# YMCA LEICESTERSHIRE

England & Wales · Charity number 213513

## Details

| | |
|---|---|
| **Other names** | LEICESTER YMCA, LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION (INCORPORATED), THE (LEICESTER) YOUNG MEN'S CHRISTIAN ASSOCIATION (INCORPORATED), LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION (INCORPORATED) (THE) |
| **Status** | Registered |
| **Legal form** | Charitable company |
| **Company number** | 00159933 |
| **Registered** | 1966-09-30 |
| **Register** | View on the Charity Commission register |

## Contact

| | |
|---|---|
| **Address** | Paul Brown<br>7 East Street<br>Leicester<br>LE1 6EY |
| **Phone** | 01162556507 |
| **Email** | info@leicesterymca.co.uk |
| **Website** | www.leicesterymca.co.uk |

## Activities

**Objects:** THE OBJECTS FOR WHICH THE ASSOCIATION IS ESTABLISHED ARE: I) TO PROVIDE OR ASSIST IN THE PROVISION IN THE INTERESTS OF SOCIAL WELFARE OF FACILITIES FOR RECREATION AND OTHER LEISURE OCCUPATION FOR YOUNG MEN AND WOMEN WITH THE OBJECTIVE OF IMPROVING THEIR CONDITIONS OF LIFEII) TO PROVIDE, IMPROVE AND MANAGE ACCOMMODATION PROVIDING RESIDENTIAL FACILITIES FOR YOUNG MEN AND WOMEN IN HOUSING NEED.III) TO ADVANCE LIFE FOR YOUNG MEN AND WOMEN BY DEVELOPING THEIR SKILLS, CAPACITIES AND CAPABILITIES TO ENABLE THEM TO PARTICIPATE IN SOCIETY AS INDEPENDENT, MATURE AND RESPONSIBLE INDIVIDUALS;IV) TO PROVIDE, MANAGE AND DELIVER RESIDENTIAL CARE FACILITIES FOR CHILDREN AND YOUNG MEN AND WOMEN, PROVIDING THEM WITH A SAFE AND CARING FOUNDATION FOR THEIR FUTURE DEVELOPMENT.V) FOR THE PUBLIC BENEFIT TO PROMOTE THE SPIRITUAL DEVELOPMENT OF YOUNG MEN AND WOMEN THROUGH THE PROVISION OF COACHING, EDUCATION, EMPOWERMENT AND ARTISTIC EXPERIENCES.

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**Activities:** The Y is a diverse community organisation whose mission is to empower young people to achieve skills, independence and fulfillment through access to supported accommodation, education, arts and sports.

## Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, Accommodation/housing, Arts/culture/heritage/science, Amateur Sport, Economic/community Development/employment
- **Who:** Children/young People, People With Disabilities, Other Defined Groups, The General Public/mankind

## Geography

- **Area of benefit:** CITY OF LEICESTER OR ELSEWHERE
- Leicester City
- Leicestershire

## Finances

| Period end | Income | Expenditure | Assets | Employees |
|---|---|---|---|---|
| 2025-03-31 | £4,176,144 | £4,294,694 | £3,540,683 | 68 |
| 2024-03-31 | £3,855,451 | £3,578,228 | £3,650,107 | 65 |
| 2023-03-31 | £3,534,651 | £3,495,854 | £3,341,081 | 61 |
| 2022-03-31 | £3,643,521 | £3,504,531 | £3,324,983 | 65 |
| 2021-03-31 | £3,686,803 | £3,593,207 | £3,163,693 | 66 |

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## Trustees

| Name | Role | Appointed |
|---|---|---|
| Carolyn Clifton | | 2020-12-02 |
| David Glover | | 2020-12-02 |
| Dr Mary Fiona MING-CHI WONG | | 2021-12-08 |
| Emma Ling | | 2020-12-02 |
| Emma Louise Hollis | | 2012-09-12 |
| Hayley Elizabeth Robertson | | 2022-03-07 |
| Jennifer Louise Mackay | | 2022-12-07 |
| Lisa Capell | | 2020-12-02 |
| Phillip Clive Hawkins | | 2013-09-10 |
| Richard Anthony Graves | | 2023-03-07 |
| Thomas Peter Anthony Moore | | 2017-11-14 |

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**YMCA LEICESTERSHIRE**

England & Wales - Charity number 213513

# Accounts

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# YMCA LEICESTERSHIRE
# FINANCIAL STATEMENTS
# FOR THE YEAR ENDED
# 31 MARCH 2025

**Company Registration No: 00159933**
**Charities Commission No. 213513**
**Regulator of Social Housing No. H2381**

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# FINANCIAL STATEMENTS
# YEAR ENDED 31 MARCH 2025

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# FINANCIAL STATEMENTS
# YEAR ENDED 31 MARCH 2025

## MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS

| | |
|---|---|
| **The members of the Board** | Ms H E Robertson<br>Mr T Moore<br>Ms E Ling<br>Ms C Clifton<br>Mr D Glover<br>Ms L Capell<br>Ms F Wong<br>Ms J L Mackay<br>Mr R A Graves<br>Miss L Flanaghan (Young Trustee) |
| **Company secretary** | Mr P Brown |
| **Registered office** | 7 East Street<br>Leicester<br>LE1 6EY |
| **Auditor** | Forrester Boyd Chartered Accountants<br>26 South Saint Mary's Gate<br>Grimsby<br>DN31 1LW |

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# FINANCIAL STATEMENTS
# YEAR ENDED 31 MARCH 2025

## MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

### INTRODUCTION

The Board have pleasure in presenting their annual report, together with the audited financial statements of the group for the year ended 31 March 2025. This report contains a Directors' Report as required by company law.

### REFERENCE AND ADMINISTRATIVE INFORMATION

**Registered name** YMCA Leicestershire (changed 07/10/22)

**Known as** YMCA Leicestershire

**Charity registration number** 213513

**Company registration number** 00159933

**Regulator of Social Housing number** H2381

**Registered Office and main address** 7 East Street, Leicester, LE1 6EY

**Auditor** Forrester Boyd Chartered Accountants, 26 South Saint Mary's Gate, Grimsby, DN31 1LW

**Principal bankers** HSBC, 2-6 Gallowtree Gate, Leicester, LE1 1DA

**Investment advisors** Brewin Dolphin Limited, Waterfront House, 35 Station Street, Nottingham, NG2 3DQ

### Board and Committee Members

The following persons have served The Y during the year –

Ms H E Robertson – Chair
Mr P Hawkins – Vice Chair (retired 11.12.2024)
Mr T Moore - Treasurer
Ms E Hollis (retired 11.12.2024)
Ms E Ling
Ms C Clifton
Mr D Glover
Ms L Capell
Ms F Wong
Ms J L Mackay
Mr R A Graves
Miss L Flanaghan (Young Trustee co-opted 11.12.2024)

The following directors retire by rotation and being eligible offer themselves for re-election:
Ms J L Mackay, Ms L Capell and Mr T Moore.

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**FINANCIAL STATEMENTS**
**YEAR ENDED 31 MARCH 2025**

# MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

## Qualifying third party indemnity insurance

The Association has made qualifying third-party indemnity provisions for the benefit of its board members during the year. These provisions remain in force at the reporting date.

**Secretary**: Paul Brown

## Executive Team (as at 31.3.25):

| | |
|---|---|
| Paul Brown | Chief Executive |
| Tom Lin | Deputy Chief Executive/Finance Director |
| Nicola Thompson-Windley | Director of People, Policy & Culture |
| Juanita Rhodes | Director of Housing |
| Jennie Skelding | Director of Residential Care Services (RI) |

## Management Team (as at 31.3.25):

| | |
|---|---|
| Gemma Winters | Executive Assistant |
| Hannah Williamson | HR Manager |
| Nuala Facey | Housing Support Manager |
| Donna Pole | Housing Support Manager |
| Mayur Vaghela | Housing Support Manager |
| Emma Knight | Fundraising and Communications Manager |
| Hannah Torrance | Theatre & Events Manager |
| Sean Langley | Property & Maintenance Manager |
| Kate Beaumont | Y-Support Manager |
| Juliet Martin | Resident Engagement & Community Manager |
| Louise Jordan | Registered Manager (Children's Home) |
| Hannah Deignan | Advantaged Thinking Lead |

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**FINANCIAL STATEMENTS**
**YEAR ENDED 31 MARCH 2025**

# MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Governing Document

YMCA Leicestershire was founded in 1883. It is a charitable company limited by guarantee, incorporated in 1919 and registered as a charity in 1966. The Association was established under a Memorandum of Association which established the objects and powers of Association and is governed under its Articles of Association. In the event of the Association being wound up members are required to contribute an amount not exceeding £0.01 (one penny).

The Association is also a Registered Provider of Social Housing (RP). Therefore, the Association's Accounts must be prepared in accordance with Housing legislation and the Housing Statement of Recommended Practice (SORP) which overrides the requirements of the Charities SORP.

### Recruitment and Appointment of Board Members

Board members are the directors of the Association and are also charity trustees for the purposes of charity law. Under the requirements of the Memorandum of Association and Articles of Association Board members are elected to serve on the Board. A proportion of Board members retire at every Annual General meeting (AGM) and are eligible for re-election.

Due to the nature of the Association, elected Board members must sign a form of commitment to YMCA England & Wales' Ethos Statement and Membership Agreement. This effectively means that elected Board members must be practising Christians. In addition, the Board may co-opt additional directors who are not practising Christians but support the Ethos Statement of YMCA England & Wales.

Recruitment of Board members is through advertising in appropriate media together with approaches to known interested individuals. Consideration is given to achieve a mix of skills amongst its Board members that will complement the individual departments within the Association.

### Board Member Induction and Training

Potential new Board members are given an induction pack which provides information on the Association's services, its constitution and financial position, together with their legal obligations.

Potential Board members are then invited to meet existing Board members and subsequently the Management Team. The induction process is tailored to individual needs.

### Organisational Structure

The Board meet quarterly and is responsible for overseeing the strategic direction and management of the Association. In addition, there is a Resources Committee (covering Finance, HR and Asset Management / Maintenance which meet quarterly).

The Chief Executive together with his Directorate and Management Team has day to day responsibility for the management and delivery of services.

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**FINANCIAL STATEMENTS**
**YEAR ENDED 31 MARCH 2025**

# MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

## STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Related Parties

The Association wholly owns Y Leisure Limited which consists of the trading activities of the charity. The principal activities of Y Leisure are the provision of a bar. The profits of Y Leisure are distributed via gift aid to YMCA Leicestershire.

## STRATEGIC REPORT

Risk Management

The members of the Board have considered the risks faced by the Association and Group through a risk analysis exercise. Policy and procedural implementation have taken place and a critical analysis of the organisation's management structure completed.

### Key risks and uncertainties

The Association have considered the key risks and uncertainties it faces over the coming year and has identified these as;

1. The organization suffers from high void levels due to a mixture of internal and external factors therefore having a detrimental impact on cash flow and budgets
2. The launch of the second Children's Home and the need to have appropriate staffing levels prior to receiving placements has a negative impact on the organization's finances;
3. Failure to recruit a suitable registered manager for the Second Children's Home, given the current recruitment market, impinges on service delivery and subsequently finances;
4. The inability to make substantial investments in the public areas within East Street, therefore impacting on theatre audience and community group experience;
5. Failure to mitigate risks as identified in the organisation's Risk Register;
6. Wage inflation and our ability to award pay increments in line with inflation;
7. Ability for the organisation to grow within the challenging economic environment;
8. Failure to maintain the new Ofsted regulations for the accommodation of 16/17-year-olds, thus resulting in the withdrawal of CYPS Contracts;
9. Failure to recruit new Trustee's with the appropriate knowledge, skills and experience;
10. Uncertainties in relation to the structure of the Fundraising and Marketing Team and a clear fundraising strategy;
11. The implementation of the the UK Supreme Court ruling that in the Equality Act 2010, the term "sex" refers to biological sex, meaning a person's sex at birth;
12. Failure to articulate the culture of the organization;
13. The potential development of Egerton Hall, working alongside Melton Borough Council and AEW;
14. The need to generate unrestricted income;
15. Uncertainties regarding the implementation of the energy feasibility study and its potential impact on budgets and cashflow;
16. The need to invest in our people through none non-financial benefits;
17. Failure to implement our vision on the Roots to Resilience project;
18. The day centre funding being withdrawn by the City Council and re-invested into the new homeless hub;
19. City Council do not 'call off' the Commissioned beds and or renew the Block Contracts.

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**FINANCIAL STATEMENTS**
**YEAR ENDED 31 MARCH 2025**

## MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)
## STRATEGIC REPORT (continued)

### Housing

Our housing operation continues to provide high-quality support and accommodation to young people. We continue to experience growing numbers of young people impacted by adverse mental health and this in turn creates additional pressures on an already stretched staff team.

During the year we were advised by the Local Authority that they intended to decommission ten beds to 62 from the original 72. This was very much based on local authority budget challenges, specifically that there was no statutory responsibility within the housing department to accommodate 16 to 18 year old's which falls under Children and Young People Services and also the new Ofsted accommodation standards.

The year also saw us develop partnerships with Project Flourish supporting young people into employment, CenterPoint through their 'More than just a Roof' grant scheme where 13 young people were able to access £200 each to buy soft furnishing for their potential move-on and Simba Mattress for the gifting of refurbished returned mattresses. This enables young people to have a practically new mattress at no cost.

A new property in Mantle Road was taken on within the year and developed a new partnership with Leicestershire County Council for the accommodation of Unaccompanied Asylum-Seeking Children. This partnership supports our housing vision to develop more work within the County.

### Residential Children's Services

Park House maintained its Ofsted rating of Good. Following the successful move-on of the solo placement in September, Park House has managed to support three young men living within the house. The three men are placed two by the County and one by the City and although the County placement is on a framework agreement, therefore limiting the price we can charge, the working relationship has been positive, especially as it is the same commissioner that we have worked with around the UASC young people. As part of the investment into Park House, we have also launched a new HR policy which supports those staff who do not have a driving license to access a grant that enables them to have lessons at no initial cost to themselves with a commitment to staying in the organisation for up to two years post passing their test. This decision was seen as a cost-effective investment given the need for staff to be able to drive and the challenges in recruiting new staff.

### Theatre

The Theatre's resident engagement and training programme is fully operational following the launch of the Hidden Gems project funded by Historic England. This saw the young people engaging with and collecting stories around the history of the theatre, Leicester and its community, and learning technical skills resulting in a closing event showcasing their research, and the creation of a podcast. Through this engagement we were able to launch the resident employment scheme resulting in 33% of the front of house team now being current or ex-residents, with the goal to continue expanding this in 25-26. The team also provided one-on-one coaching to a resident to secure a place at university studying theatre and performance.

Investment was made into the bar, updating the previous furniture that was donated in 2020, to new tables and chairs more fit for purpose. The bar and dressing rooms had a refresh of the paint and displays to brighten the space under the theatre's brand colours, with excellent feedback from artists, staff and the community alike.

The theatre continues to deliver a diverse range of shows, developing connections with the local community as well as national artists and agents. We have seen over 27,000 people visit the theatre this year, and have grown our regular community groups to include local dance academy 118 Dance. Our strong reputation in the city was particularly reflected in our win of Best Large Venue at Leicester Comedy Festival for the fourth year running as voted for by festival audiences. The team was also voted Best Team at YMCA Leicestershire's first Star Awards.

### Your Heritage Your Future

The Heritage project was unsuccessful in its bid to the National Lottery Heritage Fund for its continuation of the Your Heritage, Your Future project. Although it was felt that we had a good case for funding, the feedback for the National Lottery Heritage fund was that they felt the project was too ambitious.

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**FINANCIAL STATEMENTS**
**YEAR ENDED 31 MARCH 2025**

## MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

**STRATEGIC REPORT** (continued)

### Day Centre

During the year, the Day Centre continued to deliver critical services to street homeless and those in vulnerable housing. Although there was a plan that the new homeless centre would be relocated to the new 'Homeless Hub' this has not materialised, although this is due to happen in August 2025. The services the hub will deliver will be very different to those of the Day Centre and YMCA's role in the new Hub is still not clear. However, initial conversations have identified the Day Centre Manager as being a conduit between service users accessing the Hub and engagement with partner organisation's. From a YMCA perspective, this is an area of risk we need to be aware of.
We have also continued to work with Fare Share, which helps us to provide food parcels to some of our most vulnerable service users. This partnership has also enabled us to set up our Staff Pantry as we are aware that with the current cost of living crisis, some staff were struggling financially.

### HR

The main focus of HR this year has been on sourcing a new HR system, addressing the issues of the new minimum wage, the ongoing challenges with recruitment and working with an external provider, taking our managers through the Clifton Strengths process. The team have continued to ensure non-paid benefits are accessible to staff and also that we are compliant with all HR policies and procedures. This year the HR team also launched the STAR Awards, which are an awards ceremony that recognises the contribution that staff have made to the organisation over the year. These awards culminated in an event in our theatre in January. The HR team have also carried out staff questionnaires concerning the staff pantry, facilitated two all staff meetings and are planning to carry out a staff satisfaction survey later in the year, as well as reviewing our absence policy and developing a culture document.

### Operations

The Operations department has continued to ensure our buildings are fit for purpose and that we comply with all health and safety regulations and codes of practice. This year we have had to carry out electrical testing of our main building in order to ensure we are compliant. We have also carried out a feasibility study of our heating systems across all sites which has identified potential areas of investment. The team have also advised that we will need to make a substantial investment in the decking at the back of the building to meet ongoing health and safety requirements.

### Sports Health and Fitness

The new fitness studio continues to be a real asset to both residents and staff with many regular users. The theatre has also managed to attract 118 Dance Group, a new dance company who use our sports hall three times a week. This not only generates a high level of income but increases footfall through the building.

### Governance

The year saw us elect our first young Trustee onto the Board following her engagement with the 'Get on Board' programme. The year also saw the resignation of Phil Hawkins, Vice Chair, after 12 years and Emma Hollis after 12 years. The Trustees commitment to adopt the Foyer Federation Asset Based Advantaged Thinking Module of Service Design delivery was implemented through the Advantaged Thinking Lead taking the organisation through a change management process where she explored advantaged thinking across all departments with a view to this being organisational wide rather than just purely housing. At the end of the financial year, we were assessed by the Foyer Federation, the results of which will be with us in June.

### Marketing and Fundraising

The organisation looked at a structural change this year and the Director of People, Policy and Culture took on the responsibility of managing Marketing and Fundraising. The team also lost their community fundraiser after 10 years of service. Given this, the decision was made to have a period of pause, especially given the change in the fundraising landscape, in order to identify the most effective structure going forward. Again, this year the team raised a total of £24,000 as part of the Christmas Big Give campaign, which will be used towards our community garden project.

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## MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

### STRATEGIC REPORT (continued)

Additionally, the team held their third Sleep Easy, which also generated £12,000 towards our work with homeless young people. The appointment of the Digital Marketing Officer has made a substantial impact to the organisation's digital marketing presence with positive comments from a range of internal and external partners. The investment in this post has also enabled us to expand our reach, locally, regionally, nationally and internationally.

#### Multi-employer defined benefit pension scheme

YMCA Leicestershire recognises possible concern relating to its participation in a defined benefit pension scheme. Appropriate action has been taken: The scheme was closed to new members in 2007, and the link to final salary broken in 2011. Additional contributions continue to be made to reduce the deficit. As part of the YMCA federation, the multi-employer pension scheme is run by an independent Trustee board with employer representation through the Principal Employer, National Council of YMCAs.

The pension scheme Trustee obtains an actuarial valuation every three years and we have considered the implications to the charity's finances from the latest available actuarial valuation.

We have reviewed the charity's ability to continue to deliver its charitable objectives by ensuring budgets, forecasts and plans are available and include the impact of deficit repayments. The Trustees included the impact of the pension scheme deficit repayments in considering going concern status, reserves, and the risks and uncertainties that the charity face noted elsewhere in this Report.

YMCA Leicestershire benefits from the pension scheme Trustees and the Principal Employer seeking suitable specialist professional advice both to manage the scheme and in the continuing effort to explore ways of reducing the overall pension deficit. The notes to the Accounts include an accounting policy and further details in note 18.

## STRATEGIC REPORT - Looking Forward (25/26)

#### Housing

Nationally, there is a real shortage of social housing which is reflected in both the government's commitment to increase social housing and the YMCA England Wales' commitment to increase affordable housing by 10,000 units by the next Parliament. As a city, Leicester has a social housing challenge and the lack of social housing will often result in young people staying at the YMCA a lot longer than originally envisaged and therefore, to all intents and purposes, are bed blocking. There is clearly a need for affordable social housing for young people, singles, couples and families. In our 2023/2024 strategic report, we highlighted a commitment to increase our property portfolio and to try and secure affordable studios and one-bedroom flats. Unfortunately, following the election and the decision by the current administration to substantially increase the minimum wage and employers NI, the organisation was not in a position to invest in said strategy. However, we did secure an eight bedroom unit working with a private landlord, which is currently being used to accommodate Unaccompanied Asylum-Seeking Children.

Moving forward, we are still committed to increasing our portfolio through the purchase or lease of one-bedroom flats or studios where we can act as the landlord and sublet to young people who are ready for independence and in full-time employment or training. Therefore, our strategic focus for 2025/2026 will be:

(i) Increasing our service provision through identifying and securing additional properties.
(ii) Achieving an Ofsted Standard of Good as a minimum for the accommodation of 16-17-year-olds.
(iii) Fully implementing our new Housing Management System 'In Form'.
(iv) Cementing our contract with the County Council to deliver supported accommodation to UASC.
(v) Implement a programme of resident engagement, training and employment opportunities through the Resident & Community Engagement Manager
(vi) Ensuring that young people have access to our housing provision through direct access alongside SAR referrals
(vii) Reviewing our cost base, ensuring we are competitively placed within the sector.

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## MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)
## STRATEGIC REPORT - Looking Forward (25/26) (continued)

In order to achieve the above we will need to work with key partners and stakeholders ensuring that they are supportive of our development plans and will work with us to achieve them.

### Residential Care

We will prioritise maintaining our Ofsted grading of Good. We will also continue our strategic vision to open a second residential childcare facility, therefore expanding our service in line with our 'Staying Close' agenda. Based on the growing need, we will also consider the option of offering a therapeutic element to the service as we are aware that commissioners see this as an increasing need. This would entail the appointment of a therapist, which would not only enhance our team but also the service and support we would be able to offer.
Our strategic focus for 2025/2026 will be:

(i) Maintain our Ofsted grading of Good
(ii) Open a second Children's Home
(iii) Consider a therapeutic element for our new home
(iv) Appoint an experienced Registered Manager, Deputy, and support team

### Governance & Young People

We will continue to work with our young Trustee to encourage other young people to join the Board through the 'Get on Board' programme. We will also look to recruit three new Trustees who have experience in legal, housing development and social care. We will look to recruit a Vice Chair and review the Trustees terms of office. We will aim to encourage Trustees to actively participate in fundraising events and hold their own fundraising event. We will also provide real employment opportunities for residents / ex-residents through our customer service team to have 50% of the team recruited from our resident base.

Our strategic focus for 2025/2026 will be:

(i) Recruit 3 new trustees with experience in Law, Social Care and Property Development
(ii) Adopt the new Memorandum and Articles of Association produced by YMCAE&W and currently under review by the Charity Commission.
(iii) Hold a Board Development Day
(iv) Develop a board culture document in line with the organisational culture document.

