	(50)	-
	<u>1,126</u>	<u>119</u>	<u>(153)</u>	<u>1,092</u>	<u>1,223</u>	<u>148</u>	<u>(245)</u>	<u>1,126</u>

	Within one year £'000	Payable One to two years £'000	Two to five years £'000	After five years £'000	After more than one year £'000	TOTAL 2021 £'000	TOTAL 2020 £'000
As at 31 March 2021	408	18	268	398	684	<u>1,092</u>	
As at 31 March 2020	513	48	272	293	613		<u>1,126</u>

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13. PENSION COMMITMENT

- 13.1 YMCA England & Wales participated in a contributory pension plan providing defined benefits based on final pensionable pay for employees of YMCAs in England, Scotland and Wales. The assets of the YMCA Pension Plan are held separately from those of YMCA England & Wales and at the yearend 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 discount rates 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, which 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 for the YMCA Pension Plan as a whole showed that it had a deficit of £39 million. YMCA England and Wales has been advised that it will need to make monthly contributions of £107k 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. Agreed future deficit contributions have been discounted using a rate of 3% (2020: 3%). The current recovery period is 8 years commencing 1st May 2021.

In addition, YMCA England & Wales may have over time liabilities in the event of the non-payment by other participating YMCAs of their share of the YMCA Pension

	Within one year £'000	Repayable				TOTAL 2021 £'000	TOTAL 2020 £'000
		One to two years £'000	Two to five years £'000	After five years £'000	After more than one year £'000		
As at 31 March 2021	1,287	1,035	3,106	3,107	7,248	8,535	
As at 31 March 2020	754	1,256	3,015	2,010	6,281		7,035

In response to the Covid pandemic, the Trustee of the YMCA Pension Plan allowed participating employers to defer three months' of the 2020-21 contributions until 31 December 2021. Accordingly the contributions due within one year at March 2020 are reduced with a corresponding increase in the contributions due within one year at March 2021.

- 13.2 YMCA England & Wales has opened a defined contribution group personal pension plan for employees. YMCA England & Wales is making employer contributions of 6% of pensionable earnings provided that employees make a contribution of at least 3%.

YMCA England & Wales has also opened an auto-enrolment pension scheme for those employees who do not want to join the main scheme which has employer contributions of 3% of pensionable earnings provided that employees also make a contribution of 2%. The employee contributions increased to 5% from April 2019.

Total pension contributions for the year ended 31 March 2021 are shown in note 3.5.

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14. RESTRICTED FUNDS

The income and expenditure of the National Council include items relating to restricted funds comprising the following unexpended balances of donations and trusts held which can only be applied for specified purposes.

	Balance at 1 April 2019 £'000	Year ended March 2020				Year ended March 2021				
		Movement in funds:			Balance at 31 March 2020 £'000	Movement in funds:			Transfers £'000	Balance at 31 March 2021 £'000
		Income £'000	Investment gains (losses) £'000	Expenditure £'000		Income £'000	Investment gains (losses) £'000	Expenditure £'000		
Restricted income funds:										
Amounts raised for local YMCAs	142	7	-	(13)	136	24	-	(50)	-	110
Emergency Response Fund	-	-	-	-	-	350	-	(236)	-	114
Amounts raised for YMCA England & Wales activities:										
- Ys Girls	-	-	-	-	-	158	-	(58)	-	100
- Changing Futures (including CAST)	149	113	-	(50)	212	90	-	(43)	34	293
- Homelessness	10	20	-	-	30	200	-	(152)	(34)	44
- HLF Project (YMCA 175)	-	83	-	(74)	9	-	-	(9)	-	-
- Programme Development	15	-	-	-	15	-	-	-	-	15
- Better Futures	11	-	-	-	11	-	-	-	-	11
- Risk training	5	-	-	-	5	-	-	-	-	5
- Diabetes prevention	10	-	-	-	10	-	-	(10)	-	-
Movement Trust Fund	922	30	(76)	(92)	784	1	(12)	(773)	-	-
Hartwoodside Award	42	1	(3)	-	40	1	4	-	-	45
Douglas Wood Charity	1,156	31	(103)	(84)	1,000	9	52	(868)	-	193
Other Trust & Association Funds	43	-	-	-	43	-	-	-	-	43
Birchwood YMCA	31	-	-	(15)	16	-	-	(16)	-	-
NW Region Trust Fund	83	2	(7)	-	78	3	11	-	-	92
Dunford House	(168)	5	-	(108)	(271)	1,329	7	(56)	-	1,009
Total Restricted Funds	2,451	292	(189)	(436)	2,118	2,165	62	(2,271)	-	2,074

YMCA England & Wales raises funds on behalf of member YMCAs and for YMCA England & Wales activities which can only be used for that specific purpose. The Emergency Response Fund was launched in response to the Covid pandemic to make grants to local YMCAs in co-ordination with the Movement Trust Fund, the Douglas Wood Charity and the regional trust funds. Grants of £1.6m were made to local YMCAs to ensure their survival whilst activities were forced to close. Further grants were made by the regional trust funds.