### Human Resources

The Human Resources team will continue to prioritise the ongoing implementation and refinement of our Human Resource Management System (HRMS), ensuring it supports efficient operations and meets the evolving needs of the organisation.
The team have remained committed to cultivating a positive workplace culture that values open, transparent communication and continuous staff engagement. Tools such as 'View Point' will continue to provide staff with a direct channel for feedback, supporting a culture of inclusivity and responsiveness. Our recruitment and retention processes are under regular review to ensure YMCA Leicestershire remains an employer of choice—recognised for valuing its people and offering fair, competitive remuneration. The team also maintain their commitment to leadership development by supporting all managers and senior staff in engaging with the Clifton Strengths framework, embedding a strengths-based approach across our leadership and management practices.

Our strategic focus for 2025/2026 will be:

(i) Implementation and refinement of our Human Resource Management System (HRMS)
(ii) Deliver training on Equality, Diversity, and Unconscious Bias
(iii) Carry out a staff satisfaction survey
(iv) Develop an organisational Culture Document
(v) Ensure staff have the opportunity for direct feedback through View Point
(vi) Review our Absence Policy
(vii) Hold our Second Star Awards
(viii) Create a new staff space where staff can have time away from their desks while on their breaks

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# MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

## STRATEGIC REPORT - Looking Forward (25/26) (continued)

### Marketing and Communication

Over the coming year we will undertake a review of our fundraising portfolio to prioritise initiatives that drive success across income streams including the Room Sponsor regular giving scheme, the Big Give Christmas campaign, Gifts in Wills, and the annual Sleep Easy event. The stewardship of existing corporate relationships whilst seeking new opportunities with local businesses will be an area of focus to secure donations and sponsorship, raising our profile, strengthening community ties, and accessing in-kind gifts and pro-bono expertise. Our marketing strategy will develop the charity's use of digital tools and grow social media, to articulate our core messages, demonstrate the measurable impact of our work, and deepen engagement with donors, supporters, and stakeholders.

Our strategic focus for 2025/2026 will be:

(i) Developing a new fundraising and income generation strategy
(ii) Reviewing the team structure
(iii) Holding our 4th Sleep Easy
(iv) Participating in the 2025/26 Big Give campaign
(v) Increasing our social media presence
(vi) Cultivating Board fundraising
(vii) Demonstrate the measurable impact of our work and deepen engagement with donors, supporters, and stakeholders

### Resident & Community Engagement

In 2025/2026, the Community Partnerships & Engagement Service at YMCA Leicestershire will continue to strengthen its commitment to Advantaged Thinking through ambitious, youth-centred targets that enhance service delivery and empower young people. A major project highlight is the **Roots to Resilience Garden Project**, developed in collaboration with BBC Gardener Nick Bailey. This youth-led initiative will transform an unused outdoor space into a thriving area focused on wellbeing, sustainable food growing, and environmental awareness. It also promotes skill development, confidence, and community connection, offering a restorative environment for reflection and personal growth. In Autumn 2025, the Youth Hostel Association **(YHA) Breaks scheme** will offer young people a rural retreat at Edale in the Peak District, where they will have the opportunity to try new outdoor activities, connect with nature and build supportive relationships through shared adventure and outdoor learning.

Strategically, YMCA Leicestershire continues to deliver **Project Flourish**—an innovative partnership with **Every Youth and Hays** that provides access to employment, personal development, and a generous bursary s to help young people move into work. **Simba Sleep Ltd**, a key project partner, is donating high-quality mattresses through the Project Flourish partnership to ensure that young people leaving supported accommodation have the comfort and rest they need to thrive. Our collaboration with **Centre Point** also continues through the **More Than A Roof** grant. Having secured £4,200 in Round 1 funding, we have doubled our request in Round 2 to enable more young people to purchase soft furnishings for their homes. Additionally, we will launch **Cook It Eat It**, a new volunteering programme starting in July 2025 at Glenfield Road, Portland Road, the Aylestone Centre and Cluster 5 at East Street. This initiative will provide young people with the opportunity to learn cookery skills, explore healthy eating and build community through shared meals in a supportive and inclusive environment.

Our strategic focus for 2025/2026 will be:

(i) To deliver on our Roots to Resilience project, working in partnership with Nick Bailey, BBC Gardeners World
(ii) To create new opportunity for our young people through Youth Hostel Association
(iii) To continue our partnership with Project Flourish creating real job opportunities for young people
(iv) To be part of the Centre Point More Than a Roof project accessing grants for young people

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## MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)
## STRATEGIC REPORT - Looking Forward (25/26) (continued)

(v) To continue our relationship with Simba Sleep providing mattresses for young people moving onto independence
(vi) To develop our volunteer programme through the growth of our Cook It Eat It programme and for volunteers to work on our Roots to Resilience project.

### Theatre and Arts

The theatre will continue to grow its artistic programme, seeking to attract big names while also working with, by and for our local community. The team will be growing their partnership with the foremost Midlands development network In Good Company to grow our support for new and emerging artists in the Midlands, working with other venues to offer bigger opportunities than we could offer alone. We will also open up our space to local community groups, looking for opportunities to work with them to develop our community offer, including sports for marginalised groups and rehearsal space.

The team will introduce a venue restoration levy to tickets to provide a means of supporting the continued upkeep of the Grade II listed building and technical infrastructure. This will be brought in for new shows going on sale with a view to it being in place on all shows for 26-27.

The team's commitment to engagement opportunities for our young people will grow following the excellent Hidden Gems project. A grant from In Good Company will see our activity expand to include the Aylestone site, with further funding streams being explored. The team will also continue to develop the programme to enable our young people to be submitted for Arts Awards, allowing us to evidence to them the value of their work, engagement with us, and the skills they have developed through this.

The team will build on the success of our employment scheme for our young people, offering front of house roles to current and ex-residents to support them in gaining skills and experience in an industry setting while offering flexible and trauma-informed support. We also hope to extend this to technical roles in line with current funding applications.

Our strategic focus for 2025/2026 will be:

(i) Grow our partnership with the foremost Midlands development network In Good Company growing our partnership with the foremost Midlands development network
(ii) Continue to open up our space to local community groups
(iii) Introduce a venue restoration levy on tickets to provide a means of supporting the continued upkeep of the Grade II listed building and technical infrastructure.
(iv) Expand our commitment to the employment of residents to our Aylestone site
(v) Continue to develop our partnership with 118 Dance Group
(vi) Programme a minimum of 100 Events in the theatre
(vii) Continue to be a major venue in the city's Arts offer especially the comedy festival

### Advantaged Thinking

The organisation has made both a strategic and operational decision to adopt Advantaged Thinking which is an asset-based model of service design and delivery developed by the Foyer Federation. As such, in March 2025 a senior member of staff was tasked to begin the implementation of Advantaged Thinking across the whole organisation. We will be accredited as either an Explorer, Adventurer or Leader Advantaged Thinking Organisation in June 2025 and are enacting a service quality development plan in 2025/2026. As an organisation, we truly believe that Advantaged Thinking will improve us as a service and support our commitment to empowering young people.

Our strategic focus for 2025/2026 will be:

(i) Achieve a minimum of Stage 1 Explorer in our Advantage Thinking Assessment.
(ii) Continue to develop an Advantage Thinking Culture throughout the organisation.
(iii) Support young people in the design and refurbishment of the Aylestone Reception.
(iv) Review the Foyer Federation assessment feedback and develop an action plan.

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# MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

## STRATEGIC REPORT - Looking Forward (25/26) (continued)

### Housing & Unaccompanied Asylum-Seeking Children

As part of our commitment to continue working with this marginalised group, we will look to secure further contracts with the County Council and maintain our block contracts with the City Council. We will also look to develop a partnership with UKBC, a local college who have offered a tailor-made curriculum specifically focused on our Unaccompanied Asylum-Seeking Children. We have also invested in recruiting volunteers through our Community and Resident Engagement Manager who will deliver life skills education through cultural cuisine regularly.

Our strategic focus for 2025/2026 will be:

(i) Develop new contracts with the county council for the accommodation of 16/17 year olds, both LAC and UASC
(ii) Develop a partnership with UKBC to support Life Skills education for our young people
(iii) Engage UASC in a program of extra-curricular activities
(iv) Support UASC to feel safe, secure, supported and welcome.

## STRATEGIC REPORT (continued)

| | |
|---|---|
| **Vision** | Our vision is for every young person to have a safe place to call home and the support they need to create lasting change in their lives. |
| **Mission** | Our mission is to create supportive and inspiring places where young people and communities can belong, contribute and thrive. We do this through accommodation, care, support, advice, skills for life, theatre and cultural activities. |
| **Purpose statement** | Everyone should have a fair chance to discover who they are and what they can become. |
| | **Values** |
| **We welcome** | We work with kindness and integrity so that everyone can feel secure, respected and heard |
| **We support** | We build trusting relationships and nurture personal strengths to help people find their path to independence |
| **We empower** | We work alongside people to grow their skills and self-belief to enable them to thrive |
| **We enrich** | We create inspiring activities that give people a sense of connection and wellbeing |
| **We seek out** | We look for opportunities to collaborate and make an impact in the communities we serve |

### Strategic Measures

We will achieve this by:

1. Investing in our buildings, ensuring they are safe, accessible and fit for purpose whilst challenging the general perception of 'supported accommodation'.
2. Being an organisation that has the needs and aspirations of young people at its core.
3. Being a Learning Organisation that is committed to encouraging sharing of information and knowledge, whilst asking challenging questions that will ensure continual reflection and regeneration.
4. Adopting and fully implementing Advantaged Thinking across the organisation
5. Consistently evaluating what we do, how we do it and the impact on the lives and aspirations of our communities.

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# MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

## STRATEGIC REPORT (continued)

6. Keeping abreast of the political, economic, social, technological and environmental agenda, ensuring a flexible approach to services in a complex and dynamic environment.
7. Being an organisation that supports the added value and benefits of cultural activities and engagement.
8. Ensuring sustainability through income generation of unrestricted funds.
9. Investing in our people, ensuring they have the necessary skills, knowledge and attitudes, to deliver high quality services.
10. Creating an environment that enables children to grow and thrive.
11. Maintaining and working within clear and prudent financial guidelines.
12. Being environmentally aware and responsible.
13. By having a clear strategic plan

### ACTIVITIES

The Y is a multi-faceted Association and Group and operates in the following fields:

### Housing

YMCA Leicestershire provides supported housing for 117 young single homeless people 62 of which are part of Leicester City Councils' commissioned service. The accommodation is split over six sites; East Street (49 bed spaces) and Aylestone (35 bed spaces) providing accommodation to young people aged 16 – 25, Mantle Road, Portland Road and St. Leonards (18 bed spaces) providing accommodation for Unaccompanied Asylum-Seeking Children and in addition we have three 5 bed houses currently providing move-on accommodation for young people. The Housing Department stands at the forefront of our commitment to being an advantaged thinking organisation where we adopt an asset-based module instead of a deficit-based module. Advantaged thinking changes the way we work and the way we think about young people, recognising their values, aspirations and opportunities rather than their challenges, traumatic experiences and disadvantages. Within this module our Housing Team continue to support young people with claiming benefit, accessing community grants, health and well-being, education, access to support services and the skills to move into independent / semi-independent living. Although many of the young people who live within the YMCA have come from challenging backgrounds and have a deep mistrust of society, our role within housing is to empower these young people to become positive citizens and invest in their future.

### The Y Support Project

The Y Advice and Support Centre (YASC) is a direct access day centre for homeless and vulnerably housed people based in Leicester. The centre provides access to information and advice on housing, benefits advice and access to primary healthcare. In addition, the centre provides practical support with free food and drink. During 2025/2026 it is envisaged that the project will be relocated into the new multipurpose hub working alongside key partners both statutory and voluntary. As p[art6 of this process, the YMCA Leicestershire will play a strategic part in ensuring that service users have the necessary support to access a range of statutory services.

### Community Arts

The Y Theatre is the oldest theatre within Leicester. Opened in 1900 the theatre is the one aspect of our core business that makes The Y truly different from most other YMCAs. The Y Theatre offers a varied programme of live music, comedy, performance and community events. Also, on offer are active art and educational workshops aimed at supporting and encouraging the local community, particularly young people to enjoy their creativity and build confidence and develop communication, training and communication skills.

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# MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

## STRATEGIC REPORT (continued)

### Fundraising

The fundraising team have continued to have an impact on organisational income through fundraising activities. The Big Give Christmas Challenge platform in December made a substantial impact on our fundraising targets and the Sleep Easy event in March generated £15k to support our fundraising initiative. This year the teams focus will be on replacing the vacant community fundraiser post through a team restructure, focusing on unrestricted income generation, supporting the Board to develop a Board fundraising event and continuing to work with businesses across Leicester in order to develop corporate partnerships.

YMCA Leicestershire is committed to adhering to the Code of Fundraising Practice and new GDPR regulations throughout the whole fundraising process. The organisation takes any complaints seriously and does not advocate intrusive, persistent or the application of any undue pressure to donate. This is made clear to all commercial partners, volunteers and new members of the fundraising team. There were no fundraising complaints in the year.

### Environmental Footprint

YMCA Leicestershire is aware of the environmental footprint and is committed to reducing this where possible. Following the commission of a heating feasibility study, we are now actively exploring how we can invest in modernising our heating systems and therefore reduce our environmental footprint. As an organisation we are committed to recycling where possible ensuring that any materials we use are sustainably sourced. We will also invest in the creation of a community garden which will include the adoption of a bee corner, a space for young people to grow vegetables, a wild garden for pollinating and an environmental learning area for young people.

### Shop Rental

YMCA Leicestershire has seven shop units in the East Street Property all of which are let on leases. In addition, YMCA Leicestershire leases land on Belvoir Drive to three telecommunication companies for the siting of communication towers.

### General

YMCA Leicestershire has core departments of Human Resources, Operations, Finance and Fundraising, Marketing and Communications.

The Human Resources department oversees all aspects of staff training and professional development across the organisation. This year, we ensured that all relevant staff members and Trustees completed the required safeguarding and safer recruitment training, reinforcing our commitment to maintaining a safe and compliant working environment.

The organisation continues to invest in *Go1*, providing all staff with access to a broad range of learning and development opportunities. In addition, housing staff utilise *The Training Hub Portal*, a platform offering specialised training aligned with Ofsted requirements. This includes tailored courses relevant to both children's residential homes and supported accommodation for young people aged 16 and 17. Many of these courses are mandatory and form a core part of our compliance and quality assurance framework.

These ongoing training provisions reflect our commitment to upholding high standards of care, compliance, and staff capability throughout YMCA Leicestershire.

The Operations Department is responsible for all aspects of asset management, maintenance and health and safety. As part of the Operation department's targets, reduced energy consumption, increased recycling and maintenance planning are an essential part of their overall contribution to business efficiency.

The Finance department is responsible for the overall financial management of income and expenditure as well as the management and implementation of the company's financial procedures. Its approach ensures that the needs of all departments, the organisation as a whole and our funders are met. A comprehensive fraud policy is managed by the Deputy Chief Executive/ Finance Director.

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# MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

## STRATEGIC REPORT (continued)

### Cyber Security

As part of our risk analysis we recognise that at any point we could be at risk of a cyber-attack; therefore, this year we have taken out additional cyber security insurance and plan to provide all staff with cyber security training.

### Financial Review

YMCA Leicestershire has incurred a consolidated deficit of £109,424 (2024: surplus £309,026), which includes a surplus from Y Leisure of £32,305 (2024: surplus £30,371).

During 2024/25 The Charity received the following large contracts and grants;

| | |
|---|---|
| Leicester City Council Supporting People | £477,567 |
| Leicester City Council Homelessness | £60,487 |
| Leicester, Leicestershire & Rutland ICB – Mental Health | £36,746 |
| Heritage Lottery Fund | £62,707 |
| Leicester, Leicestershire & Rutland ICB – GHIN | £50,000 |

In line with the Reserves policy statement, the organisation still needs to maintain its reserves by achieving a surplus of income over expenditure to ensure that it would meet its liabilities if all contracts ceased. The Board considers that YMCA Leicestershire is in a healthy financial situation, with two maturing housing initiatives (Children's Home and Unaccompanied Asylum-Seeking Children) that will increase our self-generating income stream. Coupled with the continuation of our robust approach to procurement and gains in efficiency via our IT investment, YMCA Leicestershire will aim to generate a surplus to fulfil its commitments.

### Reserves Policy

YMCA Leicestershire requires an appropriate level of reserves in order to operate effectively. The level is set with regard to our aims, needs and objectives and the risks we face. These are sudden cessation or non-renewal of contracts and grants, delay in receipt of funding, and future essential maintenance of properties. The Board of Trustees is of the opinion that reserves in the order of £841,000 are necessary. Free reserves representing unrestricted funds that are not represented by fixed assets used in the Charity's operations were £1,055,803 at 31 March 2025 – this is calculated before accounting for the pension deficit funding liability of £91,807 now included in the financial statements under FRS102, which is actually payable over a further 2.1 years at a monthly rate of £4,022. This policy will be reviewed annually.

### Investment Policy

The Board has delegated to independent investment advisors (page 2) the power to invest funds surplus to requirements in stocks and shares quoted on the London Stock Exchange. Such investments are to provide a combination of income and capital growth. The Resource Committee receive half-yearly reports and review the performance with the advisors. Investment performance for the year is in line with the target set in the investment policy.

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# MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

## STRATEGIC REPORT (continued)

## YMCA Leicestershire Value for Money (VFM) Policy

### 1. Policy Statement

YMCA Leicestershire's Mission Statement, Strategic Objectives, Values and Service Delivery are underpinned by a commitment to value for money.

This policy presents our intentions on what we spend and how we deploy our staff and resources directly with the core values and the service standards we deliver. The Y's performance achievements and customer satisfaction are key elements of this policy. Our strategic objectives are:

- To provide high quality support and accommodation that empowers young people to achieve sustainable independence.
- To support young people to develop skills through access to arts education, employment, training and sports.
- To be a community resource that fully reflects the needs of local people, through the provision of community activities, advice information and advocacy.
- To be fully accessible, promote diversity and challenge discrimination in all its forms.
- To develop good quality partnerships that support service design and delivery and are cost effective.
- To be a proactive organisation that takes measured risks in order to keep abreast of changing needs.

### 2. Value for Money demonstrable expectations

The Regulator of Social Housing (RSH)'s framework for social housing has a specific Value for Money standard. The standard requires that:

- Registered providers articulate and deliver a comprehensive and strategic approach to achieving VFM in meeting organisational objectives.
- Trustees maintain a robust assessment of the performance of all their assets and resources. This will consider the interest of and commitment to stakeholders. This information should be available to stakeholders in a transparent and accessible format.

This means managing resources economically, efficiently and effectively to provide quality service and homes and planning for and delivering ongoing improvements for value for money.

The Board of Trustees meet on a quarterly basis in conjunction with the Resource Committee. The agenda items that will incorporate VFM considerations will be appropriately deliberated and their costs and benefits considered. This includes the generation of any potential returns commensurate to the risk involved.

YMCA Leicestershire regularly reviews our contracts for services throughout the organisation and maintains a robust approach to the procurement of goods and services. During 2024/25 The Y's administration team continued to support the organisations' various departments in providing a number of quotes and identifying the most suitable supplier for various single project work throughout the financial year.

It is difficult to assess YMCA Leicestershire's performance against its peers within the region as each YMCA is very different. However, the lottery funded Regional Complex Needs project has enabled The Y to measure its understanding and approach to working with complex young people against 6 other YMCAs within the region. This has achieved a degree of benchmarking as described below.

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# MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

## STRATEGIC REPORT (continued)

### 2. Value for Money demonstrable expectations (continued)

**Benchmarking**

It is now a requirement to carry out a competitive benchmarking exercise as part of the trustee's annual report. As part of this process trustees have identified 6 regional YMCAs (Heart of England, Burton on Trent, Sutton Coldfield, North Staffordshire, Wellington and District and Lincolnshire). who could be seen as competitors within the Central Region. Each of these YMCAs are delivering a range of similar services to YMCA Leicestershire, all have some form of social housing, community development, sport and support services.

In carrying out the benchmarking exercise the area to be measured is, Supported Housing.

Having carried out a desktop exercise it is clear that if one used the following measures:

- Knowledge and Understanding
- Experience
- Training
- Governance
- Staff skills & awareness

Leicester would be in a position to demonstrate that as part of a benchmarking exercise it would be more than able to show that its supported housing both accommodation and support is competitive in relation to our work with homeless young people.

Within the organisation, the employee appraisal system includes regular performance reviews that include KPIs at an individual and departmental level. This enables the managers of the charity to assess and measure the delivery of the strategic objectives of the organisation.

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# MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

## STRATEGIC REPORT (continued)

### 2. Value for Money demonstrable expectations (continued)

Regulatory reporting on VFM is required by the Regulator of Social Housing from April 2018 and Registered Providers must publish the required evidence in the statutory accounts annually. The required VFM metrics are presented below.

| Regulator of Social Housing Metrics 2025 | | 2024-25 | 2023-24 |
|---|---|---|---|
| **Metric 1 (Efficiency)** | **Reinvestment %**<br>(Investment in properties, existing & new, as a % of the value of total properties held) | 0% | 0% |
| **Metric 2 (Effectiveness)** | **New supply delivered %**<br>(No. of new social and non-social housing units, acquired or developed in the year as a proportion of total social and non-social housing units owned at period end. ) | | |
| **Calc A** | **For social housing units** | 7% | 5% |
| **Calc B** | **For non-social housing units** | 0% | 0% |
| **Metric 3 (Efficiency)** | **Gearing %** | 8% | 3% |
| **Metric 4 (Efficiency)** | **EBITDA MRI interest cover %** | 211% | 1227% |
| **Metric 5 (Economy)** | **Headline social housing cost per unit** | £15,886 | £14,453 |
| **Metric 6 (Efficiency)** | **Operating Margin %** | | |
| Calc A | Operating Margin (social housing only) % | 1% | 6% |
| Calc B | Operating Margin (overall) % | -3% | 3% |
| **Metric 7 (Efficiency)** | **Return on Capital Employed (ROCE) %** | -2% | 2% |

### Commentary

There was no major reinvestment in social housing properties for the year. An increase of 7% of new social housing units have been developed via a further leased property. Gearing levels have increased to 8% due to re-financing the bank loan arrangement. Interest cover has reduced due higher interest rate payments but continued to remain significantly sufficient. The social housing cost per unit has increased by 10% on the previous year due to economic inflationary pressures. The social housing operating margin has fallen by 5%, with the overall operating margin becoming negative due to the generation of the operating deficit. The group's return on capital employed has decreased by 4% from the previous year, resulting in a negative return.

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# MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

## STRATEGIC REPORT *(continued)*

### 3. Key Strategic Objectives

YMCA Leicestershire will implement a programme to review expenditure and enable scrutiny of initiatives with a view to achieving a minimum of 5% saving year on year for the next four years. These objectives include:

- **Promotion** – embedding of VFM principles within the culture of the organisation.
- **People** – encouraging economic awareness amongst staff and VFM principles within all business operations.
- **Procurement** – creation, maintenance and promotion of economic, efficient and effective purchasing principles and continuous review of contracts and services.
- **Recycling** – to minimise waste and recycle as much as possible
- **Partnerships** – communicate our commitment to VFM and encourage these principles amongst our partners.
- **Improvement** – improving the efficiency of how we support and deliver our services.
- **Green** – implement a programme of energy efficiency, water conservation and waste minimisation across the organisation.

### PLANS FOR FUTURE PERIODS

The Association plans to continue its activities as outlined above. In addition, significant activities to be undertaken during the year are as follows:

1. To maintain Ofsted inspection rate of Good and progress to Outstanding
2. To expand our residential childcare provision through the purchase of a second property in line with the Business Plan and reports taken to the Board.
3. Further implement Advantaged Thinking, across the whole organisation
4. To deliver training on Safeguarding Safer Recruitment and Cyber Security as well as Equality, Diversity Inclusion, and Unconscious Bias.
5. To maintain our Ofsted registration standards for regulated provision for 16-17-year olds.
6. Increase communication through the continuation of our twice yearly all staff meetings and quarterly briefing notes.
7. To carry out a staff satisfaction survey.
8. To implement our new HR management system.
9. To carry out a review of our absence policy.
10. To implement a development plan to refurbish our wash room facilities at East Street.
11. To carry out a refurbishment of the Aylestone reception, working with the Experts by Experience group.
12. To draft an income and fundraising and develop an implementation plan.
13. To explore an annual Trustee fundraising event.
14. To continue to work with the NHS CCG to support our work with complex needs young people.
15. To increase the diversity of the Board through a recruitment and selection process identify specific skills in Legal Housing development and Social Work
16. To fully implement our Housing Management system In-Form and provide appropriate training to all staff;
17. To implement the findings of the strengths audit of all managers and senior staff.
18. To carry out a restructure the Fundraising and Marketing team in line with the team's strategic plan.
19. To carry out a number of fundraising and income generation activities including our annual sleepout, the Big Give, participate in Room Sponsor and further explore Gifts in Wills.
20. To generate additional theatre income via a restoration levy on ticket sales.
21. To continue to offer residents the opportunity for real employment within the front of house team and to gain qualifications through the Arts Award programme
22. To hold our second Staff STAR Awards event.
23. To hold an annual Board Development Day, looking at future plans and growth.
24. To commission a feasibility study on the potential development of partnership with Melton Borough Council for supported housing in Melton.
25. To consider the future use of the land at Aylestone based on the presentation by Wellars and YMCA England and Wales' commitment to create 10,000 new affordable homes by the end of this Parliament

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# FINANCIAL STATEMENTS
# YEAR ENDED 31 MARCH 2025

## MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

### STATEMENT OF THE MEMBERS OF THE BOARD'S RESPONSIBILITIES

The Board is responsible for preparing the Members of the Board's Report, including Directors' Report and Strategic Report, and financial statements in accordance with applicable law and regulations.

Company and Registered Social Housing legislation require the Board to prepare financial statements for each financial year. Under that law the Board have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice. Under that law the Board must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and surplus and deficit of the group for that period. In preparing these financial statements the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice (SORP) Accounting by Registered Housing Providers 2019, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and group will continue in operation.

The Board is responsible for keeping adequate accounting records, that are sufficient to show and explain the company's and group's transactions and disclose with reasonable accuracy at any time the financial position of the company and group and enable them to ensure that the financial statements comply with Companies Act 2006, the Housing and Regeneration Act 2008 and the accounting requirements of the Accounting Direction for private registered providers of social housing 2019. The Board is also responsible for safeguarding the assets of the company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### RSH GOVERNANCE & FINANCIAL VIABILITY STANDARD

The Board recognises and confirms the compliance with the Regulator of Social Housing's Governance & Financial Viability Standard. The Y has also retained its continued qualification as a Homes England Investment partner for future housing programmes.

### PUBLIC BENEFIT

The Board of Trustees has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing Association aims and objectives and in planning future activities.

The focus of our work is:

- the provision of supported housing to vulnerable young homeless people
- facilitating our resources to offer a varied programme of community and educational events
- working in partnership with other agencies to secure the widest range of services available to match the needs of clients
- provision of sport, health and fitness facilities to members of the community
- provide residents with education, training and skills to secure employment or their own tenancies.

The Board of Trustees has complied with section 17 of the Charities Act 2011, and in setting a programme each year has had regard to both the Charity Commission's general guidance on public benefit and provision of services for the client population. The Board of Trustees always ensures that the services provided are in line with the charitable objects and aims of the Association. The Board feels the aforementioned Strategic Report and principal activity support this conclusion.

### AUDITOR

In accordance with the Companies Act 2006 a resolution proposing the appointment of Forrester Boyd Robson Limited as Auditor will be put to the members.

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**FINANCIAL STATEMENTS**
**YEAR ENDED 31 MARCH 2025**

# MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

## DIRECTORS' REPORT

### STATEMENT OF INTERNAL FINANCIAL CONTROL

The Board is responsible for maintaining a sound system of internal control which:

- focuses on the significant risks that threaten the Association's ability to meet its objectives; and
- provides reasonable assurance of the safeguarding of assets.

The Board is also responsible for reviewing the effectiveness of the system of internal control.

The internal control system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable, and not absolute, assurance against material misstatement or loss.

The process for identifying, evaluating and managing the significant risks faced by the Association is ongoing. This process has been in place for the year ended 31 March 2025 and up to the date of approval of the annual report and financial statements and is regularly reviewed by the Board.

The process which the Board has adopted in reviewing the effectiveness of the Association's system of internal control is reviewed through the Resource Committee. The key elements in exercising financial control include:

- Formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow monitoring of controls and restrict the unauthorised use of the Association's assets.

- The employment of suitably qualified staff to take responsibility for key areas of the business. This is supported by an annual appraisal system to maintain standards of performance.

- The preparation of forecasts and budgets which allow the Board and management to monitor the key business risks and financial objectives, and progress towards financial plans set for the year and the medium term; regular management accounts are prepared promptly, providing relevant, reliable and up-to-date financial and other information and significant variances from budgets are investigated as appropriate.

- All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through relevant sub-committees comprising Board members and others.

- The Resource Committee reviews reports from management and external auditors to provide reasonable assurance that control procedures are in place and are being followed. This includes a general review of the major risks facing the Association. The Resource Committee make regular reports to the Board

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

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**FINANCIAL STATEMENTS**
**YEAR ENDED 31 MARCH 2025**

# MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

## DIRECTORS' REPORT *(continued)*

### STATEMENT OF INTERNAL FINANCIAL CONTROL *(continued)*

**FRAUD**

It is the policy of YMCA Leicestershire to identify and promptly investigate any possibility of fraudulent or related dishonest activities against the organisation. The charity aims to promote an organisational culture which encourages the prevention of fraud by raising awareness of the need for high standards of personal conduct.

Any act of fraud ascertained upon investigation, or pursuant to a criminal conviction, or through written acknowledgment by the employee concerned, shall result in the appropriate disciplinary and legal actions against the employee.

Prevention of Fraud

Executives, managers and employees at all levels are responsible for exercising due diligence and control to prevent, detect and report acts of fraud. Those who fail to carry out these responsibilities will be subject to disciplinary action up to and including termination of employment.

Responsibility of Management

It is the responsibility of Executives and managers to be familiar with the types of improprieties that might occur in their area and be alert for any indication that improper activity, misappropriation or dishonest activity is or was in existence in his or her area and put in place controls to avoid such occurrences.

Responsibility of Employees

It is the responsibility of all employees to conduct their work schedule in such a way as to prevent fraud occurring in the workplace. Employees must also be alert to the possibilities for fraud and be on guard for any indications that improper or dishonest activity is taking place.

Reporting Fraud

It is the responsibility of all executives, managers and employees to report any suspicions of fraud without delay according to the procedure laid out below.

A person who suspects that fraudulent practice may be operating should, in the first instance, report the matter to his/her manager or immediate superior. Should it be inappropriate to make such a report to an immediate superior, the report should be made to that person's manager or directly to the Chief Executive.

Once a report of suspected fraud is made to supervisor/manager that person should report the suspicion to either the Chief Executive or Finance Director.

A Fraud Incident Report should be completed by the person reporting suspected fraud. The Finance Director will report any incidents to the Resource Committee. This policy is read in conjunction with the whistle blowing policy. The fraud policy is reviewed annually by the Finance Director.

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**FINANCIAL STATEMENTS**
**YEAR ENDED 31 MARCH 2025**

# MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

## DIRECTORS' REPORT *(continued)*

### STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

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

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

The Members of the Board's Report which is prepared under the Charities Act 2011, which also contains all information required in a directors' report by the Companies Act 2006, and the incorporated Strategic Report prepared under the Companies Act 2006, were approved by the Board of Trustees on 9th September 2025 and signed:

by order of the Members of the Board

MR T Moore
Treasurer
Date: 9th September 2025

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# FINANCIAL STATEMENTS
# YEAR ENDED 31 MARCH 2025

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YMCA LEICESTERSHIRE

### Opinion

We have audited the financial statements of YMCA Leicestershire (the 'parent company') and its subsidiary (the 'group') for the year ended 31 March 2025 which comprise the Consolidated Income and Expenditure Account and Statement of Comprehensive Income, Consolidated and Association Balance Sheets, Consolidated and Association Statements of Changes in Reserves, Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 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 parent company's affairs as at 31 March 2025 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been properly 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 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 board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.
Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.
Our responsibilities and the responsibilities of the board with respect to going concern are described in the relevant sections of this report.

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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# FINANCIAL STATEMENTS
# YEAR ENDED 31 MARCH 2025

**Opinions on other matters prescribed by the Companies Act 2006**
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Members of the Board's Report (incorporating Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Members of the Board's Report (incorporating Strategic Report) has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**
In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Members of the Board's Report (incorporating Strategic Report).

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

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

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

**Respective responsibilities of Trustees**
As explained more fully in the Statement of the Members of the Board's Responsibilities set out on page 20, the Trustees (who are also the directors of the 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 parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or the parent 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.

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## FINANCIAL STATEMENTS
## YEAR ENDED 31 MARCH 2025

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

- Discussions with management, including consideration of known or suspected instances of non-compliance held.
- Challenging assumptions and judgements made within significant accounting estimates and judgements such as depreciation, bad debt and voids.
- Identification of key laws and regulations central to the associations operations and review of compliance with such laws including a review of the Charities Commission website and the Housing and Regeneration Act 2008.
- Testing of journal entries and potential override of systems.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. The risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery collusion, omission or misrepresentation.

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

**Use of our report**
This report is made solely to the 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

C Jensen

**Carrie Anne Jensen ACA (Senior Statutory Auditor)**
**For and on behalf of Forrester Boyd Robson Limited, Statutory Auditor**
Chartered Accountants
26 South Saint Mary's Gate
Grimsby
DN31 1LW

Date:

9th ..... September 2025

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# FINANCIAL STATEMENTS
# YEAR ENDED 31 MARCH 2025

## CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF COMPREHENSIVE INCOME

| | Note | Year ended 31 March 2025 £ | Year ended 31 March 2024 £ |
|---|---|---|---|
| **TURNOVER** | 3 | 4,158,866 | 3,838,589 |
| Operating costs | 3 | (4,263,281) | (3,546,431) |
| **OPERATING SURPLUS** | 3 | (104,415) | 292,158 |
| Interest receivable and similar income | 6 | 17,278 | 16,862 |
| Interest payable and similar charges | 7 | (31,413) | (31,797) |
| Change in fair value of investment properties | 12 | - | - |
| Change in fair value of investments | 13 | 9,126 | 31,803 |
| **SURPLUS FOR THE YEAR BEFORE TAX** | | (109,424) | 309,026 |
| Taxation | | - | - |
| **SURPLUS FOR THE YEAR AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR** | | (109,424) | 309,026 |

The results relate wholly to continuing activities.

The financial statements were approved by the board on 9th September 2025.

Mr T Moore (Treasurer)

Ms H Robertson (Chair)

The annexed notes form part of these financial statements.

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# FINANCIAL STATEMENTS
# YEAR ENDED 31 MARCH 2025

## CONSOLIDATED AND ASSOCIATION BALANCE SHEETS

| | | Group | | Association | |
|---|---|---|---|---|---|
| | | 2025 | 2024 | 2025 | 2024 |
| | | £ | £ | £ | £ |
| **FIXED ASSETS** | | | | | |
| Intangible assets | 10 | 8,012 | 11,828 | 8,012 | 11,828 |
| Housing properties | 11 | 2,695,924 | 2,905,192 | 2,695,924 | 2,905,192 |
| Other tangible assets | 11 | 449,582 | 491,811 | 426,857 | 472,908 |
| Investment properties | 12 | 1,570,000 | 1,570,000 | 1,570,000 | 1,570,000 |
| | | 4,723,518 | 4,978,831 | 4,700,793 | 4,959,928 |
| Other investments | 13 | 482,371 | 476,714 | 482,372 | 476,715 |
| | | 5,205,889 | 5,455,545 | 5,183,165 | 5,436,643 |
| **CURRENT ASSETS** | | | | | |
| Stocks | 14 | 4,772 | 4,994 | - | - |
| Debtors | 15 | 491,630 | 515,790 | 510,771 | 515,790 |
| Cash and cash equivalents | 23 | 989,784 | 701,787 | 953,259 | 691,099 |
| | | 1,486,186 | 1,222,571 | 1,464,030 | 1,206,889 |
| **CURRENT LIABILITIES** | | | | | |
| Creditors: Amounts falling due within one year | 16 | 795,436 | 838,421 | 824,538 | 845,514 |
| **NET CURRENT ASSETS /(LIABILITIES)** | | '690,750 | 384,150 | 639,492 | 361,375 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | 5,896,639 | 5,839,695 | 5,822,657 | 5,798,018 |
| Creditors: Amounts falling due after one year | 17 | 2,264,149 | 2,072,752 | 2,264,149 | 2,072,752 |
| Provisions for liabilities | 18 | 91,807 | 116,836 | 91,807 | 116,836 |
| **TOTAL NET ASSETS** | | 3,540,683 | 3,650,107 | 3,466,701 | 3,608,430 |
| **RESERVES** | | | | | |
| **UNRESTRICTED FUNDS** | | | | | |
| Designated & general reserves | 19 | 3,465,364 | 3,604,393 | 3,465,364 | 3,604,393 |
| Non-charitable trading reserves | 19 | 73,982 | 41,677 | - | - |
| | | 3,539,346 | 3,646,070 | 3,465,364 | 3,604,393 |
| **RESTRICTED FUNDS** | 19 | 1,337 | 4,037 | 1,337 | 4,037 |
| **TOTAL RESERVES** | | 3,540,683 | 3,650,107 | 3,466,701 | 3,608,430 |

The Association's deficit is £141,729 (2024: surplus £278,655).

These financial statements on pages 27 to 52 were approved by the board and authorised for issue on 9th September 2025 and were signed on its behalf by:

**Mr T Moore**
**Treasurer**

**Ms H Robertson**
**Chair**

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## FINANCIAL STATEMENTS
## YEAR ENDED 31 MARCH 2025

## CONSOLIDATED STATEMENT OF CHANGES IN RESERVES

| | General reserves £ | Designated reserves £ | Fair value reserve £ | Sub total £ | Non-charitable trading reserves £ | Total Unrestricted £ | Restricted funds £ | Total £ |
|---|---|---|---|---|---|---|---|---|
| **Balance at 1 April 2023** | 2,718,329 | 163,385 | 444,024 | 3,325,738 | 11,306 | 3,337,044 | 4,037 | 3,341,081 |
| Surplus/(Deficit) for the year | 456,440 | (206,650) | 31,803 | 281,593 | 30,371 | 311,964 | (2,938) | 309,026 |
| Transfers | (244,588) | 241,650 | - | (2,938) | - | (2,938) | 2,938 | - |
| **Balance at 31 March 2024** | 2,930,181 | 198,385 | 475,827 | 3,604,393 | 41,677 | 3,646,070 | 4,037 | 3,650,107 |
| Surplus/(Deficit) for the year | 19,314 | (126,611) | 9,126 | (98,171) | 32,305 | (65,866) | (43,558) | (109,424) |
| Transfers | (152,470) | 111,612 | - | (40,858) | - | (40,858) | 40,858 | - |
| **Balance at 31 March 2025** | 2,797,025 | 183,386 | 484,953 | 3,465,364 | 73,982 | 3,539,346 | 1,337 | 3,540,683 |

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## FINANCIAL STATEMENTS
## YEAR ENDED 31 MARCH 2025

## ASSOCIATION STATEMENT OF CHANGES IN RESERVES

| | General reserves £ | Designated reserves £ | Fair value reserve £ | Total Unrestricted £ | Restricted funds £ | Total £ |
|---|---|---|---|---|---|---|
| **Balance at 1 April 2023** | 2,718,329 | 163,385 | 444,024 | 3,325,738 | 4,037 | 3,329,775 |
| Surplus/(Deficit) for the year | 456,440 | (206,650) | 31,803 | 281,593 | (2,938) | 278,655 |
| Transfers | (244,588) | 241,650 | - | (2,938) | 2,938 | - |
| **Balance at 31 March 2024** | 2,930,181 | 198,385 | 475,827 | 3,604,393 | 4,037 | 3,608,430 |
| Surplus/(Deficit) for the year | 19,314 | (126,611) | 9,126 | (98,171) | (43,558) | (141,729) |
| Transfers | (152,470) | 111,612 | - | (40,858) | 40,858 | - |
| **Balance at 31 March 2025** | 2,797,025 | 183,386 | 484,953 | 3,465,364 | 1,337 | 3,466,701 |

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# FINANCIAL STATEMENTS
# YEAR ENDED 31 MARCH 2025

## CONSOLIDATED STATEMENT OF CASH FLOWS

| | Note | 2025 £ | 2024 £ |
|---|---|---|---|
| **OPERATING ACTIVITIES** | | | |
| Net cash generated from operations | 22 | 37,579 | 15,819 |
| **NET CASH GENERATED FROM OPERATING ACTIVITIES** | | 37,579 | 15,819 |
| **CASH FLOW FROM INVESTING ACTIVITIES** | | | |
| Interest and dividends received | | 17,278 | 16,862 |
| Payments to acquire tangible fixed assets | | (49,730) | (122,342) |
| **NET CASH USED IN INVESTING ACTIVITIES** | | (32,452) | (105,480) |
| **CASH FLOW FROM FINANCING ACTIVITIES** | | | |
| Payments to acquire fixed asset investments | | (42,805) | (65,315) |
| Receipts on sale of fixed asset investments | | 41,892 | 59,582 |
| Interest paid | | (31,413) | (31,797) |
| Proceeds / (Repayment) of borrowings | | 315,196 | (31,057) |
| **NET CASH (USED IN)/FROM FINANCING ACTIVITIES** | | 282,870 | (68,587) |
| **NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS** | | 287,997 | (158,248) |
| **CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR** | | 701,787 | 860,035 |
| **CASH AND CASH EQUIVALENTS AT END OF YEAR** | 23 | 989,784 | 701,787 |

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**FINANCIAL STATEMENTS**
**YEAR ENDED 31 MARCH 2025**

## NOTES TO THE FINANCIAL STATEMENTS

### 1. LEGAL STATUS AND PRINCIPAL ACCOUNTING POLICIES

The Company is a private company limited by guarantee and is an English registered social housing provider. Each member undertakes to contribute an amount not exceeding 1p in the event of the Association being wound up. There were 13 members during the year (2023:16 members)

The address of the Company's registered office and principal place of business is 7 East Street, Leicester, LE1 6EY.

The Company is a registered charity and a public benefit entity.

The principal activities are disclosed in the Members of the Board's Report.

The Company is incorporated under the Companies Act 2006, Charities Act 2011 and is a private Registered Provider of Social Housing (RP).

**Basis of Accounting**
These financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Housing SORP 2018 "Statement of Recommended Practice for Registered Housing Providers" and comply with the Accounting Direction for Private Registered Providers of Social Housing 2019, and under the historical cost convention, except that investments are held at fair value.

Monetary amounts in these financial statements are rounded to the nearest whole £1, except where otherwise indicated.

### 2. PRINCIPAL ACCOUNTING POLICIES

**Reduced Disclosures**
In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirement in the individual financial statements of YMCA Leicestershire.

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flows and related notes and disclosures.
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches; and details of hedges and hedging fair value changes recognised in income or expenditure and in other comprehensive income.
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the Company are included within these financial statements.

**Going Concern**
The Group and Company have prepared detailed budgets and cash flow forecasts for the period of a minimum of 12 months from the date of approval of these financial statements. To mitigate the economy's difficult permutations, the detailed budgets and cash flow forecasts have been subjected to a degree of sensitivity analysis for the same period. On that basis, the members of the Board are satisfied that it remains appropriate to prepare the financial statements on the going concern basis.

**Turnover**
Turnover represents rental income and service charges income receivable in the year net of rent and service charge losses from voids, Supporting People income, revenue grants from Local Authorities and Homes England, and other income.

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## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

**Supporting People**
Supporting People income and expenditure relating to services is accounted for on an accruals basis, matching income and expenditure, and disclosures are made in accordance with the relevant standards and legislation.

**Basis of Consolidation**
These financial statements include the financial statements of the Company and its subsidiary undertaking up to 31 March 2025. Under Section 408(3) of the Companies Act 2006 the Company is exempt from the requirements to present its own income and expenditure account.

The consolidated financial statements incorporate those of the Company and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). All financial statements are made up to 31 March 2025.

Investment in the subsidiary is stated at cost.

**Donations**
Donations received for the general purposes of the Company are included as unrestricted funds. Donations for activities restricted by the wishes of the donor are taken to 'restricted funds' where these wishes are legally binding on the Board.

**Restricted Reserves**
Restricted reserves are those reserves which are only expendable in accordance with the wishes of the funder or regulatory body. Expenditure cannot be directly set against restricted reserves, but is taken through the Income and Expenditure Account. A transfer from restricted reserves is then made as appropriate. By this method, expenditure, which meets the criteria, is charged to the fund, together with a fair allocation of management expenses.

**Designated Reserves**
Designated reserves are part of unrestricted reserves which have been earmarked by the Board for a particular purpose. Such designations may be reversed by future Board decisions. Expenditure cannot be directly set against designated reserves, but is taken through the Income and Expenditure Account. A transfer is then made from designated reserves as appropriate.

**Intangible assets**
Intangible assets are recognised when future economic benefits are probable and the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised to income or expenditure on a straight-line basis over their useful lives, as follows:

| | |
|---|---|
| Website costs | - over 5 years |

Amortisation is revised prospectively for any significant change in useful life or residual value.

On disposal, the difference between the net disposal proceeds and the carrying amount of the intangible asset is recognised in income or expenditure.

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## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

**Fixed Assets and Depreciation**

Tangible fixed assets, are stated at cost, less accumulated depreciation. Depreciation is charged on a straight line basis over the expected economic useful lives of the assets at the following annual rates:

| | | |
|---|---|---|
| Freehold buildings (non-housing) | - | over 25 years |
| Furniture, fixtures and fittings, IT equipment | - | over 3 to 10 years (dependent on the expected economic life) |
| Leasehold improvements | - | over 25 years or the life of the lease if less |
| Motor vehicles | - | over 3 years |
| Lifts | - | over 25 years |

Major components of housing properties have been accounted for and depreciated separately from the connected housing property at the following rates:

| | | |
|---|---|---|
| Structure | - | over 10 to 25 years |
| Kitchens and Bathrooms | - | over 5 years |
| Electrical equipment | - | over 3 years |
| Lifts | - | over 25 years |

Freehold land is not depreciated.