The Movement Trust Fund is established under the trusteeship of the National Council of YMCAs, with the purpose of assisting member YMCAs with grants and loans. Grants are also made by the Hartwoodside Award (which makes annual bursaries to young people in need, particularly disabled persons) and the Douglas Wood charity (which makes grants for the promotion of the education and training of young men in the science and practise on farming, horticulture or any similar profession or trade). The Trust & Association Funds represent mainly funds from defunct Associations. Income is either remitted to a specific activity or accumulated. The funds from Birchwood YMCA are used to pay its ongoing pension deficit. The North West Region Trust Fund is administered on behalf of this regional trust fund.

The amount for Dunford House is the accumulated profits from the conference centre. In view of the disappointing performance, the Board decided to close this centre and activities ceased on 26 March 2018. As described in note 6 the property was sold in August 2020, with the proceeds (net of costs) added to the restricted fund. The Board are considering options for the use of this fund which can only be used for "educational purposes of the National Council".

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15. UNRESTRICTED FUNDS

The balance sheet shows how the unrestricted reserves are held. Some of these reserves are held in the form of long-term loans or tied up in fixed assets and therefore not directly available to support other activities, the remainder of the reserves are available to support the activities of YMCA England & Wales and are described as 'free reserves'.

	31 March 2021 £'000	31 March 2020 £'000
Unrestricted funds	3,999	4,555
Less allocated to the following purposes:		
Fixed assets	(572)	(686)
Long-term loan to associations	(1,184)	(1,353)
'FREE RESERVES'	<u>2,243</u>	<u>2,516</u>

16. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

Fund Balances are represented by:

	UNRESTRICTED £'000	RESTRICTED £'000	TOTAL MARCH 2021 £'000	UNRESTRICTED £'000	RESTRICTED £'000	TOTAL MARCH 2020 £'000
Tangible Fixed Assets:						
Other fixed assets	572	-	572	686	141	827
Investments	11,342	34	<u>11,376</u>	6,499	1,818	<u>8,317</u>
Total fixed assets			11,948			9,144
Net Current Assets	17	2,040	2,057	4,264	159	4,423
Long Term Liabilities	(7,932)	-	(7,932)	(6,894)	-	(6,894)
	<u>3,999</u>	<u>2,074</u>	<u>6,073</u>	<u>4,555</u>	<u>2,118</u>	<u>6,673</u>

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17. CHANGES IN RESOURCES AVAILABLE FOR CHARITY USE

	UNRESTRICTED £'000	RESTRICTED £'000	TOTAL MARCH 2021 £'000	UNRESTRICTED £'000	RESTRICTED £'000	TOTAL MARCH 2020 £'000
Net movement in funds for the year	(556)	(44)	(600)	(948)	(333)	(1,281)
Net decrease (increase) in fixed assets	114	141	255	922	4	926
Net movement in funds available for future activities	<u>(442)</u>	<u>97</u>	<u>(345)</u>	<u>(26)</u>	<u>(329)</u>	<u>(355)</u>

18. LEASING COMMITMENTS

At the balance sheet date, YMCA England & Wales had the following total commitments under operating leases:

	31 March 2021		31 March 2020	
	Property leases £'000	Plant & machinery £'000	Property leases £'000	Plant & machinery £'000
Expiring:				
Within 12 months	1,279	104	1,151	140
1 to 2 years	1,120	44	977	104
2 to 5 years	1,082	43	1,233	77
After 5 years	343	91	34	101
	<u>3,824</u>	<u>282</u>	<u>3,395</u>	<u>422</u>

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The following grants were received during the year:

- £186,208 Big Lottery Fund re Rough Sleepers Project
- £95,000 Garfield Weston Foundation re Y's Girls Project
- £62,988 Dept for Culture, Media and Sport re Y's Girls Project
- £4,350 London Homlessness Fund re work on homelessness

In addition, we received £20,000 from Amazon and £14,941 from the Catalyst and the National Lottery Community Fund Covid-19 Response towards the Covid emergency appeal.

The following grants were received during the previous year for the YMCA175 anniversary celebrations:

- £77,940 Heritage Lottery Fund
- £20,000 Movement Trust Fund
- £5,000 YMCA Europe

and for the YMCAs work on homelessness:

- £9,515 from the London Homlessness Fund

All projects are run in conjunction with member YMCAs.

20. CONTINGENT LIABILITIES

As in prior years YMCA England & Wales has full repairing interests in properties occupied by member YMCAs. There are potential contingent liabilities arising from these interests, but the time and cost to ascertain the potential liability is disproportionate to the benefits gained.

21. TRANSACTIONS WITH RELATED PARTIES

Several Board members are connected with local YMCAs that affiliate to YMCA England & Wales on the normal terms.

The YMCA Pension Plan operates from the offices of YMCA England & Wales which received payments of £24,482 inc VAT (2020: £24,337 inc VAT) for staff time and support services provided.

Donations of £2,550 were received from the trustees on normal terms (2020: £40).

Transactions with group undertakings are shown in note 8. There were no other transactions with related parties.

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YMCA ENGLAND & WALES

10-11 Charterhouse Square
London EC1M 6EH

National Council
of Young Men's Christian Associations
(Incorporated)

Registered Charity no. 212810
Registered Company no. 00073749
Homes and Communities Agency no: LH2204



YMCA enables people to develop their full potential in mind, body and spirit. Inspired by, and faithful to, our Christian values, we create supportive, inclusive and energising communities, where young people can truly belong, contribute and thrive.

SUPPORT & ADVICE

ACCOMMODATION

FAMILY WORK

HEALTH & WELLBEING

TRAINING & EDUCATION