The useful economic lives of all tangible fixed assets are reviewed annually.

Housing properties are principally properties available for rent and are stated at cost less and provision for any impairment (representing a diminution in the recoverable service potential of the asset below its carrying value in the balance sheet) less depreciation. Cost includes the cost of acquiring land and buildings, development costs and expenditure incurred in the respect of improvements.

Development costs of properties are capitalised to the extent that they are directly attributable to bringing the properties into working condition for their intended use. Directly attributable costs include the labour costs of own employees (including development staff, in-house architects and surveyors) arising directly from the construction or acquisition of the property, and the incremental costs that would have been avoided only if the property had not been constructed.

**Impairment**

An assessment is made at each reporting date of whether there are indications that a fixed asset (including housing properties) may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Group estimates the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets net of any associated Social Housing Grant and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use of the asset based on its service potential, are recognised as impairment losses in the Income and Expenditure Account.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in income and expenditure. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

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## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

**Investment Properties**

Investment properties (including properties held under an operating lease) consist of commercial properties and properties not held for social benefit. These properties are initially measured at cost and subsequently measured at fair value whilst a reliable measure of fair value is available without undue cost or effort. Changes in fair value are recognised in income and expenditure.

The Companies Act 2006 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principle set out in FRS 102. The Board considers that, because investment properties are not held for consumption, but for their investment potential, to depreciate them would not give a true and fair view.

If this departure from the Companies Act 2006 had not been made in order to give a true and fair view, the surplus for the financial year would have been reduced by depreciation. However, the amount of depreciation cannot reasonably be quantified because depreciation is only one of many factors reflected in the annual valuation and the amount relating to the depreciation of the property cannot be separately identified.

**Investments and investment income**

Investments are carried at fair value. Changes in fair value are included in the Income and Expenditure Account.

Investment income is accounted for in the period in which the Group is entitled to receipt.

**Stocks**

Stocks are included at the lower of cost and net realisable value.

**Taxation**

The Association has charitable status and is registered with the Charity Commission and is therefore exempt from paying Corporation Tax on charitable activities.

**Value Added Tax**

Irrecoverable VAT which can be attributed to a capital item or expenditure is added to the cost of the capital item or expenses where practicable and material.

**Employee Benefits**

The costs of short-term employee benefits are recognised as a liability and an expense.
The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**Government Grants**

Government grants include grants receivable from Homes England, local authorities and other government bodies.

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met, and the grants will be received.

Government grants received for housing properties are recognised in income over the useful economic life of the structure of the asset and, where applicable, the individual components of the structure (excluding land) under the accruals model.

Government grants relating to revenue are recognised as income over the periods when the related costs are incurred once reasonable assurance has been gained that the Company will comply with the conditions and the funds will be received.

**Other Grants**

Grants received from non-government sources are recognised using the performance model. Grants are recognised as income when the associated performance conditions are met.

**Leased Assets**

Rentals payable under operating leases are charged to the Income and Expenditure Account on a straight line basis over the lease term.

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## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 2. PRINCIPAL ACCOUNTING POLICES *(continued)*

**Pension Costs**

*Defined benefit plans*

The Company participated in a multi-employer defined benefit plan for employees of YMCAs in England, Scotland and Wales which was closed to new members and accruals on 30 April 2007. Due to insufficient information, the plan's actuary has advised that it is not possible to separately identify the assets and liabilities relating to YMCA Leicestershire.

As described in note 18 YMCA Leicestershire has a contractual obligation to make pension deficit payments of £48,269 pa over the period to April 2027 (2024: £48,269 pa), accordingly this is shown as a liability in these accounts. In addition, YMCA Leicestershire is required to contribute £15,103 pa (2024: £15,384 pa) to the operating expenses of the Pension Plan and these costs are charged to the Statement of Comprehensive Income as made.

*Defined contribution plans*

The Group also operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the Group. The annual contributions payable are charged to the Income and Expenditure Account. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

**Financial instruments**

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument and are offset only when the Group currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

***Financial assets***

*Debtors*

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a debtor constitutes a financing transaction, the debtor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in income or expenditure for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in income or expenditure.

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## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 2. PRINCIPAL ACCOUNTING POLICES *(continued)*

***Financial liabilities***

*Creditors*

Creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

*Derecognition of financial assets and liabilities*

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

**Provisions**

Provisions are recognised when the Group has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably.

**Critical accounting estimates and areas of judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

*Critical accounting estimates and assumptions*

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

*Pension Deficit Liability*

In calculating the value of the contractual liability (detailed in Note 18), a discount rate of 6% has been applied to the payments due in future years in order to determine their present value.

*Expected Economic Useful Life of Fixed Assets*

The useful economic life of fixed assets (detailed in Note 11) is a key accounting estimate.

*Investment Properties*

The valuation of the investment properties (detailed in Note 12) is reviewed annually by the Board to assess whether a there is a diminution in the carrying value of the assets. The percentage of 'mixed use' properties deemed as 'investment property' was calculated based on size of area as per the completed valuation survey by Innes England.

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## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 3. GROUP TURNOVER AND OPERATING SURPLUS/(DEFICIT)

**Year to 31 March 2025**

| | Turnover £ | Operating costs £ | Operating surplus/ (deficit) £ |
|---|---|---|---|
| Social Housing | 2,487,082 | (2,514,967) | (27,885) |
| Non Social Housing activities | 1,671,784 | (1,748,314) | (76,530) |
| Total | 4,158,866 | (4,263,281) | (104,415) |

**Year to 31 March 2024**

| | Turnover £ | Operating costs £ | Operating surplus/ (deficit) |
|---|---|---|---|
| Social Housing | 2,347,436 | (2,213,253) | 134,183 |
| Non Social Housing activities | 1,491,153 | (1,333,178) | 157,975 |
| Total | 3,838,589 | (3,546,431) | 292,158 |

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## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 4. TURNOVER, COST OF SALES, OPERATING COSTS AND OPERATING SURPLUS

Particulars of Group income and expenditure from social housing lettings

| | General Housing 2025 £ | General Housing 2024 £ |
|---|---|---|
| **TURNOVER FROM SOCIAL HOUSING LETTINGS** | | |
| Rent receivable net of voids | 1,261,854 | 1,193,489 |
| Service charges receivable | 576,912 | 542,645 |
| **NET RENTAL INCOME** | 1,838,766 | 1,736,134 |
| Supporting people contract income | 477,567 | 424,349 |
| Other revenue grants | 2,152 | 25 |
| Grant amortisation | 168,597 | 186,928 |
| **TURNOVER FROM SOCIAL HOUSING LETTINGS** | 2,487,082 | 2,347,436 |
| **EXPENDITURE ON SOCIAL HOUSING LETTINGS** | | |
| Direct costs | 61,100 | 18,735 |
| Staffing | 1,363,681 | 1,208,396 |
| Administration | 308,534 | 224,088 |
| Depreciation and amortisation | 159,344 | 169,823 |
| Maintenance | 25,039 | 37,849 |
| Services | 34,309 | 30,783 |
| Service charge costs | 562,960 | 523,579 |
| **OPERATING COSTS ON SOCIAL HOUSING LETTINGS** | (2,514,967) | (2,213,253) |
| **OPERATING SURPLUS ON SOCIAL HOUSING LETTINGS** | (27,885) | 134,183 |
| Rent losses on voids | 164,189 | 59,570 |

| **Supported Housing Accommodation owned and managed** | **2025 No. of units** | **2024 No. of units** |
|---|---|---|
| Let at social rent | 117 | 109 |

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## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 5. OPERATING (DEFICIT)/SURPLUS

The operating surplus is stated after charging/(crediting):

| | Group 2025 £ | 2024 £ |
|---|---|---|
| Depreciation of housing properties | 218,485 | 236,053 |
| Depreciation of other tangible fixed assets | 82,742 | 75,179 |
| Amortisation of intangible fixed assets | 3,816 | 3,816 |
| Amortisation of grants | (168,597) | (186,928) |
| Auditor's remuneration (audit services) | 18,029 | 18,029 |
| Auditor's remuneration (non-audit work) | 1,000 | 1,000 |
| Operating lease rentals | 108,080 | 72,863 |
| Cost of stocks recognised as an expense | 32,524 | 28,593 |

### 6. INTEREST RECEIVABLE AND SIMILAR INCOME

| | Group 2025 £ | 2024 £ |
|---|---|---|
| Interest on bank deposits | 2,305 | 1,337 |
| Income from listed investments | 14,973 | 15,525 |
| | 17,278 | 16,862 |

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## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 7. INTEREST PAYABLE AND SIMILAR CHARGES

| | Group 2025 £ | 2024 £ |
|---|---|---|
| YMCA pension notional finance charge (Note 18) | 7,991 | 10,077 |
| Interest on bank loan | 23,422 | 21,720 |
| | 31,413 | 31,797 |

### 8. DIRECTORS' EMOLUMENTS

The Directors are defined as the members of the Board, the Chief Executive and other senior executives. None of the members of the Board received any emoluments. Details of the Chief Executive's and other senior Executives' emoluments in respect of services to the Company are as follows:

| | 2025 £ | 2024 £ |
|---|---|---|
| Basic salary | 358,025 | 365,511 |
| Pension contributions | 16,203 | 15,756 |
| | 374,228 | 381,267 |

| | 2025 | 2024 |
|---|---|---|
| Number of Directors accruing benefits in the pension scheme | 5 | 6 |

Emoluments disclosed above include the following amounts paid to the highest paid director:

| | 2025 £ | 2024 £ |
|---|---|---|
| Emoluments for qualifying services | 116,151 | 119,085 |
| Pension contributions | 7,310 | 7,172 |

The Chief Executive is a member of the Company's pension scheme. He is an ordinary member of the pension scheme and no enhanced or special terms apply. The Company does not make any further contributions to an individual pension arrangement for the Chief Executive.

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## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 9. EMPLOYEE INFORMATION

| | 2025 No. | 2024 No. |
|---|---|---|
| Average number of persons (including part-time employees and the Chief Executive but excludes Casual Staff) employed during the year | 79 | 76 |
| Full time equivalent (35 hours per week) | 68 | 65 |

The Group also holds a bank of casual staff (sessional) who can be called on to cover short term unexpected absences. During the year the Group had 39 casual staff on its books (2024: 25).

| | 2025 £ | 2024 £ |
|---|---|---|
| **Staff costs (for the above persons)** | | |
| Wages and salaries | 2,245,932 | 2,077,149 |
| Social security costs | 200,773 | 181,599 |
| Other pension costs | 54,114 | 47,571 |
| | 2,500,819 | 2,306,319 |

There were three employees whose income exceeded £60,000 (2024: two) and one fell within the £110,001 - £120,000 bracket during the year (2024: one £110,001 - £120,000 bracket). The total compensation of employees who are considered to be the key management personnel of the Group was £417,119 (2024: £424,806).

There were £423 travel expenses reclaimed by Board members in 2025. (2024: £0)

### 10. INTANGIBLE FIXED ASSETS

| Group and Association | Website costs £ |
|---|---|
| **Cost** | |
| At 1 April 2024 | 29,120 |
| Additions | - |
| At 31 March 2025 | 29,120 |
| **Amortisation** | |
| At 1 April 2024 | 17,292 |
| Charge for the year | 3,816 |
| At 31 March 2025 | 21,108 |
| **Net Book Value** | |
| At 31 March 2025 | 8,012 |
| At 31 March 2024 | 11,828 |

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**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

## 11. TANGIBLE FIXED ASSETS

| Group and Association | Social Housing Properties held for letting |
|---|---|
| | £ |
| **Cost** | |
| At 1 April 2024 | 7,498,177 |
| Properties acquired | - |
| Works to existing properties | 9,217 |
| Disposals – component write-off | - |
| At 31 March 2025 | 7,507,394 |
| **Depreciation** | |
| At 1 April 2024 | 4,592,985 |
| Charge for the year | 218,485 |
| Eliminated on disposals – component write-off | - |
| At 31 March 2025 | 4,811,470 |
| **Net Book Value** | |
| At 31 March 2025 | 2,695,924 |
| At 31 March 2024 | 2,905,192 |

In accordance with the accounting policy, included within Housing Properties (historical cost), the Group and Association have capitalised in the year £9,217 (2024: £14,292) of expenditure on works to existing properties. No capital expenditure has been included in the Income & Expenditure Account (2024: £nil).

| Depreciation charge for the year | 2025 | 2024 |
|---|---|---|
| | £ | £ |
| Annual depreciation charge | 218,485 | 236,053 |
| Accelerated depreciation on component write off | - | - |
| | 218,485 | 236,053 |

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## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### TANGIBLE FIXED ASSETS *(continued)*

| Group | Freehold Land & Buildings £ | Furniture, Fixtures & Fittings £ | Lift £ | TOTAL £ |
|---|---|---|---|---|
| **COST** | | | | |
| At 1 April 2024 | 918,914 | 881,384 | 338,533 | 2,138,831 |
| Additions | - | 28,923 | 11,590 | 40,513 |
| Disposals | - | (10,000) | - | (10,000) |
| At 31 March 2025 | 918,914 | 900,307 | 350,123 | 2,169,344 |
| **DEPRECIATION** | | | | |
| At 1 April 2024 | 827,254 | 519,830 | 299,936 | 1,647,020 |
| Charge for the year | 18,764 | 61,888 | 2,090 | 82,742 |
| Disposals | - | (10,000) | - | (10,000) |
| At 31 March 2025 | 846,018 | 571,718 | 302,026 | 1,719,762 |
| **NET BOOK VALUE** | | | | |
| At 31 March 2025 | 72,896 | 328,589 | 48,097 | 449,582 |
| At 31 March 2024 | 91,660 | 361,554 | 38,597 | 491,811 |

| Association | Freehold Land & Buildings £ | Furniture, Fixtures & Fittings £ | Lift £ | TOTAL £ |
|---|---|---|---|---|
| **COST** | | | | |
| At 1 April 2024 | 918,914 | 841,390 | 338,533 | 2,098,837 |
| Additions | - | 21,496 | 11,590 | 33,086 |
| Disposals | - | (2,487) | - | (2,487) |
| At 31 March 2025 | 918,914 | 860,399 | 350,123 | 2,129,436 |
| **DEPRECIATION** | | | | |
| At 1 April 2024 | 827,254 | 498,739 | 299,936 | 1,625,929 |
| Charge for the year | 18,764 | 58,283 | 2,090 | 79,137 |
| Disposals | - | (2,487) | - | (2,487) |
| At 31 March 2025 | 846,018 | 554,535 | 302,026 | 1,702,579 |
| **NET BOOK VALUE** | | | | |
| At 31 March 2025 | 72,896 | 305,864 | 48,097 | 426,857 |
| At 31 March 2024 | 91,660 | 342,651 | 38,597 | 472,908 |

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## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 12. INVESTMENT PROPERTIES

| Group and Association | 2025 | 2024 |
|---|---|---|
| | £ | £ |
| At 1 April | 1,570,000 | 1,570,000 |
| Increase in fair value | - | - |
| At 31 March | 1,570,000 | 1,570,000 |

Investment properties were valued as at 31 March 2021 by Innes England. The valuation of the group's properties was carried out in accordance with the Royal Institute of Chartered Surveyors ("RICS") Professional Standards UK January 2014 and with particular regard to Financial Reporting Standard 102 and the Social Housing Statement of Recommended Practice.

### 13. FIXED ASSET INVESTMENTS

**Association**

**Investment in subsidiary company**

The company owns the whole of the ordinary share capital (1 ordinary share of £1) of Y Leisure Limited. The company is incorporated in Great Britain and registered in England and Wales and has been established to carry on trading activities on the Association's behalf. Its registered office is set out on page 1.

Y Leisure Limited operates a bar for the use of patrons of the Association and members of the public. The company will gift aid any taxable profits to YMCA Leicestershire. A summary of its trading results is shown below:

| | 2025 | 2024 |
|---|---|---|
| | £ | £ |
| **Profit and loss account** | | |
| Turnover | 101,502 | 87,433 |
| Cost of sales | (58,132) | (46,551) |
| Gross profit | 43,370 | 40,882 |
| Administrative expenses | (11,065) | (10,511) |
| Profit on ordinary activities before and after tax and retained | 32,305 | 30,371 |
| **Capital and reserves** | 73,983 | 41,678 |

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## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 13. FIXED ASSET INVESTMENTS (continued)

| | 2025 £ | 2024 £ |
|---|---|---|
| **Group and Association** | | |
| **Other investments – listed at fair value** | | |
| At 1 April | 476,714 | 439,178 |
| Additions | 42,805 | 65,315 |
| Disposals | (41,892) | (59,582) |
| Realised gain on disposal | - | 138 |
| Unrealised gain/(deficit) | 4,744 | 31,665 |
| At 31 March | 482,371 | 476,714 |
| Historical cost | 380,111 | 379,240 |

### 14. STOCKS

| | Group | | Association | |
|---|---|---|---|---|
| | 2025 £ | 2024 £ | 2025 £ | 2024 £ |
| Goods for resale | 4,772 | 4,994 | - | - |

### 15. DEBTORS

| | Group | | Association | |
|---|---|---|---|---|
| | 2025 £ | 2024 £ | 2025 £ | 2024 £ |
| Housing debtors | 370,348 | 186,014 | 370,348 | 186,014 |
| Other trade debtors | 27,469 | 268,925 | 46,610 | 268,925 |
| Bad debt provision | (15,190) | (18,940) | (15,190) | (18,940) |
| Taxation (VAT) | - | 11,237 | - | 11,237 |
| Amount owed from subsidiary company | - | - | - | - |
| Other debtors | 4,409 | 1,856 | 4,409 | 1,856 |
| Prepayments & accrued income | 104,594 | 66,698 | 104,594 | 66,698 |
| | 491,630 | 515,790 | 510,771 | 515,790 |

Amounts written off housing debtors in the year amounted to £nil (2024: £5,772).

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## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 16. CREDITORS Amounts falling due within one year

| | Group | | Association | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | £ | £ | £ | £ |
| Trade creditors | 261,027 | 259,306 | 276,202 | 253,778 |
| Bank loan | 0 | 20,834 | 0 | 20,834 |
| Taxation & Social Security | 37,162 | 51,203 | 34,343 | 48,445 |
| Accruals | 101,033 | 69,347 | 101,033 | 69,347 |
| Deferred income | 224,453 | 243,100 | 224,453 | 243,100 |
| Amount owed to subsidiary company | - | - | 19,141 | 17774 |
| Other creditors | 12,549 | 11,455 | 10,154 | 9,060 |
| Deferred capital grant (see note 17) | 159,212 | 183,176 | 159,212 | 183,176 |
| | 795,436 | 838,421 | 824,538 | 845,514 |

### 17. CREDITORS Amounts falling due after one year

| | Group | | Association | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | £ | £ | £ | £ |
| Bank loan | 575,000 | 238,970 | 575,000 | 238,970 |
| Deferred capital grant | 1,689,149 | 1,833,782 | 1,689,149 | 1,833,782 |
| | 2,264,149 | 2,072,752 | 2,264,149 | 2,072,752 |

The bank loan is secured by a legal charge over 7 East Street Leicester, LE1 6EY.

| Deferred capital grant | Group and Association | |
|---|---|---|
| | 2025 | 2024 |
| | £ | £ |
| As at 1 April | 2,016,958 | 2,203,886 |
| Amortisation | (168,597) | (186,928) |
| As at 31 March | 1,848,361 | 2,016,958 |
| Less: due in less than one year | (159,212) | (183,176) |
| Due after more than one year | 1,689,149 | 1,833,782 |

| Bank Loan | Group and Association | |
|---|---|---|
| | 2025 | 2024 |
| | £ | £ |
| Amounts falling due by instalments after more than five years | 510,974 | 58,417 |

Repayment terms being monthly over a 10-year term at an interest rate of 6.05% pa (2024: 6.98%). Loan terms to be reviewed after 10 years in December 2034.

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**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

## 18. PENSION PROVISION

| Group and Association | YMCA Pension | |
|---|---|---|
| | 2025 | 2024 |
| | £ | £ |
| 1 April | 116,836 | 335,910 |
| Paid in the year | (48,269) | (57,664) |
| Unwinding of discount (Note 7) | 7,991 | 10,077 |
| Change in funding deficit arrangements | 15,249 | (171,487) |
| 31 March | 91,807 | 116,836 |

YMCA Leicestershire 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 Leicestershire and at the year-end these were invested in the Mercer Dynamic De-risking Solution, 65% matching portfolio and 35% in the growth portfolio and Schroder (property units only).

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

The Pension Plan was closed to new members and future service accrual with effect from 30 April 2007. With the removal of the salary linkage for benefits all employed deferred members became deferred members as from 1 May 2011.

The valuation prepared as at 1 May 2023 showed that the YMCA Pension Plan had a deficit of £9.1 million. The Association has been advised that it will need to make monthly contributions of £4,022 from 1 May 2024. This amount is based on the current actuarial assumptions (as outlined above) and may vary in the future as a result of actual performance of the Pension Plan. Agreed future deficit contributions have been discounted using a rate of 6.05% (2024: 6.73%). The current recovery period is 3 years commencing 1st May 2024.

| | Repayable | | | | | |
|---|---|---|---|---|---|---|
| | Within one year | One to two years | Two to five years | After five years | After more than one year | Total |
| As at | £ | £ | £ | £ | £ | £ |
| **31 March 2025** | 45,515 | 42,919 | 3,373 | - | 46,292 | 91,807 |
| **31 March 2024** | 40,521 | 37,966 | 38,349 | - | 76,315 | 116,836 |

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

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 19. RESERVES: movements in the year

| Group | At 1 April 2024 £ | Income £ | Expenditure £ | Transfers £ | At 31 March 2025 £ |
|---|---|---|---|---|---|
| **Unrestricted funds:** | | | | | |
| General reserve | 2,930,181 | 3,849,656 | (3,830,342) | (152,470) | 2,797,025 |
| Non-charitable reserve | 41,677 | 101,502 | (69,197) | - | 73,982 |
| **Other reserves** | | | | | |
| Fair value | 475,827 | 9,126 | - | - | 484,953 |
| **Designated reserves** | | | | | |
| New opportunities fund | 4,385 | - | - | - | 4,385 |
| Property repair & replacement | 79,000 | - | (84,308) | 93,308 | 88,000 |
| Fixed assets | 115,000 | - | (42,303) | 18,304 | 91,001 |
| **Total unrestricted funds** | 3,646,070 | 3,960,284 | (4,026,150) | (40,858) | 3,539,346 |
| **Restricted funds:** | | | | | |
| Y – Support Project | - | 99,051 | (108,115) | 9,064 | - |
| Y – Support (Ralph Hale) | 314 | - | - | (314) | - |
| Cold Weather Cafe | 2,238 | - | - | (2,238) | - |
| NOF (sports equipment) | 1,485 | - | (148) | - | 1,337 |
| Heritage Lottery | - | 57,283 | (96,302) | 39,019 | - |
| Historic England | - | 3,018 | (3,018) | - | - |
| Cadent - Residents Education | - | 15,634 | (12,468) | (3,166) | - |
| NHS LLR ICB – Mental Health | - | 50,000 | (48,493) | (1,507) | - |
| **Total restricted funds** | 4,037 | 224,986 | (268,544) | 40,858 | 1,337 |
| **TOTAL FUNDS** | 3,650,107 | 4,185,270 | (4,294,694) | - | 3,540,683 |



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## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 19. RESERVES: movements in the year *(continued)*

**Transfers**

The transfer from restricted funds amounting to £40,938 to non-housing activities general reserve is to reflect the Charity's support for the activities delivered by these restricted funds.

The Board members have reviewed the designated funds at the year-end which are separate to general reserves of the Group within the unrestricted funds. Accordingly, the appropriate transfers have been made to represent the decision made with respect to designated funds.

Restricted reserves relate to monies received, only to be expensed against the specific project that the monies were intended for. Below is a brief description of each restricted reserve;

- Y-Support Project – Local Authority grant for a day centre drop-in service for vulnerable and street homeless people. The Ralph Hale reserve was a donation to the project for equipment. The Cold Weather Café donation is for the provision of hot meals during the winter months.
- The New Opportunities Foundation (NOF) grant was used for the sports hall fittings which is now classed as investment property.
- Heritage Lottery – Grant funding for a 3 year project to engage vulnerable and disadvantaged young people to the arts and heritage sector. Ended during the year.
- Historic England – to develop and deliver education programmes to engage residents via the cultural arts.
- Cadent – to develop and deliver an educational scheme to residents on saving energy usage via independent living skills.
- NHS LLR ICB (Mental Health) – NHS grant to continue the work of Complex Needs coaches providing help and support for young people with complex mental health issues.

### 20. CAPITAL COMMITMENTS

Capital expenditure approved by the Board of Directors amounted to:

| | Group | | Association | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | £ | £ | £ | £ |
| Contracted | - | 9,649 | - | 9,649 |

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## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 21. COMMITMENTS UNDER OPERATING LEASES

The operating leases include a new electric van for operations, copying and printing equipment and software across the multi-sited organisation. At 31 March 2025 the total future commitments under non-cancellable operating leases were as follows:

| Group and Association | Other | |
|---|---|---|
| | 2025 | 2024 |
| | £ | £ |
| Within one year | 322,768 | 138,624 |
| Within 2 to 5 years | 663,767 | 532,960 |
| | 986,535 | 671,584 |

### 22. RECONCILIATION OF SURPLUS AFTER TAX TO NET CASH GENERATED FROM OPERATIONS

| | 2025 | 2024 |
|---|---|---|
| | £ | £ |
| Surplus for the year | (109,424) | 309,026 |
| Adjustments for: | | |
| Depreciation of tangible fixed assets | 301,227 | 311,231 |
| Amortisation of intangible fixed assets | 3,816 | 3,816 |
| Grant amortisation | (168,597) | (186,928) |
| Interest and dividends receivable | (17,278) | (16,862) |
| Interest payable | 31,413 | 31,797 |
| Fair value deficit/(gain) on investments | (4,744) | (31,803) |
| Operating cash flow before movements in working capital | 36,413 | 420,277 |
| (Increase)/Decrease in stocks | 222 | (1,177) |
| (Increase) in debtors | 24,160 | (153,603) |
| (Decrease)/Increase in creditors | 1,813 | (30,604) |
| (Decrease) in provisions | (25,029) | (219,074) |
| **Cash generated from operations** | 37,579 | 15,819 |

### 23. CASH AND CASH EQUIVALENTS

| | Group | | Association | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | £ | £ | £ | £ |
| Cash and cash equivalents represent: | | | | |
| Cash at bank | 989,784 | 701,787 | 953,259 | 691,099 |

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## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 24. ANALYSIS OF CHANGES IN NET DEBT

| | At 1 April 2024 £ | Cash flows £ | Other non-cash changes £ | At 31 March 2025 £ |
|---|---|---|---|---|
| **Cash and cash equivalents** | | | | |
| Cash | 701,787 | 287,997 | - | 989,784 |
| | 701,787 | 287,997 | - | 989,784 |
| **Borrowings** | | | | |
| Bank loan | | | | |
| Debt due within 1 year | (20,834) | 20,834 | - | - |
| Debt due after 1 year | (238,970) | (336,030) | - | (575,000) |
| | (259,804) | (315,196) | - | (575,000) |
| **Total** | 441,983 | (27,199) | - | 414,784 |

### 25. RELATED PARTY TRANSACTIONS

There were no related party transactions to disclose for the year ended 31 March 2025 or in the previous year.

**YMCA LEICESTERSHIRE**

England & Wales - Charity number 213513

# Accounts

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YMCA LEICESTERSHIRE

Here for young people
Here for communities
Here for you

# YMCA LEICESTERSHIRE
# FINANCIAL STATEMENTS
# FOR THE YEAR ENDED
# 31 MARCH 2024

**Company Registration No: 00159933**
**Charities Commission No. 213513**
**Regulator of Social Housing No. H2381**

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YMCA LEICESTERSHIRE

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# FINANCIAL STATEMENTS
# YEAR ENDED 31 MARCH 2024

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YMCA LEICESTERSHIRE

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# FINANCIAL STATEMENTS
# YEAR ENDED 31 MARCH 2024

## MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS

| | |
|---|---|
| **The members of the Board** | Ms H E Robertson<br>Mr P Hawkins<br>Mr T Moore<br>Ms E Hollis<br>Ms E Ling<br>Ms C Clifton<br>Mr D Glover<br>Ms L Capell<br>Ms F Wong<br>Ms J L Mackay<br>Mr R A Graves |
| **Company secretary** | Mr P Brown |
| **Registered office** | 7 East Street<br>Leicester<br>LE1 6EY |
| **Auditor** | Forrester Boyd Chartered Accountants<br>26 South Saint Mary's Gate<br>Grimsby<br>DN31 1LW |

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**FINANCIAL STATEMENTS**
**YEAR ENDED 31 MARCH 2024**

# MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

## INTRODUCTION

The Board have pleasure in presenting their annual report, together with the audited financial statements of the group for the year ended 31 March 2024. This report contains a Directors' Report as required by company law.

## REFERENCE AND ADMINISTRATIVE INFORMATION

**Registered name** YMCA Leicestershire (changed 07/10/22)

**Known as** YMCA Leicestershire

**Charity registration number** 213513

**Company registration number** 00159933

**Regulator of Social Housing number** H2381

**Registered Office and main address** 7 East Street, Leicester, LE1 6EY

**Auditor** Forrester Boyd Chartered Accountants, 26 South Saint Mary's Gate, Grimsby, DN31 1LW

**Principal bankers** HSBC, 2-6 Gallowtree Gate, Leicester, LE1 1DA

**Investment advisors** Brewin Dolphin Limited, Waterfront House, 35 Station Street, Nottingham, NG2 3DQ

## Board and Committee Members

The following persons have served The Y during the year –

Ms H E Robertson – Chair (elected 06.12.2023)
Ms K Hamylton (resigned 06.12.2023)
Mr P Hawkins – Vice Chair
Mr T Moore - Treasurer
Mr R Brannen (resigned 06.12.2023)
Ms E Hollis
Ms E Ling
Ms C Clifton
Mr D Glover
Ms L Capell
Ms F Wong
Ms J L Mackay
Mr R A Graves

The following directors retire by rotation and being eligible offer themselves for re-election: Ms F Wong, Ms E Ling and Mr P Hawkins.

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**FINANCIAL STATEMENTS**
**YEAR ENDED 31 MARCH 2024**

# MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

## Qualifying third party indemnity insurance

The Association has made qualifying third-party indemnity provisions for the benefit of its board members during the year. These provisions remain in force at the reporting date.

**Secretary**: Paul Brown

## Executive Team (as at 31.3.24):

| | |
|---|---|
| Paul Brown | Chief Executive |
| Tom Lin | Deputy Chief Executive/Finance Director |
| Nicola Thompson-Windley | Director of People, Policy & Culture |
| Juanita Rhodes | Director of Housing |
| Jennie Skelding | Director of Residential Care Services (RI) |

## Management Team (as at 31.3.24):

| | |
|---|---|
| Lizzie Clark | Executive Assistant |
| Hannah Williamson | HR Manager |
| Nuala Facey | Housing Support Manager |
| Donna Pole | Housing Support Manager |
| Mayur Vaghela | Housing Support Manager |
| Emma Knight | Fundraising and Communications Manager |
| Hannah Torrance | Theatre & Events Manager |
| Sean Langley | Property & Maintenance Manager |
| Kate Beaumont | Y-Support Manager |
| Juliet Martin | Heritage Project Manager |
| Louise Jordan | Registered Manager (Children's Home) |
| Hannah Deignan | Advantaged Thinking Lead |
| Jess Strutt | Complex Needs Manager |

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**FINANCIAL STATEMENTS**
**YEAR ENDED 31 MARCH 2024**

# MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Governing Document

YMCA Leicestershire was founded in 1883. It is a charitable company limited by guarantee, incorporated in 1919 and registered as a charity in 1966. The Association was established under a Memorandum of Association which established the objects and powers of Association and is governed under its Articles of Association. In the event of the Association being wound up members are required to contribute an amount not exceeding £0.01 (one penny).

The Association is also a Registered Provider of Social Housing (RP). Therefore, the Association's Accounts must be prepared in accordance with Housing legislation and the Housing Statement of Recommended Practice (SORP) which overrides the requirements of the Charities SORP.

### Recruitment and Appointment of Board Members

Board members are the directors of the Association and are also charity trustees for the purposes of charity law. Under the requirements of the Memorandum of Association and Articles of Association Board members are elected to serve on the Board. A proportion of Board members retire at every Annual General meeting (AGM) and are eligible for re-election.

Due to the nature of the Association, elected Board members must sign a form of commitment to YMCA England & Wales' Ethos Statement and Membership Agreement. This effectively means that elected Board members must be practising Christians. In addition, the Board may co-opt additional directors who are not practising Christians but support the Ethos Statement of YMCA England & Wales.

Recruitment of Board members is through advertising in appropriate media together with approaches to known interested individuals. Consideration is given to achieve a mix of skills amongst its Board members that will complement the individual departments within the Association.

### Board Member Induction and Training

Potential new Board members are given an induction pack which provides information on the Association's services, its constitution and financial position, together with their legal obligations.

Potential Board members are then invited to meet existing Board members and subsequently the Management Team. The induction process is tailored to individual needs.

### Organisational Structure

The Board meet quarterly and is responsible for overseeing the strategic direction and management of the Association. In addition, there is a Resources Committee (covering Finance, HR and Asset Management / Maintenance which meet quarterly).

The Chief Executive together with his Directorate and Management Team has day to day responsibility for the management and delivery of services.

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**FINANCIAL STATEMENTS**
**YEAR ENDED 31 MARCH 2024**

# MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

## STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Related Parties

The Association wholly owns Y Leisure Limited which consists of the trading activities of the charity. The principal activities of Y Leisure are the provision of a bar. The profits of Y Leisure are distributed via gift aid to YMCA Leicestershire.

## STRATEGIC REPORT

Risk Management

The members of the Board have considered the risks faced by the Association and Group through a risk analysis exercise. Policy and procedural implementation have taken place and a critical analysis of the organisation's management structure completed.

### Key risks and uncertainties

The Association have considered the key risks and uncertainties it faces over the coming year and has identified these as;

1. Park House Children's Home fails to maintain its Ofsted rating of Good, therefore impacting on our relationship with placement authorities, their confidence in YMCA Leicestershire as a provider and resulting occupancy levels;
2. Failure to identify a suitable property to set up a second children's home;
3. Failure to recruit suitable staff to manage and deliver residential care within the second children's home;
4. The inability to make substantial investments in the public areas within East Street, therefore impacting on theatre audience and community group experience;
5. Failure to mitigate risks as identified in the organisation's Risk Register;
6. Wage inflation and our ability to award pay increments;
7. Not being in a position to pay the National Living Wage;
8. Ability for the organisation to grow within the challenging economic environment;
9. Failure to meet new Ofsted regulations for the accommodation of 16/17-year-olds, thus resulting in the withdrawal of CYPS Contracts;
10. Failure to review and potentially appoint a Business Development Director, therefore impacting on grant applications and business growth;
11. Unsuccessful Heritage Lottery bid, resulting in curtailment of our Heritage work with young people;
12. Our commitment to supporting young people to become Board members failing due to a lack of clarity at Board level.

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# MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

## STRATEGIC REPORT (continued)

### Housing

Our housing operation continues to provide high-quality support and accommodation to young people. We continue to experience growing numbers of young people impacted by adverse mental health and this in turn creates additional pressures on an already stretched staff team. In September 2024, we appointed a new Director of Housing following the resignation of the previous Director in November 2022. Although we had to advertise the post twice, the new Director comes from a Local Authority commissioning background and was familiar with YMCA Leicestershire.

With the Local Authority budget challenges, we continue to have real issues with move-on accommodation for young people which results in bed blocking and increasing levels of frustration for our young people.

The year also saw us appoint two new complex needs workers and welcome back the team manager who had been on adoption leave.

We were subject to a quality assurance process conducted by Leicester City Council, this meant we had to submit a number of documents and officers visited sites as part of the audit. I am happy to report that we met the standard.

By far the biggest challenge this year was preparing for the new Ofsted regulations on accommodating 16-17-year-olds. As part of us meeting the new regulatory standards, the Registered Individual from Park House was seconded to the housing department 2 days a week (in the absence of the Director of Housing) to ensure we were regulatory compliant and all policies, procedures, and practices were up to date and fit for purpose.

### Residential Children's Services

Park House is now in its sixth year and has moved from an Ofsted grading of Requires Improvement to Good. The achievement of this grading is a testament to the hard work of the Register Individual and the Registered Manager. This puts the home in a good position going forward as a number of placement authorities have a policy to only place young people in services that are rated as Good as a minimum.

During the early part of the year, the home had a solo placement due to the specific needs of the young person. This enabled the team to focus their attention on providing the high level of support needed to enable the young person to transition to independent supported living. The service was then closed for two months whilst we carried out substantial refurbishment and staff updated their training matrix.

The house reopened in October 2024 with placements from both the City and County. We have also managed to appoint a new Deputy Manager and Support Worker which brings our staff team up to full complement.

### Theatre

The focus for this year was around building the team to support the goals of the theatre going forward. With the appointment of a new Theatre Manager and Deputy and the return of our Skills Coach, the groundwork for our training programme is underway. Initial sessions have seen strong engagement, including through our participation in BBC's Bring The Drama festival, offering workshops across technical, administration, and performance aspects of theatre.

Plans are underway for the development of the main toilets and washroom facilities following a drainage survey, with the work due to take place in July -August 2025 when the theatre goes 'dark'. Meanwhile the ground floor of the theatre has been redecorated to refresh the space, with the balcony-level scheduled for summer 2024.

The theatre continues to deliver a broad range of shows, growing support and engagement from the local community as well as building relationships with national artists and agents. We have seen over 22,000 people visit the theatre this year. This was particularly reflected in the unprecedented win of Best Large Venue at Leicester Comedy Festival for the third year running as voted for by festival audiences.

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**FINANCIAL STATEMENTS**
**YEAR ENDED 31 MARCH 2024**

# MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

## STRATEGIC REPORT (continued)

### Your Heritage Your Future

Following the successful 2018 Y Heritage project that generated local heritage work placements for young people in Leicester/shire *Your Heritage, Your Future (YHYF)* has been funded for a development phase to promote youth voice and generate organisational change within the heritage sector. Through paid placements, skills development and progression opportunities for young people, including those with complex needs, the project will diversify the museum workforce and transform how museums engage with everyone.
In partnership with colleagues from Norfolk Museum Service we have been piloting the National Lottery Heritage Funded project from June 2023 in two museums across East Midlands and the East of England: Leicester Museum & Art Gallery and True's Yard Museum in Norfolk have hosted a young trainee on a six month paid placement, both traineeships have been monitored and supported and both young people have gone on to achieve new opportunities, learn new skills and see themselves as part of a wider community.

### Day Centre

During the year, the Day Centre continued to deliver critical services to street homeless and those in vulnerable housing. Although we had hoped that the service would have been relocated into the new Homelessness Hub, this has not materialised for a number of reasons; mainly due to the City Council being unable to secure a contractor within their limited budget. Day Centre services still include working in partnership with the Homelessness Mental Health Services which are part of Leicestershire NHS Partnership Trust and we are grateful for their continued support both financial and operational. We have continued our work with Turning Point (Drug and Alcohol Service), St Mungo's (Education and Work Coaching) and Trade (Sexual Health Service). We have also continued to work with Fare Share, which helps us to provide food parcels to some of our most vulnerable service users. This partnership has also enabled us to set up our Staff Pantry as we are aware that with the current cost of living crisis, some staff were struggling to make ends meet. This initiative has proved extremely beneficial. It has been running for 49 weeks and provided 953 bags of food to 77 different individuals.

### HR

The HR team has implemented several new and exciting developments over the year. These have included the implementation of Birthday Leave and Long Service leave, new On-Call and Overtime Policies, the redrafting of our Menopause Policy alongside updating several policies as part of the requirements for the Quality Assurance inspection and Ofsted.
Other initiatives the team introduced include new employee welcome cards and a non-cash benefits package. The department also issued new employee contracts to all staff ensuring we were legally compliant with new legislation. The ongoing development of our menopause group and subsequent policy development received well-earned recognition during the year with YMCA England & Wales using our policy as a basis to develop their own.

### Operations

The Operations department has continued to ensure our buildings are fit for purpose and that we comply with all health and safety regulations and codes of practice.
Unfortunately, our lift broke down in November 2023 and repairs took 6 months at considerable costs. The year saw the team redecorate the theatre (lower floor), carry out a full refurbishment of Park House and replace several floors in the flats at Aylestone. The team also played a critical part in our Housing Quality Assurance inspection ensuring we meet all Health & Safety requirements. We also continued our journey to be a company fully aware of our commitment to the environment and sustainability with the purchase of a new van for the team which is electrically powered.

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# MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

## STRATEGIC REPORT (continued)

### Sports Health and Fitness

The investment last year into the development of the new Fitness Studio has proved a real asset to both residents and staff with many regular users. A group of seven staff used the studio to raise their fitness levels as they intend to compete in a local Wolf Run in June 2024. The studio has also been used to divert young people from serious violence into positive activities and as a therapeutic space to develop 1-2-1 work with young people.
We had hoped that our community groups would access the facility, especially our senior citizen's table tennis group, unfortunately this has not happened regularly.

### Governance

The year saw the resignation of Kathryn Hamylton who had been Chair for 13 years and the appointment of Hayley Robertson who took over after spending a year shadowing Kathryn. Hayley takes over as Chair at an exciting time as we are looking to create opportunities for young people to become Trustees through the 'Get on Board' project.
In September 2023, the Trustees held a Development Day where they agreed to adopt the Foyer Federation asset-based Advantaged Thinking Model of service design and delivery for young people. Trustees also undertook the Clifton Strengths, as did the Executive team which is a tool developed by The Gallup Organisation and helps individuals discover their top five strengths, it can also help organisations improve company culture and performance.

### Marketing and Fundraising

The Marketing and Fundraising team had a challenging year mainly due to the fact they were working without a Digital Marketing Officer (due to a vacancy). However, they still organised our second Sleep Easy which had over 50 people take part and raised £26k towards our work with young people.
We also participated in the Big Give Christmas appeal this year and raised a total of £28k. Given the constraints the team were working under these achievements were extremely credible.

### Multi-employer defined benefit pension scheme

YMCA Leicestershire recognises possible concern relating to its participation in a defined benefit pension scheme. Appropriate action has been taken: The scheme was closed to new members in 2007, and the link to final salary broken in 2011. Additional contributions continue to be made to reduce the deficit. As part of the YMCA federation, the multi-employer pension scheme is run by an independent Trustee board with employer representation through the Principal Employer, National Council of YMCAs.

The pension scheme Trustee obtains an actuarial valuation every three years and we have considered the implications to the charity's finances from the latest available actuarial valuation. We have reviewed the charity's ability to continue to deliver its charitable objectives by ensuring budgets, forecasts and plans are available and include the impact of deficit repayments. The pension scheme Trustee included the impact of pension scheme deficit repayments in considering going concern status, reserves, and the risks and uncertainties that the charity face noted elsewhere in this Report.

YMCA Leicestershire benefits from the pension scheme Trustee and the Principal Employer seeking suitable specialist professional advice both to manage the scheme and in the continuing effort to explore ways of reducing the overall pension deficit. The notes to the Accounts include an accounting policy and further details in note 18.

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# FINANCIAL STATEMENTS
# YEAR ENDED 31 MARCH 2024

## MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

## STRATEGIC REPORT - Looking Forward (24/25)

### Housing

Nationally, there is a real shortage of social housing. Leicester is no different and as such options for young people to secure tenancies outside of the private sector is limited. This leads to bed blocking and young people who have aged out of the service being able to move into independent accommodation. Our strategy to increase provision will include the securing of high-quality affordable studios and 1-bedroom flats where we can act as the landlord and sublet to young people who are ready for independence.

Therefore, our strategic housing focus for 2024/5 will be on 5 key elements:

(i) Increasing our service provision through identifying and securing additional properties.

(ii) Meeting the new Ofsted Standard for the accommodation of 16-17-year-olds.

(iii) Fully implementing our new Housing Management System 'In Form'.

(iv) Securing a contract with the County Council to deliver supported accommodation to UASC.

(v) Reviewing our cost base, ensuring we are competitively placed within the sector.

In order to achieve the above we will need to work with key partners and stakeholders ensuring that they are supportive of our development plans and will work with us to achieve them.

### Residential Care

We will prioritise maintaining our Ofsted grading of Good and strive towards gaining an Outstanding judgment. We will also actively look to purchase a property and set up a second residential home in the county, therefore expanding our service in line with our commitment to the 'Staying Close Agenda'. Based on the growing need, we will also consider the option of offering a therapeutic element to the service as we are aware that commissioners see this as an increasing need. This would entail the appointment of a therapist which would not only enhance our team but also the service and support we would be able to offer.

### Governance & Young People

Through the 'Get on Board' programme we will support two young people to develop the skills and knowledge to become Trustees of the organisation. This will entail the potential restricting of meetings, ensuring that the young people feel fully engaged and able to make a real contribution to the governance of the organisation.

We will also provide real employment opportunities for residents / ex-residents through our customer service team to have 25% of the team recruited from our resident base.

### Human Resources

The purchase and implementation and migration of a new HR Management System will be the priority of the HR team alongside the continued development of our culture and open and transparent communication. The team will look to provide staff with the option for direct feedback through 'ViewPoint'. We will review our recruitment and retention processes, ensuring that we make YMCA Leicestershire an organisation that people want to work for as it is clear that we value and remunerate our people appropriately. We will also support all managers and senior staff undertaking the Clifton Strengths process.

### Marketing and Communication

We will hold our annual 'Sleep Easy' at the Walkers Stadium this year which will be our third. We will also participate in this year's Big Give and hold a fundraising Golf Day in partnership with Gallagher's Insurance. The department has been given challenging income targets this year so there will be a focus on new fundraising income streams that are developed within an Advantaged Thinking framework.

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**FINANCIAL STATEMENTS**
**YEAR ENDED 31 MARCH 2024**

## MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

### STRATEGIC REPORT - Looking Forward (24/25) (continued)

#### Your Heritage Your Future

Should we be successful with our funding application; in year 1 13 museums will offer 6 month traineeships and 3 month pre-traineeships to young people with complex needs. Each trainee will be carefully matched to the museum through a YMCA or local youth organisation. Each trainee will work 10 hours a week to encourage them into the workplace whilst not interfering with their benefits. Each trainee will work in the museum to an agreed workplan, which may include community engagement, learning, curatorial work, front of house, commercial services, marketing or any other area of the museum's core work. Each trainee will also be provided with a budget that they can use to deliver a project, which may include activities for other young people.

Through the delivery of this project it is also hoped that some young people may wish to take up a bursary opportunity, either in the partner museum they have completed a traineeship in or at another museum. In all cases, there will be an expectation for the partner museums to provide opportunities for the trainees to progress through the tried-and-tested Player, Shaper, Leader framework. Trainees will be supported by the five new Regional Heritage Engagement Workers the project will recruit and who will be based across the two regions.

#### Theatre and Arts

The theatre will continue to grow its artistic programme, seeking to attract big names while also working with, by and for our local community. We will be joining the foremost Midlands development network In Good Company to grow our support for new and emerging artists in the Midlands, working with other venues to offer bigger opportunities than we could offer alone. We will also open up our space to local community groups, looking for opportunities to work with them to develop our community offer, including amputee sports and rehearsal space.

Our commitment to learning and employment opportunities for our young people will grow. The successful bid from Historic England will see us host our Hidden Gems project throughout the year, working with our young people and the community to explore the heritage of the building and the history of Leicester, culminating in a curated sharing in April 2025.

We will also become an Arts Award Centre allowing us to evidence to them the value of the work the young people put in to both the Hidden Gems project and their engagement with us, and the skills they have developed through this.

We will also begin offering front of house roles to current and ex-residents to support them in gaining skills and experience in an industry setting while offering flexible and trauma-informed support. We hope to extend this to technical roles following development of our training programme into 25-26.

#### Advantaged Thinking

The organisation has made both a strategic and operational decision to adopt Advantaged Thinking which is an asset-based model of service design and delivery developed by the Foyer Federation. As such, a senior member of staff has been tasked to implement Advantaged Thinking across the whole organisation which will entail the development of individual departmental action and implementation plans. As an organisation, we truly believe that Advantaged Thinking will improve us as a service and support our commitment to empowering young people.

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**FINANCIAL STATEMENTS**
**YEAR ENDED 31 MARCH 2024**

# MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

## STRATEGIC REPORT (continued)

| | |
|---|---|
| **Vision** | Our vision is for every young person to have a safe place to call home and the support they need to create lasting change in their lives. |
| **Mission** | Our mission is to create supportive and inspiring places where young people and communities can belong, contribute and thrive. We do this through accommodation, care, support, advice, skills for life, theatre and cultural activities. |
| **Purpose statement** | *Everyone should have a fair chance to discover who they are and what they can become.* |
| | **Values** |
| **We welcome** | We work with kindness and integrity so that everyone can feel secure, respected and heard |
| **We support** | We build trusting relationships and nurture personal strengths to help people find their path to independence |
| **We empower** | We work alongside people to grow their skills and self-belief to enable them to thrive |
| **We enrich** | We create inspiring activities that give people a sense of connection and wellbeing |
| **We seek out** | We look for opportunities to collaborate and make an impact in the communities we serve |

### Strategic Measures

We will achieve this by:

1. Investing in our buildings, ensuring they are safe, accessible and fit for purpose whilst challenging the general perception of 'supported accommodation'.
2. Being an organisation that has the needs and aspirations of young people at its core.
3. Being a Learning Organisation that is committed to encouraging sharing of information and knowledge, whilst asking challenging questions that will ensure continual reflection and regeneration.
4. Consistently evaluating what we do, how we do it and the impact on the lives and aspirations of our communities.
5. Keeping abreast of the political, economic, social, technological and environmental agenda, ensuring a flexible approach to services in a complex and dynamic environment.
6. Being an organisation that supports the added value and benefits of cultural activities and engagement.
7. Ensuring sustainability through income generation of unrestricted funds.
8. Investing in our people, ensuring they have the necessary skills, knowledge and attitudes, to deliver high quality services.
9. Creating an environment that enables children to grow and thrive.
10. Maintaining and working within clear and prudent financial guidelines.
11. Being environmentally aware and responsible.

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# MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

## STRATEGIC REPORT (continued)

### ACTIVITIES

The Y is a multi-faceted Association and Group and operates in the following fields:

#### Housing

YMCA Leicestershire provides supported housing for 109 young single homeless people 78 of which is part of Leicester City Councils' commissioned service. The accommodation is split over five sites; East Street (49 bed spaces) and Aylestone (35 bed spaces) providing accommodation to young people aged 16 – 25.

In addition, we have three move-on properties providing a total of 15 beds, two 5-bed house accommodating Unaccompanied Asylum-Seeking Children, and an additional property providing residential child care services.

The Housing department works in a holistic way and sees the provision of accommodation as just one element of its role. Other elements include help with claiming benefit, support in accessing community care grants, basic personal hygiene, education, informal counselling, problem solving, accessing appropriate medical support and empowering the young person to move on to semi/independent living.

Many of the young people that live within YMCA Leicestershire come from 'difficult' backgrounds, some have recently left care or prison, and others have been in abusive relationships, have special educational needs, suffer from low self-esteem or find themselves isolated from friends and family due to society's expectations and their inability to meet those expectations. For these young people it is essential that the staff form no judgements but work with them on a basis of mutual trust and respect, empowering them to gain the skills necessary to live, work and communicate with others.

#### The Y Support Project

The Y Advice and Support Centre (YASC) is a direct access day centre for homeless and vulnerably housed people based in Leicester. The centre provides access to information and advice on housing, benefits advice and access to primary healthcare. In addition, the centre provides practical support with free food and drink.

#### Community Arts

The Y Theatre is the oldest theatre within Leicester. Opened in 1900 the theatre is the one aspect of our core business that makes The Y truly different from most other YMCAs. The Y Theatre offers a varied programme of live music, comedy, performance and community events. Also, on offer are active art and educational workshops aimed at supporting and encouraging the local community, particularly young people to enjoy their creativity and build confidence and develop communication skills.

#### Fundraising

The fundraising team have continued to have an impact on organisational income through fundraising activities. The Big Give Christmas Challenge platform in December made a substantial impact on our fundraising targets and it is planned to have another Sleep Easy event later in the year to support our fundraising initiative. The team will also look to relaunch their Philanthropy Group, engaging Trustees in identifying philanthropic fundraising activities.

YMCA Leicestershire is committed to adhering to the Code of Fundraising Practice and new GDPR regulations throughout the whole fundraising process. The organisation takes any complaints seriously and does not advocate intrusive, persistent or the application of any undue pressure to donate. This is made clear to all commercial partners, volunteers and new members of the fundraising team. There were no fundraising complaints in the year.

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# MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

## STRATEGIC REPORT (continued)

### Environmental Footprint

As part of our commitment to reducing our environmental footprint we are actively assessing our utility usage, and aim to work with Leicester city council via their sustainability agenda to identify innovative practices to reduce our carbon footprint. This year we also purchased an electric powered van for the maintenance team which is in line with our environmental commitment in our business plan.

### Shop Rental

YMCA Leicestershire has seven shop units in the East Street Property all of which are let on leases. In addition, YMCA Leicestershire leases land on Belvoir Drive to three telecommunication companies for the siting of communication towers.

### General

YMCA Leicestershire has core departments of Human Resources, Operations, Finance and Fundraising, Marketing and Communications.

The Human Resources department is responsible for all aspects of HR training and staff development within the organisation. This year we have ensure that all appropriate staff and Trustees have either gone through safeguarding training and safer recruitment training.
The organisation has continued to invest in Hays Online training and as such have access to a range of training courses through their portal.

The Operations Department is responsible for all aspects of asset management, maintenance and health and safety. As part of the Operation department's targets, reduced energy consumption, increased recycling and maintenance planning are an essential part of their overall contribution to business efficiency.

The Finance department is responsible for the overall financial management of income and expenditure as well as the management and implementation of the company's financial procedures. Its approach ensures that the needs of all departments, the organisation as a whole and our funders are met.

The organisation has a comprehensive fraud policy which is managed by the Deputy Chief Executive/ Finance Director.

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**FINANCIAL STATEMENTS**
**YEAR ENDED 31 MARCH 2024**

# MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

## STRATEGIC REPORT (continued)

### Financial Review

YMCA Leicestershire has incurred a consolidated surplus of £309,026 (2023: surplus £16,098), which includes a surplus from Y Leisure of £30,371 (2023: surplus £31,645).

During 2023/24 The Charity received the following large contracts and grants;

| | |
|---|---|
| Leicester City Council Supporting People | £424,349 |
| Leicester City Council Homelessness | £60,487 |
| Leicester, Leicestershire & Rutland ICB – Mental Health | £36,746 |
| Heritage Lottery Fund | £71,389 |
| Leicester, Leicestershire & Rutland ICB – GHIN | £50,000 |

In line with the Reserves policy statement, the organisation still needs to maintain its reserves by achieving a surplus of income over expenditure to ensure that it would meet its liabilities if all contracts ceased. The Board considers that YMCA Leicestershire is in a healthy financial situation, with two maturing housing initiatives (Children's Home and Unaccompanied Asylum-Seeking Children) that will increase our self-generating income stream. Coupled with the continuation of our robust approach to procurement and gains in efficiency via our IT investment, YMCA Leicestershire will aim to generate a surplus to fulfil its commitments.

### Reserves Policy

YMCA Leicestershire requires an appropriate level of reserves in order to operate effectively. The level is set with regard to our aims, needs and objectives and the risks we face. These are sudden cessation or non-renewal of contracts and grants, delay in receipt of funding, and future essential maintenance of properties. The Board of Trustees is of the opinion that reserves in the order of £807,000 are necessary. Free reserves representing unrestricted funds that are not represented by fixed assets used in the Charity's operations were £1,050,521 at 31 March 2024 – this is calculated before accounting for the pension deficit funding liability of £116,836 now included in the financial statements under FRS102, which is actually payable over a further 3.1 years at a monthly rate of £4,022. This policy will be reviewed annually.

### Investment Policy

The Board has delegated to independent investment advisors (page 2) the power to invest funds surplus to requirements in stocks and shares quoted on the London Stock Exchange. Such investments are to provide a combination of income and capital growth. The Resource Committee receive half-yearly reports and review the performance with the advisors. Investment performance for the year is in line with the target set in the investment policy.

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**FINANCIAL STATEMENTS**
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# MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

## STRATEGIC REPORT (continued)

## YMCA Leicestershire Value for Money (VFM) Policy

### 1. Policy Statement

YMCA Leicestershire's Mission Statement, Strategic Objectives, Values and Service Delivery are underpinned by a commitment to value for money.

This policy presents our intentions on what we spend and how we deploy our staff and resources directly with the core values and the service standards we deliver. The Y's performance achievements and customer satisfaction are key elements of this policy. Our strategic objectives are:

- To provide high quality support and accommodation that empowers young people to achieve sustainable independence.
- To support young people to develop skills through access to arts education, employment, training and sports.
- To be a community resource that fully reflects the needs of local people, through the provision of community activities, advice information and advocacy.
- To be fully accessible, promote diversity and challenge discrimination in all its forms.
- To develop good quality partnerships that support service design and delivery and are cost effective.
- To be a proactive organisation that takes measured risks in order to keep abreast of changing needs.

### 2. Value for Money demonstrable expectations

The Regulator of Social Housing (RSH)'s framework for social housing has a specific Value for Money standard. The standard requires that:

- Registered providers articulate and deliver a comprehensive and strategic approach to achieving VFM in meeting organisational objectives.
- Trustees maintain a robust assessment of the performance of all their assets and resources. This will consider the interest of and commitment to stakeholders. This information should be available to stakeholders in a transparent and accessible format.

This means managing resources economically, efficiently and effectively to provide quality service and homes and planning for and delivering ongoing improvements for value for money.

The Board of Trustees meet on a quarterly basis in conjunction with the Resource Committee. The agenda items that will incorporate VFM considerations will be appropriately deliberated and their costs and benefits considered. This includes the generation of any potential returns commensurate to the risk involved.

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# MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

## STRATEGIC REPORT (continued)

### 2. Value for Money demonstrable expectations (continued)

YMCA Leicestershire regularly reviews our contracts for services throughout the organisation and maintains a robust approach to the procurement of goods and services. During 2023/24 The Y's administration team continued to support the organisations' various departments in providing a number of quotes and identifying the most suitable supplier for various single project work throughout the financial year.

It is difficult to assess YMCA Leicestershire's performance against its peers within the region as each YMCA is very different. However, the lottery funded Regional Complex Needs project has enabled The Y to measure its understanding and approach to working with complex young people against 6 other YMCAs within the region. This has achieved a degree of benchmarking as described below.

**Benchmarking**

It is now a requirement to carry out a competitive benchmarking exercise as part of the trustee's annual report. As part of this process trustees have identified 6 regional YMCAs (Heart of England, Burton on Trent, Sutton Coldfield, North Staffordshire, Wellington and District and Lincolnshire). who could be seen as competitors within the Central Region. Each of these YMCAs are delivering a range of similar services to YMCA Leicestershire, all have some form of social housing, community development, sport and support services.

In carrying out the benchmarking exercise the area to be measured is, Supported Housing.

Having carried out a desktop exercise it is clear that if one used the following measures:

- Knowledge and Understanding
- Experience
- Training
- Governance
- Staff skills & awareness

Leicester would be in a position to demonstrate that as part of a benchmarking exercise it would be more than able to show that its supported housing both accommodation and support is competitive in relation to our work with homeless young people.

Within the organisation, the employee appraisal system includes regular performance reviews that include KPIs at an individual and departmental level. This enables the managers of the charity to assess and measure the delivery of the strategic objectives of the organisation.

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**FINANCIAL STATEMENTS**
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# MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

## STRATEGIC REPORT (continued)

### 2. Value for Money demonstrable expectations (continued)

Regulatory reporting on VFM is required by the Regulator of Social Housing from April 2018 and Registered Providers must publish the required evidence in the statutory accounts annually. The required VFM metrics are presented below.

| Regulator of Social Housing Metrics 2024 | | 2023-24 | 2022-23 |
|---|---|---|---|
| **Metric 1 (Efficiency)** | **Reinvestment %**<br>(Investment in properties, existing & new, as a % of the value of total properties held) | 0% | 0% |
| **Metric 2 (Effectiveness)** | **New supply delivered %**<br>(No. of new social and non-social housing units, acquired or developed in the year as a proportion of total social and non-social housing units owned at period end. ) | | |
| **Calc A** | **For social housing units** | 5% | 0% |
| **Calc B** | **For non-social housing units** | 0% | 0% |
| **Metric 3 (Efficiency)** | **Gearing %** | 3% | 4% |
| **Metric 4 (Efficiency)** | **EBITDA MRI interest cover %** | 1227% | 1236% |
| **Metric 5 (Economy)** | **Headline social housing cost per unit** | £14,453 | £14,019 |
| **Metric 6 (Efficiency)** | **Operating Margin %** | | |
| Calc A | Operating Margin (social housing only) % | 6% | 7% |
| Calc B | Operating Margin (overall) % | 3% | 1% |
| **Metric 7 (Efficiency)** | **Return on Capital Employed (ROCE) %** | 2% | 1% |

**Commentary**

There was only very minimal capital works with no major reinvestment in social housing property for the year. An increase of 5% of new social housing units have been developed via a leased property. Gearing levels have decreased by 1%. Interest cover has reduced due higher interest rate payments but continued to remain significantly sufficient. The social housing cost per unit has increased by 3% on the previous year due to economic inflationary pressures. The social housing operating margin has fallen by 1%, however, the overall operating margin increased by 2% when compared with the previous year. The group's return on capital employed has increased by 1% from the previous year.

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**FINANCIAL STATEMENTS**
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## MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

### STRATEGIC REPORT *(continued)*

#### 3. Key Strategic Objectives

YMCA Leicestershire will implement a programme to review expenditure and enable scrutiny of initiatives with a view to achieving a minimum of 5% saving year on year for the next four years. These objectives include:

- **Promotion** – embedding of VFM principles within the culture of the organisation.
- **People** – encouraging economic awareness amongst staff and VFM principles within all business operations.
- **Procurement** – creation, maintenance and promotion of economic, efficient and effective purchasing principles and continuous review of contracts and services.
- **Recycling** – to minimise waste and recycle as much as possible
- **Partnerships** – communicate our commitment to VFM and encourage these principles amongst our partners.
- **Improvement** – improving the efficiency of how we support and deliver our services.
- **Green** – implement a programme of energy efficiency, water conservation and waste minimisation across the organisation.

#### PLANS FOR FUTURE PERIODS

The Association plans to continue its activities as outlined above. In addition, significant activities to be undertaken during the year are as follows:

1. To improve our Ofsted inspection rating of Good to Outstanding .
2. To expand our residential childcare provision through the purchase of a second property in line with the Business Plan and reports taken to the Board.
3. Implement Advantaged Thinking, across the whole organisation
4. To deliver training on Equality, Diversity Inclusion, and Unconscious Bias.
5. To ensure we meet the new Ofsted standards for regulated provision for 16-17-year olds.
6. Increase communication with all staff through twice yearly all staff meetings and quarterly briefing notes.
7. To implement a development plan to refurbish our wash room facilities at East Street.
8. To carry out a refurbishment of the Aylestone reception, working with the Experts by Experience group.
9. To explore individual legacies and philanthropy as part of our fundraising strategy.
10. To continue to work with the NHS CCG to support our work with complex needs young people.
11. To support the development of a Shadow Board of young people with representatives to sit on the main Board of the organisation.
12. To increase the diversity of the Board.
13. To appoint a Skills for Life Worker and implement the education curriculum.
14. To ensure a minimum of 25% of front of house and bar staff are young people who are former residents.
15. To increase our provision to accommodate unaccompanied asylum-seeking children through the leasing of an additional property.
16. To upgrade the HR management system.
17. To fully implement our Housing Management system In-Form.
18. To carry out a strength audit of all managers and senior staff.
19. To assess the former Business Development Director Position and Make recommendations to the Board.
20. To hold an annual Board Development Day, looking at future plans and growth.

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**FINANCIAL STATEMENTS**
**YEAR ENDED 31 MARCH 2024**

# MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

## STATEMENT OF THE MEMBERS OF THE BOARD'S RESPONSIBILITIES

The Board is responsible for preparing the Members of the Board's Report, including Directors' Report and Strategic Report, and financial statements in accordance with applicable law and regulations.

Company and Registered Social Housing legislation require the Board to prepare financial statements for each financial year. Under that law the Board have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice. Under that law the Board must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and surplus and deficit of the group for that period. In preparing these financial statements the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice (SORP) Accounting by Registered Housing Providers 2019, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and group will continue in operation.

The Board is responsible for keeping adequate accounting records, that are sufficient to show and explain the company's and group's transactions and disclose with reasonable accuracy at any time the financial position of the company and group and enable them to ensure that the financial statements comply with Companies Act 2006, the Housing and Regeneration Act 2008 and the accounting requirements of the Accounting Direction for private registered providers of social housing 2019. The Board is also responsible for safeguarding the assets of the company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### RSH GOVERNANCE & FINANCIAL VIABILITY STANDARD

The Board recognises and confirms the compliance with the Regulator of Social Housing's Governance & Financial Viability Standard. The Y has also retained its continued qualification as a Homes England Investment partner for future housing programmes.

### PUBLIC BENEFIT

The Board of Trustees has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing Association aims and objectives and in planning future activities.

The focus of our work is:

- the provision of supported housing to vulnerable young homeless people
- facilitating our resources to offer a varied programme of community and educational events
- working in partnership with other agencies to secure the widest range of services available to match the needs of clients
- provision of sport, health and fitness facilities to members of the community
- provide residents with education, training and skills to secure employment or their own tenancies.

The Board of Trustees has complied with section 17 of the Charities Act 2011, and in setting a programme each year has had regard to both the Charity Commission's general guidance on public benefit and provision of services for the client population. The Board of Trustees always ensures that the services provided are in line with the charitable objects and aims of the Association.

The Board feels the aforementioned Strategic Report and principal activity support this conclusion.

### AUDITOR

In accordance with the Companies Act 2006 a resolution proposing the appointment of Forrester Boyd Chartered Accountants as Auditor will be put to the members.

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**FINANCIAL STATEMENTS**
**YEAR ENDED 31 MARCH 2024**

# MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

## DIRECTORS' REPORT

### STATEMENT OF INTERNAL FINANCIAL CONTROL

The Board is responsible for maintaining a sound system of internal control which:

- focuses on the significant risks that threaten the Association's ability to meet its objectives; and
- provides reasonable assurance of the safeguarding of assets.

The Board is also responsible for reviewing the effectiveness of the system of internal control.

The internal control system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable, and not absolute, assurance against material misstatement or loss.

The process for identifying, evaluating and managing the significant risks faced by the Association is ongoing. This process has been in place for the year ended 31 March 2024 and up to the date of approval of the annual report and financial statements and is regularly reviewed by the Board.

The process which the Board has adopted in reviewing the effectiveness of the Association's system of internal control is reviewed through the Resource Committee. The key elements in exercising financial control include:

- Formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow monitoring of controls and restrict the unauthorised use of the Association's assets.

- The employment of suitably qualified staff to take responsibility for key areas of the business. This is supported by an annual appraisal system to maintain standards of performance.

- The preparation of forecasts and budgets which allow the Board and management to monitor the key business risks and financial objectives, and progress towards financial plans set for the year and the medium term; regular management accounts are prepared promptly, providing relevant, reliable and up-to-date financial and other information and significant variances from budgets are investigated as appropriate.

- All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through relevant sub-committees comprising Board members and others.

- The Resource Committee reviews reports from management and external auditors to provide reasonable assurance that control procedures are in place and are being followed. This includes a general review of the major risks facing the Association. The Resource Committee make regular reports to the Board

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

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**FINANCIAL STATEMENTS**
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## MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

### DIRECTORS' REPORT *(continued)*

### STATEMENT OF INTERNAL FINANCIAL CONTROL *(continued)*

### FRAUD

It is the policy of YMCA Leicestershire to identify and promptly investigate any possibility of fraudulent or related dishonest activities against the organisation. The charity aims to promote an organisational culture which encourages the prevention of fraud by raising awareness of the need for high standards of personal conduct.

Any act of fraud ascertained upon investigation, or pursuant to a criminal conviction, or through written acknowledgment by the employee concerned, shall result in the appropriate disciplinary and legal actions against the employee.

Prevention of Fraud

Executives, managers and employees at all levels are responsible for exercising due diligence and control to prevent, detect and report acts of fraud. Those who fail to carry out these responsibilities will be subject to disciplinary action up to and including termination of employment.

Responsibility of Management

It is the responsibility of Executives and managers to be familiar with the types of improprieties that might occur in their area and be alert for any indication that improper activity, misappropriation or dishonest activity is or was in existence in his or her area and put in place controls to avoid such occurrences.

Responsibility of Employees

It is the responsibility of all employees to conduct their work schedule in such a way as to prevent fraud occurring in the workplace. Employees must also be alert to the possibilities for fraud and be on guard for any indications that improper or dishonest activity is taking place.

Reporting Fraud

It is the responsibility of all executives, managers and employees to report any suspicions of fraud without delay according to the procedure laid out below.

A person who suspects that fraudulent practice may be operating should, in the first instance, report the matter to his/her manager or immediate superior. Should it be inappropriate to make such a report to an immediate superior, the report should be made to that person's manager or directly to the Chief Executive.

Once a report of suspected fraud is made to supervisor/manager that person should report the suspicion to either the Chief Executive or Finance Director.

A Fraud Incident Report should be completed by the person reporting suspected fraud. The Finance Director will report any incidents to the Resource Committee. This policy is read in conjunction with the whistle blowing policy. The fraud policy is reviewed annually by the Finance Director.

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**FINANCIAL STATEMENTS**
**YEAR ENDED 31 MARCH 2024**

# MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

## DIRECTORS' REPORT *(continued)*

### STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

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

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

The Members of the Board's Report which is prepared under the Charities Act 2011, which also contains all information required in a directors' report by the Companies Act 2006, and the incorporated Strategic Report prepared under the Companies Act 2006, were approved by the Board of Trustees on 10 Sept 2024 and signed:

by order of the Members of the Board

MR P BROWN
Chief Executive

Date: 10.9.24

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# FINANCIAL STATEMENTS
# YEAR ENDED 31 MARCH 2024

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YMCA LEICESTERSHIRE

### Opinion

We have audited the financial statements of YMCA Leicestershire (the 'parent company') and its subsidiary (the 'group') for the year ended 31 March 2024 which comprise the Consolidated Income and Expenditure Account and Statement of Comprehensive Income, Consolidated and Association Balance Sheets, Consolidated and Association Statements of Changes in Reserves, Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 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 parent company's affairs as at 31 March 2024 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been properly 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 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 board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.
Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.
Our responsibilities and the responsibilities of the board with respect to going concern are described in the relevant sections of this report.

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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## FINANCIAL STATEMENTS
## YEAR ENDED 31 MARCH 2024

**Opinions on other matters prescribed by the Companies Act 2006**
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Members of the Board's Report (incorporating Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Members of the Board's Report (incorporating Strategic Report) has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**
In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Members of the Board's Report (incorporating Strategic Report).

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

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

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

**Respective responsibilities of Trustees**
As explained more fully in the Statement of the Members of the Board's Responsibilities set out on page 19, the Trustees (who are also the directors of the 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 parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or the parent 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.

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**FINANCIAL STATEMENTS**
**YEAR ENDED 31 MARCH 2024**

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

- Discussions with management, including consideration of known or suspected instances of non-compliance held.
- Challenging assumptions and judgements made within significant accounting estimates and judgements such as depreciation, bad debt and voids.
- Identification of key laws and regulations central to the associations operations and review of compliance with such laws including a review of the Charities Commission website and the Housing and Regeneration Act 2008.
- Testing of journal entries and potential override of systems.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. The risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery collusion, omission or misrepresentation.

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

**Use of our report**
This report is made solely to the 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

C Jensen

**Carrie Anne Jensen ACA (Senior Statutory Auditor)**
**For and on behalf of Forrester Boyd, Statutory Auditor**
Chartered Accountants
26 South Saint Mary's Gate
Grimsby
DN31 1LW

Date:

10 September 2024

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# FINANCIAL STATEMENTS
# YEAR ENDED 31 MARCH 2024

## CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF COMPREHENSIVE INCOME

| | Note | Year ended 31 March 2024 | Year ended 31 March 2023 |
|---|---|---|---|
| | | £ | £ |
| **TURNOVER** | 3 | 3,838,589 | 3,520,295 |
| Operating costs | 3 | (3,546,431) | (3,470,807) |
| **OPERATING SURPLUS** | 3 | 292,158 | 49,488 |
| Interest receivable and similar income | 6 | 16,862 | 14,356 |
| Interest payable and similar charges | 7 | (31,797) | (25,047) |
| Change in fair value of investment properties | 12 | - | - |
| Change in fair value of investments | 13 | 31,803 | (22,699) |
| **SURPLUS FOR THE YEAR BEFORE TAX** | | 309,026 | 16,098 |
| Taxation | | - | - |
| **SURPLUS FOR THE YEAR AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR** | | 309,026 | 16,098 |

The results relate wholly to continuing activities.

The financial statements were approved by the board on 10 Sept 2024

Mr T Moore (Treasurer)

Ms H Robertson (Chair)

The annexed notes form part of these financial statements.

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# FINANCIAL STATEMENTS
# YEAR ENDED 31 MARCH 2024

## CONSOLIDATED AND ASSOCIATION BALANCE SHEETS

| | | Group | | Association | |
|---|---|---|---|---|---|
| | | 2024 | 2023 | 2024 | 2023 |
| | | £ | £ | £ | £ |
| **FIXED ASSETS** | | | | | |
| Intangible assets | 10 | 11,828 | 15,644 | 11,828 | 15,644 |
| Housing properties | 11 | 2,905,192 | 3,126,953 | 2,905,192 | 3,126,953 |
| Other tangible assets | 11 | 491,811 | 458,939 | 472,908 | 436,918 |
| Investment properties | 12 | 1,570,000 | 1,570,000 | 1,570,000 | 1,570,000 |
| | | 4,978,831 | 5,171,536 | 4,959,928 | 5,149,515 |
| Other investments | 13 | 476,714 | 439,178 | 476,715 | 439,179 |
| | | 5,455,545 | 5,610,714 | 5,436,643 | 5,588,694 |
| **CURRENT ASSETS** | | | | | |
| Stocks | 14 | 4,994 | 3,817 | - | - |
| Debtors | 15 | 515,790 | 362,187 | 515,790 | 376,377 |
| Cash and cash equivalents | 23 | 701,787 | 860,035 | 691,099 | 847,982 |
| | | 1,222,571 | 1,226,039 | 1,206,889 | 1,224,359 |
| **CURRENT LIABILITIES** | | | | | |
| Creditors: Amounts falling due within one year | 16 | 838,421 | 876,443 | 845,514 | 864,049 |
| **NET CURRENT ASSETS /(LIABILITIES)** | | 384,150 | 349,596 | 361,375 | 360,310 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | 5,839,695 | 5,960,310 | 5,798,018 | 5,949,004 |
| Creditors: Amounts falling due after one year | 17 | 2,072,752 | 2,283,319 | 2,072,752 | 2,283,319 |
| Provisions for liabilities | 18 | 116,836 | 335,910 | 116,836 | 335,910 |
| **TOTAL NET ASSETS** | | 3,650,107 | 3,341,081 | 3,608,430 | 3,329,775 |
| **RESERVES** | | | | | |
| **UNRESTRICTED FUNDS** | | | | | |
| Designated & general reserves | 19 | 3,604,393 | 3,325,738 | 3,604,393 | 3,325,738 |
| Non-charitable trading reserves | 19 | 41,677 | 11,306 | - | - |
| | | 3,646,070 | 3,337,044 | 3,604,393 | 3,325,738 |
| **RESTRICTED FUNDS** | 19 | 4,037 | 4,037 | 4,037 | 4,037 |
| **TOTAL RESERVES** | | 3,650,107 | 3,341,081 | 3,608,430 | 3,329,775 |

The Association's surplus is £278,655 (2023: deficit £15,547).

These financial statements on pages 26 to 51 were approved by the board and authorised for issue on 10 Sept 2024 and were signed on its behalf by:

**Mr T Moore**
**Treasurer**

**Ms H Robertson**
**Chair**

Company Registration Number 00159933

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## FINANCIAL STATEMENTS
## YEAR ENDED 31 MARCH 2024

## CONSOLIDATED STATEMENT OF CHANGES IN RESERVES

| | General reserves £ | Designated reserves £ | Fair value reserve £ | Sub total £ | Non-charitable trading reserves £ | Total Unrestricted £ | Restricted funds £ | Total £ |
|---|---|---|---|---|---|---|---|---|
| **Balance at 1 April 2022** | 2,718,977 | 155,585 | 466,723 | 3,341,285 | (20,339) | 3,320,946 | 4,037 | 3,324,983 |
| Surplus/(Deficit) for the year | 259,809 | (261,763) | (22,699) | (24,653) | 31,645 | 6,992 | 9,106 | 16,098 |
| Transfers | (260,457) | 269,563 | - | 9,106 | - | 9,106 | (9,106) | - |
| **Balance at 31 March 2023** | 2,718,329 | 163,385 | 444,024 | 3,325,738 | 11,306 | 3,337,044 | 4,037 | 3,341,081 |
| Surplus/(Deficit) for the year | 456,440 | (206,650) | 31,803 | 281,593 | 30,371 | 311,964 | (2,938) | 309,026 |
| Transfers | (244,588) | 241,650 | - | (2,938) | - | (2,938) | 2,938 | - |
| **Balance at 31 March 2024** | 2,930,181 | 198,385 | 475,827 | 3,604,393 | 41,677 | 3,646,070 | 4,037 | 3,650,107 |

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## FINANCIAL STATEMENTS
## YEAR ENDED 31 MARCH 2024

# ASSOCIATION STATEMENT OF CHANGES IN RESERVES

| | General reserves £ | Designated reserves £ | Fair value reserve £ | Total Unrestricted £ | Restricted funds £ | Total £ |
|---|---|---|---|---|---|---|
| **Balance at 1 April 2022** | 2,718,977 | 155,585 | 466,723 | 3,341,285 | 4,037 | 3,345,322 |
| Surplus/(Deficit) for the year | 259,809 | (261,763) | (22,699) | (24,653) | 9,106 | (15,547) |
| Transfers | (260,457) | 269,563 | - | 9,106 | (9,106) | - |
| **Balance at 31 March 2023** | 2,718,329 | 163,385 | 444,024 | 3,325,738 | 4,037 | 3,329,775 |
| Surplus/(Deficit) for the year | 456,440 | (206,650) | 31,803 | 281,593 | (2,938) | 278,655 |
| Transfers | (244,588) | 241,650 | - | (2,938) | 2,938 | - |
| **Balance at 31 March 2024** | 2,930,181 | 198,385 | 475,827 | 3,604,393 | 4,037 | 3,608,430 |

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## FINANCIAL STATEMENTS
## YEAR ENDED 31 MARCH 2024

# CONSOLIDATED STATEMENT OF CASH FLOWS

| | Note | 2024 £ | 2023 £ |
|---|---|---|---|
| **OPERATING ACTIVITIES** | | | |
| Net cash generated from operations | 22 | 15,819 | 126,476 |
| **NET CASH GENERATED FROM OPERATING ACTIVITIES** | | 15,819 | 126,476 |
| **CASH FLOW FROM INVESTING ACTIVITIES** | | | |
| Interest and dividends received | | 16,862 | 14,356 |
| Payments to acquire tangible fixed assets | | (122,342) | (187,089) |
| **NET CASH USED IN INVESTING ACTIVITIES** | | (105,480) | (172,733) |
| **CASH FLOW FROM FINANCING ACTIVITIES** | | | |
| Payments to acquire fixed asset investments | | (65,315) | (40,094) |
| Receipts on sale of fixed asset investments | | 59,582 | 43,674 |
| Interest paid | | (31,797) | (25,047) |
| Repayment of borrowings | | (31,057) | (31,273) |
| **NET CASH (USED IN)/FROM FINANCING ACTIVITIES** | | (68,587) | (52,740) |
| **NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS** | | (158,248) | (98,997) |
| **CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR** | | 860,035 | 959,032 |
| **CASH AND CASH EQUIVALENTS AT END OF YEAR** | 23 | 701,787 | 860,035 |

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**FINANCIAL STATEMENTS**
**YEAR ENDED 31 MARCH 2024**

## NOTES TO THE FINANCIAL STATEMENTS

### 1. LEGAL STATUS AND PRINCIPAL ACCOUNTING POLICIES

The Company is a private company limited by guarantee and is an English registered social housing provider. Each member undertakes to contribute an amount not exceeding 1p in the event of the Association being wound up. There were 13 members during the year (2023:16 members)

The address of the Company's registered office and principal place of business is 7 East Street, Leicester, LE1 6EY.

The Company is a registered charity and a public benefit entity.

The principal activities are disclosed in the Members of the Board's Report.

The Company is incorporated under the Companies Act 2006, Charities Act 2011 and is a private Registered Provider of Social Housing (RP).

**Basis of Accounting**
These financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Housing SORP 2018 "Statement of Recommended Practice for Registered Housing Providers" and comply with the Accounting Direction for Private Registered Providers of Social Housing 2019, and under the historical cost convention, except that investments are held at fair value.

Monetary amounts in these financial statements are rounded to the nearest whole £1, except where otherwise indicated.

### 2. PRINCIPAL ACCOUNTING POLICIES

**Reduced Disclosures**
In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirement in the individual financial statements of YMCA Leicestershire.

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flows and related notes and disclosures.
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches; and details of hedges and hedging fair value changes recognised in income or expenditure and in other comprehensive income.
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the Company are included within these financial statements.

**Going Concern**
The Group and Company have prepared detailed budgets and cash flow forecasts for the period of a minimum of 12 months from the date of approval of these financial statements. To mitigate the economy's difficult permutations, the detailed budgets and cash flow forecasts have been subjected to a degree of sensitivity analysis for the same period. On that basis, the members of the Board are satisfied that it remains appropriate to prepare the financial statements on the going concern basis.

**Turnover**
Turnover represents rental income and service charges income receivable in the year net of rent and service charge losses from voids, Supporting People income, revenue grants from Local Authorities and Homes England, and other income.

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## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

**Supporting People**
Supporting People income and expenditure relating to services is accounted for on an accruals basis, matching income and expenditure, and disclosures are made in accordance with the relevant standards and legislation.

**Basis of Consolidation**
These financial statements include the financial statements of the Company and its subsidiary undertaking up to 31 March 2024. Under Section 408(3) of the Companies Act 2006 the Company is exempt from the requirements to present its own income and expenditure account.

The consolidated financial statements incorporate those of the Company and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). All financial statements are made up to 31 March 2024.

Investment in the subsidiary is stated at cost.

**Donations**
Donations received for the general purposes of the Company are included as unrestricted funds. Donations for activities restricted by the wishes of the donor are taken to 'restricted funds' where these wishes are legally binding on the Board.

**Restricted Reserves**
Restricted reserves are those reserves which are only expendable in accordance with the wishes of the funder or regulatory body. Expenditure cannot be directly set against restricted reserves, but is taken through the Income and Expenditure Account. A transfer from restricted reserves is then made as appropriate. By this method, expenditure, which meets the criteria, is charged to the fund, together with a fair allocation of management expenses.

**Designated Reserves**
Designated reserves are part of unrestricted reserves which have been earmarked by the Board for a particular purpose. Such designations may be reversed by future Board decisions. Expenditure cannot be directly set against designated reserves, but is taken through the Income and Expenditure Account. A transfer is then made from designated reserves as appropriate.

**Intangible assets**
Intangible assets are recognised when future economic benefits are probable and the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised to income or expenditure on a straight-line basis over their useful lives, as follows:

| | |
|---|---|
| Website costs | - over 5 years |

Amortisation is revised prospectively for any significant change in useful life or residual value.

On disposal, the difference between the net disposal proceeds and the carrying amount of the intangible asset is recognised in income or expenditure.

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## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

**Fixed Assets and Depreciation**
Tangible fixed assets, are stated at cost, less accumulated depreciation. Depreciation is charged on a straight line basis over the expected economic useful lives of the assets at the following annual rates:

| | | |
|---|---|---|
| Freehold buildings (non-housing) | - | over 25 years |
| Furniture, fixtures and fittings, IT equipment | - | over 3 to 10 years (dependent on the expected economic life) |
| Leasehold improvements | - | over 25 years or the life of the lease if less |
| Motor vehicles | - | over 3 years |
| Lifts | - | over 25 years |

Major components of housing properties have been accounted for and depreciated separately from the connected housing property at the following rates:

| | | |
|---|---|---|
| Structure | - | over 10 to 25 years |
| Kitchens and Bathrooms | - | over 5 years |
| Electrical equipment | - | over 3 years |
| Lifts | - | over 25 years |

Freehold land is not depreciated.

The useful economic lives of all tangible fixed assets are reviewed annually.

Housing properties are principally properties available for rent and are stated at cost less and provision for any impairment (representing a diminution in the recoverable service potential of the asset below its carrying value in the balance sheet) less depreciation. Cost includes the cost of acquiring land and buildings, development costs and expenditure incurred in the respect of improvements.

Development costs of properties are capitalised to the extent that they are directly attributable to bringing the properties into working condition for their intended use. Directly attributable costs include the labour costs of own employees (including development staff, in-house architects and surveyors) arising directly from the construction or acquisition of the property, and the incremental costs that would have been avoided only if the property had not been constructed.

**Impairment**
An assessment is made at each reporting date of whether there are indications that a fixed asset (including housing properties) may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Group estimates the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets net of any associated Social Housing Grant and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use of the asset based on its service potential, are recognised as impairment losses in the Income and Expenditure Account.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in income and expenditure. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

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## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

**Investment Properties**

Investment properties (including properties held under an operating lease) consist of commercial properties and properties not held for social benefit. These properties are initially measured at cost and subsequently measured at fair value whilst a reliable measure of fair value is available without undue cost or effort. Changes in fair value are recognised in income and expenditure.

The Companies Act 2006 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principle set out in FRS 102. The Board considers that, because investment properties are not held for consumption, but for their investment potential, to depreciate them would not give a true and fair view.

If this departure from the Companies Act 2006 had not been made in order to give a true and fair view, the surplus for the financial year would have been reduced by depreciation. However, the amount of depreciation cannot reasonably be quantified because depreciation is only one of many factors reflected in the annual valuation and the amount relating to the depreciation of the property cannot be separately identified.

**Investments and investment income**

Investments are carried at fair value. Changes in fair value are included in the Income and Expenditure Account.

Investment income is accounted for in the period in which the Group is entitled to receipt.

**Stocks**

Stocks are included at the lower of cost and net realisable value.

**Taxation**

The Association has charitable status and is registered with the Charity Commission and is therefore exempt from paying Corporation Tax on charitable activities.

**Value Added Tax**

Irrecoverable VAT which can be attributed to a capital item or expenditure is added to the cost of the capital item or expenses where practicable and material.

**Employee Benefits**

The costs of short-term employee benefits are recognised as a liability and an expense.
The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**Government Grants**

Government grants include grants receivable from Homes England, local authorities and other government bodies.

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met, and the grants will be received.

Government grants received for housing properties are recognised in income over the useful economic life of the structure of the asset and, where applicable, the individual components of the structure (excluding land) under the accruals model.

Government grants relating to revenue are recognised as income over the periods when the related costs are incurred once reasonable assurance has been gained that the Company will comply with the conditions and the funds will be received.

**Other Grants**

Grants received from non-government sources are recognised using the performance model. Grants are recognised as income when the associated performance conditions are met.

**Leased Assets**

Rentals payable under operating leases are charged to the Income and Expenditure Account on a straight line basis over the lease term.

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## 2. PRINCIPAL ACCOUNTING POLICES *(continued)*

**Pension Costs**

*Defined benefit plans*

The Company participated in a multi-employer defined benefit plan for employees of YMCAs in England, Scotland and Wales which was closed to new members and accruals on 30 April 2007. Due to insufficient information, the plan's actuary has advised that it is not possible to separately identify the assets and liabilities relating to YMCA Leicestershire.

As described in note 18 YMCA Leicestershire has a contractual obligation to make pension deficit payments of £48,269 pa over the period to April 2027 (2023: £57,664 pa to April 2029), accordingly this is shown as a liability in these accounts. In addition, YMCA Leicestershire is required to contribute £15,384 pa (2023: £13,660 pa) to the operating expenses of the Pension Plan and these costs are charged to the Statement of Comprehensive Income as made.

*Defined contribution plans*

The Group also operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the Group. The annual contributions payable are charged to the Income and Expenditure Account. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

**Financial instruments**

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument and are offset only when the Group currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

***Financial assets***

*Debtors*

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a debtor constitutes a financing transaction, the debtor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in income or expenditure for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in income or expenditure.

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## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 2. PRINCIPAL ACCOUNTING POLICES *(continued)*

***Financial liabilities***

*Creditors*

Creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

*Derecognition of financial assets and liabilities*

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

**Provisions**

Provisions are recognised when the Group has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably.

**Critical accounting estimates and areas of judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

*Critical accounting estimates and assumptions*

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

*Pension Deficit Liability*

In calculating the value of the contractual liability (detailed in Note 18), a discount rate of 7% has been applied to the payments due in future years in order to determine their present value.

*Expected Economic Useful Life of Fixed Assets*

The useful economic life of fixed assets (detailed in Note 11) is a key accounting estimate.

*Investment Properties*

The valuation of the investment properties (detailed in Note 12) is reviewed annually by the Board to assess whether a there is a diminution in the carrying value of the assets. The percentage of 'mixed use' properties deemed as 'investment property' was calculated based on size of area as per the completed valuation survey by Innes England.

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## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 3. GROUP TURNOVER AND OPERATING SURPLUS/(DEFICIT)

**Year to 31 March 2024**

| | Turnover £ | Operating costs £ | Operating surplus/ (deficit) £ |
|---|---|---|---|
| Social Housing | 2,347,436 | (2,213,253) | 134,183 |
| Non Social Housing activities | 1,491,153 | (1,333,178) | 157,975 |
| Total | 3,838,589 | (3,546,431) | 292,158 |

**Year to 31 March 2023**

| | Turnover £ | Operating costs £ | Operating surplus/ (deficit) £ |
|---|---|---|---|
| Social Housing | 2,145,945 | (1,997,105) | 148,840 |
| Non Social Housing activities | 1,374,350 | (1,473,702) | (99,352) |
| Total | 3,520,295 | (3,470,807) | 49,488 |

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## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 4. TURNOVER, COST OF SALES, OPERATING COSTS AND OPERATING SURPLUS

Particulars of Group income and expenditure from social housing lettings

| | General Housing 2024 £ | General Housing 2023 £ |
|---|---|---|
| TURNOVER FROM SOCIAL HOUSING LETTINGS | | |
| Rent receivable net of voids | 1,193,489 | 1,096,880 |
| Service charges receivable | 542,645 | 495,423 |
| NET RENTAL INCOME | 1,736,134 | 1,592,303 |
| Supporting people contract income | 424,349 | 359,619 |
| Other revenue grants | 25 | 49 |
| Grant amortisation | 186,928 | 193,974 |
| TURNOVER FROM SOCIAL HOUSING LETTINGS | 2,347,436 | 2,145,945 |
| EXPENDITURE ON SOCIAL HOUSING LETTINGS | | |
| Direct costs | 18,735 | 1,822 |
| Staffing | 1,208,396 | 1,033,332 |
| Administration | 224,088 | 203,774 |
| Depreciation and amortisation | 169,823 | 176,869 |
| Maintenance | 37,849 | 45,422 |
| Services | 30,783 | 31,313 |
| Service charge costs | 523,579 | 504,573 |
| OPERATING COSTS ON SOCIAL HOUSING LETTINGS | (2,213,253) | (1,997,105) |
| OPERATING SURPLUS ON SOCIAL HOUSING LETTINGS | 134,183 | 148,840 |
| Rent losses on voids | 59,570 | 50,195 |

| Supported Housing Accommodation owned and managed | 2024 No. of units | 2023 No. of units |
|---|---|---|
| Let at social rent | 109 | 104 |

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**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

## 5. OPERATING (DEFICIT)/SURPLUS

The operating surplus is stated after charging/(crediting):

| | Group 2024 £ | Group 2023 £ |
|---|---|---|
| Depreciation of housing properties | 236,053 | 239,640 |
| Depreciation of other tangible fixed assets | 75,179 | 61,239 |
| Amortisation of intangible fixed assets | 3,816 | 1,272 |
| Amortisation of grants | (186,928) | (193,974) |
| Auditor's remuneration (audit services) | 18,029 | 12,500 |
| Auditor's remuneration (non-audit work) | 1,000 | 1,000 |
| Operating lease rentals | 72,863 | 57,073 |
| Cost of stocks recognised as an expense | 28,593 | 32,778 |

## 6. INTEREST RECEIVABLE AND SIMILAR INCOME

| | Group 2024 £ | Group 2023 £ |
|---|---|---|
| Interest on bank deposits | 1,337 | 39 |
| Income from listed investments | 15,525 | 14,317 |
| | 16,862 | 14,356 |

Docusign Envelope ID: F392415D-5728-44AD-B621-59B8481AFA5A



## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 7. INTEREST PAYABLE AND SIMILAR CHARGES

| | Group 2024 £ | 2023 £ |
|---|---|---|
| YMCA pension notional finance charge (Note 18) | 10,077 | 11,415 |
| Interest on bank loan | 21,720 | 13,632 |
| | 31,797 | 25,047 |

### 8. DIRECTORS' EMOLUMENTS

The Directors are defined as the members of the Board, the Chief Executive and other senior executives. None of the members of the Board received any emoluments. Details of the Chief Executive's and other senior Executives' emoluments in respect of services to the Company are as follows:

| | 2024 £ | 2023 £ |
|---|---|---|
| Basic salary | 365,511 | 271,671 |
| Pension contributions | 15,756 | 13,421 |
| | 381,267 | 285,092 |

| | 2024 | 2023 |
|---|---|---|
| Number of Directors accruing benefits in the pension scheme | 6 | 5 |

Emoluments disclosed above include the following amounts paid to the highest paid director:

| | 2024 £ | 2023 £ |
|---|---|---|
| Emoluments for qualifying services | 119,085 | 107,822 |
| Pension contributions | 7,172 | 6,775 |

The Chief Executive is a member of the Company's pension scheme. He is an ordinary member of the pension scheme and no enhanced or special terms apply. The Company does not make any further contributions to an individual pension arrangement for the Chief Executive.

Docusign Envelope ID: F392415D-5728-44AD-B621-59B8481AFA5A



## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 9. EMPLOYEE INFORMATION

| | 2024 No. | 2023 No. |
|---|---|---|
| Average number of persons (including part-time employees and the Chief Executive but excludes Casual Staff) employed during the year | 76 | 74 |
| Full time equivalent (35 hours per week) | 65 | 61 |

The Group also holds a bank of casual staff (sessional) who can be called on to cover short term unexpected absences. During the year the Group had 25 casual staff on its books (2023: 22).

| | 2024 £ | 2023 £ |
|---|---|---|
| **Staff costs (for the above persons)** | | |
| Wages and salaries | 2,077,149 | 1,924,469 |
| Social security costs | 181,599 | 171,335 |
| Other pension costs | 47,571 | 44,004 |
| | 2,306,319 | 2,139,808 |

There were two employees whose income exceeded £60,000 (2023: two) and one fell within the £110,001 - £120,000 bracket during the year (2023: one £110,001 - £120,000 bracket). The total compensation of employees who are considered to be the key management personnel of the Group was £424,806 (2023: £318,869).

There were £0 travel expenses reclaimed by Board members in 2023. (2023: £58)

### 10. INTANGIBLE FIXED ASSETS

| Group and Association | Website costs £ |
|---|---|
| **Cost** | |
| At 1 April 2023 | 29,120 |
| Additions | - |
| At 31 March 2024 | 29,120 |
| **Amortisation** | |
| At 1 April 2023 | 13,476 |
| Charge for the year | 3,816 |
| At 31 March 2024 | 17,292 |
| **Net Book Value** | |
| At 31 March 2024 | 11,828 |
| At 31 March 2023 | 15,644 |

Docusign Envelope ID: F392415D-5728-44AD-B621-59B8481AFA5A



**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

## 11. TANGIBLE FIXED ASSETS

| Group and Association | Social Housing Properties held for letting £ |
|---|---|
| **Cost** | |
| At 1 April 2023 | 7,486,285 |
| Properties acquired | - |
| Works to existing properties | 14,292 |
| Disposals – component write-off | (2,400) |
| At 31 March 2024 | 7,498,177 |
| **Depreciation** | |
| At 1 April 2023 | 4,359,332 |
| Charge for the year | 236,053 |
| Eliminated on disposals – component write-off | (2,400) |
| At 31 March 2024 | 4,592,985 |
| **Net Book Value** | |
| At 31 March 2024 | 2,905,192 |
| At 31 March 2023 | 3,126,593 |

In accordance with the accounting policy, included within Housing Properties (historical cost), the Group and Association have capitalised in the year £14,292 (2023: £nil) of expenditure on works to existing properties. No capital expenditure has been included in the Income & Expenditure Account (2023: £nil).

| Depreciation charge for the year | 2024 £ | 2023 £ |
|---|---|---|
| Annual depreciation charge | 236,053 | 239,640 |
| Accelerated depreciation on component write off | - | - |
| | 236,053 | 239,640 |

Docusign Envelope ID: F392415D-5728-44AD-B621-59B8481AFA5A



## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 11. TANGIBLE FIXED ASSETS *(continued)*

| Group | Freehold Land & Buildings £ | Furniture Fixtures & Fittings £ | Lift £ | TOTAL £ |
|---|---|---|---|---|
| **COST** | | | | |
| At 1 April 2023 | 918,914 | 811,931 | 299,936 | 2,030,781 |
| Additions | - | 69,453 | 38,597 | 108,050 |
| Disposals | - | - | - | - |
| At 31 March 2024 | 918,914 | 881,384 | 338,533 | 2,138,831 |
| **DEPRECIATION** | | | | |
| At 1 April 2023 | 808,491 | 463,415 | 299,936 | 1,571,842 |
| Charge for the year | 18,764 | 56,414 | - | 75,178 |
| Disposals | - | - | - | - |
| At 31 March 2024 | 827,255 | 519,829 | 299,936 | 1,647,020 |
| **NET BOOK VALUE** | | | | |
| At 31 March 2024 | 91,659 | 361,555 | 38,597 | 491,811 |
| At 31 March 2023 | 110,423 | 348,516 | - | 458,939 |

| Association | Freehold Land & Buildings £ | Furniture Fixtures & Fittings £ | Lift £ | TOTAL £ |
|---|---|---|---|---|
| **COST** | | | | |
| At 1 April 2023 | 918,914 | 771,937 | 299,936 | 1,990,787 |
| Additions | - | 69,453 | 38,597 | 108,050 |
| Disposals | - | - | - | - |
| At 31 March 2024 | 918,914 | 841,390 | 338,533 | 2,098,837 |
| **DEPRECIATION** | | | | |
| At 1 April 2023 | 808,490 | 445,442 | 299,936 | 1,553,868 |
| Charge for the year | 18,764 | 53,297 | - | 72,061 |
| Disposals | - | - | - | - |
| At 31 March 2024 | 827,254 | 498,739 | 299,936 | 1,625,929 |
| **NET BOOK VALUE** | | | | |
| At 31 March 2024 | 91,660 | 342,651 | 38,597 | 472,908 |
| At 31 March 2023 | 110,424 | 326,495 | - | 436,919 |

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**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

## 12. INVESTMENT PROPERTIES

| Group and Association | 2024 £ | 2023 £ |
|---|---|---|
| At 1 April | 1,570,000 | 1,570,000 |
| Increase in fair value | - | - |
| At 31 March | 1,570,000 | 1,570,000 |

Investment properties were valued as at 31 March 2021 by Innes England. The valuation of the group's properties was carried out in accordance with the Royal Institute of Chartered Surveyors ("RICS") Professional Standards UK January 2014 and with particular regard to Financial Reporting Standard 102 and the Social Housing Statement of Recommended Practice.

## 13. FIXED ASSET INVESTMENTS

**Association**

**Investment in subsidiary company**

The company owns the whole of the ordinary share capital (1 ordinary share of £1) of Y Leisure Limited. The company is incorporated in Great Britain and registered in England and Wales and has been established to carry on trading activities on the Association's behalf. Its registered office is set out on page 1.

Y Leisure Limited operates a bar for the use of patrons of the Association and members of the public. The company will gift aid any taxable profits to YMCA Leicestershire. A summary of its trading results is shown below:

| | 2024 £ | 2023 £ |
|---|---|---|
| **Profit and loss account** | | |
| Turnover | 87,433 | 93,394 |
| Cost of sales | (46,551) | (52,336) |
| Gross profit/(loss) | 40,882 | 41,058 |
| Administrative expenses | (10,511) | (9,413) |
| Profit/(Loss) on ordinary activities before and after tax and retained | 30,371 | 31,645 |
| **Capital and reserves** | 41,678 | 11,307 |

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## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 13. FIXED ASSET INVESTMENTS (continued)

| | 2024 £ | 2023 £ |
|---|---|---|
| **Group and Association** | | |
| **Other investments – listed at fair value** | | |
| At 1 April | 439,178 | 465,457 |
| Additions | 65,315 | 40,094 |
| Disposals | (59,582) | (43,674) |
| Realised gain on disposal | 138 | 1,399 |
| Unrealised gain/(deficit) | 31,665 | (24,098) |
| At 31 March | 476,714 | 439,178 |
| Historical cost | 379,240 | 373,763 |

### 14. STOCKS

| | Group | | Association | |
|---|---|---|---|---|
| | 2024 £ | 2023 £ | 2024 £ | 2023 £ |
| Goods for resale | 4,994 | 3,817 | - | - |

### 15. DEBTORS

| | Group | | Association | |
|---|---|---|---|---|
| | 2024 £ | 2023 £ | 2024 £ | 2023 £ |
| Housing debtors | 186,014 | 231,023 | 186,014 | 231,023 |
| Other trade debtors | 268,925 | 107,293 | 268,925 | 107,293 |
| Bad debt provision | (18,940) | (18,940) | (18,940) | (18,940) |
| Taxation (VAT) | 11,237 | - | 11,237 | - |
| Amount owed from subsidiary company | - | - | - | 14,190 |
| Other debtors | 1,856 | 2,517 | 1,856 | 2,517 |
| Prepayments & accrued income | 66,698 | 40,294 | 66,698 | 40,294 |
| | 515,790 | 362,187 | 515,790 | 376,377 |

Amounts written off housing debtors in the year amounted to £5,772 (2023: £10,251).

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## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 16. CREDITORS Amounts falling due within one year

| | Group | | Association | |
|---|---|---|---|---|
| | 2024 £ | 2023 £ | 2024 £ | 2023 £ |
| Trade creditors | 259,306 | 227,054 | 253,778 | 220,983 |
| Bank loan | 20,834 | 20,976 | 20,834 | 20,976 |
| Taxation & Social Security | 51,203 | (2,500) | 48,445 | (5,343) |
| Accruals | 69,347 | 91,346 | 69,347 | 91,346 |
| Deferred income | 243,100 | 339,209 | 243,100 | 339,209 |
| Amount owed to subsidiary company | - | - | 17,774 | - |
| Other creditors | 11,455 | 9,906 | 9,060 | 6,426 |
| Deferred capital grant (see note 17) | 183,176 | 190,452 | 183,176 | 190,452 |
| | 838,421 | 876,443 | 845,514 | 864,049 |

### 17. CREDITORS Amounts falling due after one year

| | Group | | Association | |
|---|---|---|---|---|
| | 2024 £ | 2023 £ | 2024 £ | 2023 £ |
| Bank loan | 238,970 | 269,885 | 238,970 | 269,885 |
| Deferred capital grant | 1,833,782 | 2,013,434 | 1,833,782 | 2,013,434 |
| | 2,072,752 | 2,283,319 | 2,072,752 | 2,283,319 |

The bank loan is secured by a legal charge over 7 East Street Leicester, LE1 6EY.

| Deferred capital grant | Group and Association 2024 £ | 2023 £ |
|---|---|---|
| As at 1 April | 2,203,886 | 2,397,860 |
| Amortisation | (186,928) | (193,974) |
| As at 31 March | 2,016,958 | 2,203,886 |
| Less: due in less than one year | (183,176) | (190,452) |
| Due after more than one year | 1,833,782 | 2,013,434 |

| Bank Loan | Group and Association 2024 £ | 2023 £ |
|---|---|---|
| Amounts falling due by instalments after more than five years | 58,417 | 89,523 |

Repayment terms being monthly over a 15-year term at an interest rate of 6.98% pa (2023: 6.23%). Loan terms to be reviewed after 10 years in February 2026.

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**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

## 18. PENSION PROVISION

**Group and Association**

| | YMCA Pension | |
|---|---|---|
| | **2024** | **2023** |
| | **£** | **£** |
| 1 April | 335,910 | 380,480 |
| Paid in the year | (57,664) | (55,985) |
| Unwinding of discount (Note 7) | 10,077 | 11,415 |
| Change in funding deficit arrangements | (171,487) | - |
| 31 March | 116,836 | 335,910 |

YMCA Leicestershire 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 Leicestershire and at the year-end these were invested in the Mercer Dynamic De-risking Solution, 65% matching portfolio and 35% in the growth portfolio and Schroder (property units only).

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

The Pension Plan was closed to new members and future service accrual with effect from 30 April 2007. With the removal of the salary linkage for benefits all employed deferred members became deferred members as from 1 May 2011.

The valuation prepared as at 1 May 2023 showed that the YMCA Pension Plan had a deficit of £9.1 million. The Association has been advised that it will need to make monthly contributions of £4,022 from 1 May 2024. This amount is based on the current actuarial assumptions (as outlined above) and may vary in the future as a result of actual performance of the Pension Plan. Agreed future deficit contributions have been discounted using a rate of 6.73% (2023: 3%). The current recovery period is 3 years commencing 1st May 2024.

| | **Repayable** | | | | | |
|---|---|---|---|---|---|---|
| | **Within one year** | **One to two years** | **Two to five years** | **After five years** | **After more than one year** | **Total** |
| **As at** | **£** | **£** | **£** | **£** | **£** | **£** |
| **31 March 2024** | 40,521 | 37,966 | 38,349 | - | 76,315 | 116,836 |
| **31 March 2023** | 55,985 | 55,985 | 167,955 | 55,985 | 279,925 | 335,910 |

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

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

**19 RESERVES: movements in the year**

| Group | At 1 April 2023 £ | Income £ | Expenditure £ | Transfers £ | At 31 March 2024 £ |
|---|---|---|---|---|---|
| **Unrestricted funds:** | | | | | |
| General reserve | 2,718,329 | 3,470,896 | (3,014,456) | (244,588) | 2,930,181 |
| Non-charitable reserve | 11,306 | 87,433 | (57,062) | - | 41,677 |
| **Other reserves** | | | | | |
| Fair value | 444,024 | 31,803 | - | - | 475,827 |
| **Designated reserves** | | | | | |
| New opportunities fund | 4,385 | - | - | - | 4,385 |
| Property repair & replacement | 75,000 | - | (84,308) | 88,308 | 79,000 |
| Fixed assets | 84,000 | - | (122,342) | 153,342 | 115,000 |
| **Total unrestricted funds** | 3,337,044 | 3,590,132 | (3,278,168) | 2,938 | 3,646,070 |
| **Restricted funds:** | | | | | |
| Y – Support Project | - | 101,845 | (99,602) | (2,243) | - |
| Y – Support (Ralph Hale) | 314 | - | - | - | 314 |
| Cold Weather Cafe | 2,238 | - | - | - | 2,238 |
| NOF (sports equipment) | 1,485 | - | - | - | 1,485 |
| Heritage Lottery | - | 84,864 | (79,975) | (4,889) | - |
| Paul Hamlyn Foundation | - | 9,340 | (3,103) | (6,237) | - |
| Leicestershire OPCC | - | 38,969 | (29,751) | (9,218) | - |
| NHS LLR ICB – Mental Health | - | 62,104 | (87,629) | 25,525 | - |
| **Total restricted funds** | 4,037 | 297,122 | (300,060) | (2,938) | 4,037 |
| **TOTAL FUNDS** | 3,341,081 | 3,887,254 | (3,578,228) | - | 3,650,107 |



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**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

## 19. RESERVES: movements in the year *(continued)*

### Transfers

The transfer from restricted funds amounting to £2,938 to non-housing activities general reserve is to reflect a notional rental charge for the use of premises for the activities support by these restricted funds.

The Board members have reviewed the designated funds at the year-end which are separate to general reserves of the Group within the unrestricted funds. Accordingly, the appropriate transfers have been made to represent the decision made with respect to designated funds.

Restricted reserves relate to monies received, only to be expensed against the specific project that the monies were intended for. Below is a brief description of each restricted reserve;

- Y-Support Project – Local Authority grant for a day centre drop-in service for vulnerable and street homeless people. The Ralph Hale reserve was a donation to the project for equipment. The Cold Weather Café donation is for the provision of hot meals during the winter months.
- The New Opportunities Foundation (NOF) grant was used for the sports hall lighting which is now classed as investment property.
- Heritage Lottery – Grant funding for a 3 year project to engage vulnerable and disadvantaged young people to the arts and heritage sector.
- Paul Hamlyn Foundation – to develop a 'Youth Panel' to engage with the regional 'Shine' project.
- Leicestershire OPCC – to develop and research an educational scheme to combat knife crime and gang violence.
- NHS LLR ICB (Mental Health) – NHS grant to continue the work of Complex Needs coaches providing help and support for young people with complex mental health issues.

## 20. CAPITAL COMMITMENTS

Capital expenditure approved by the Board of Directors amounted to:

| | Group | | Association | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | £ | £ | £ | £ |
| Contracted | 9,649 | 20,596 | 9,649 | 20,596 |

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## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 21. COMMITMENTS UNDER OPERATING LEASES

The operating leases include a new electric van for operations and photocopying and printing equipment across the multi-sited organisation. At 31 March 2024 the total future commitments under non-cancellable operating leases were as follows:

**Group and Association**

| | Other 2024 £ | 2023 £ |
|---|---|---|
| Within one year | 138,624 | 88,416 |
| Within 2 to 5 years | 532,960 | 540,747 |
| | 671,584 | 629,163 |

### 22. RECONCILIATION OF SURPLUS AFTER TAX TO NET CASH GENERATED FROM OPERATIONS

| | 2024 £ | 2023 £ |
|---|---|---|
| Surplus for the year | 309,026 | 16,098 |
| Adjustments for: | | |
| Depreciation of tangible fixed assets | 311,231 | 300,879 |
| Amortisation of intangible fixed assets | 3,816 | 1,272 |
| Grant amortisation | (186,928) | (193,974) |
| Interest and dividends receivable | (16,862) | (14,356) |
| Interest payable | 31,797 | 25,047 |
| Accelerated depreciation | - | - |
| Fair value deficit/(gain) on investments | (31,803) | 22,699 |
| Operating cash flow before movements in working capital | 420,277 | 157,665 |
| (Increase)/Decrease in stocks | (1,177) | 964 |
| (Increase) in debtors | (153,603) | (8,925) |
| (Decrease)/Increase in creditors | (30,604) | 21,342 |
| (Decrease) in provisions | (219,074) | (44,570) |
| **Cash generated from operations** | 15,819 | 126,476 |

### 23. CASH AND CASH EQUIVALENTS

| | Group | | Association | |
|---|---|---|---|---|
| | 2024 £ | 2023 £ | 2024 £ | 2023 £ |
| Cash and cash equivalents represent: | | | | |
| Cash at bank | 701,787 | 860,035 | 691,099 | 847,982 |

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## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 24. ANALYSIS OF CHANGES IN NET DEBT

| | At 1 April 2023 £ | Cash flows £ | Other non-cash changes £ | At 31 March 2024 £ |
|---|---|---|---|---|
| **Cash and cash equivalents** | | | | |
| Cash | 860,035 | (158,248) | - | 701,787 |
| | 860,035 | (158,248) | - | 701,787 |
| **Borrowings** | | | | |
| Bank loan | | | | |
| Debt due within 1 year | (20,976) | 142 | - | (20,834) |
| Debt due after 1 year | (269,885) | 30,915 | - | (238,970) |
| | (290,861) | 31,057 | - | (259,804) |
| **Total** | 569,174 | (127,191) | - | 441,983 |

### 25. RELATED PARTY TRANSACTIONS

There were no related party transactions to disclose for the year ended 31 March 2024 or in the previous year.

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**YMCA LEICESTERSHIRE**

England & Wales - Charity number 213513

# Accounts

# YMCA LEICESTERSHIRE
# FINANCIAL STATEMENTS
# FOR THE YEAR ENDED
# 31 MARCH 2023

**Company Registration No: 00159933**
**Charities Commission No. 213513**
**Regulator of Social Housing No. H2381**

# FINANCIAL STATEMENTS
# YEAR ENDED 31 MARCH 2023

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# FINANCIAL STATEMENTS
# YEAR ENDED 31 MARCH 2023

## MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS

| | |
|---|---|
| **The members of the Board** | Mrs K Hamylton<br>Mr P Hawkins<br>Mr T Moore<br>Mr R Brannen<br>Ms E Hollis<br>Ms E Ling<br>Ms C Clifton<br>Mr D Glover<br>Ms L Capell<br>Ms F Wong<br>Ms H E Robertson<br>Ms J L Mackay<br>Mr R A Graves |
| **Company secretary** | Mr P Brown |
| **Registered office** | 7 East Street<br>Leicester<br>LE1 6EY |
| **Auditor** | Forrester Boyd Chartered Accountants<br>26 South Saint Mary's Gate<br>Grimsby<br>DN31 1LW |

**FINANCIAL STATEMENTS**
**YEAR ENDED 31 MARCH 2023**

# MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

## INTRODUCTION

The Board have pleasure in presenting their annual report, together with the audited financial statements of the group for the year ended 31 March 2023. This report contains a Directors' Report as required by company law.

## REFERENCE AND ADMINISTRATIVE INFORMATION

**Registered name** YMCA Leicestershire (changed 07/10/22)

**Known as** YMCA Leicestershire

**Charity registration number** 213513

**Company registration number** 00159933

**Regulator of Social Housing number** H2381

**Registered Office and main address** 7 East Street, Leicester, LE1 6EY

**Auditor** Forrester Boyd Chartered Accountants, 26 South Saint Mary's Gate, Grimsby, DN31 1LW

**Principal bankers** HSBC, 2-6 Gallowtree Gate, Leicester, LE1 1DA

**Investment advisors** Brewin Dolphin Limited, Waterfront House, 35 Station Street, Nottingham, NG2 3DQ

## Board and Committee Members

The following persons have served The Y during the year –

Ms K Hamylton – Chair
Mr P Hawkins – Vice Chair
Mr T Moore - Treasurer
Mr C Bolas (resigned 07.12.2022)
Mr R Brannen
Ms E Hollis
Mrs R Tedstone-Woods (resigned 07.12.2022)
Ms E Ling
Ms C Clifton
Mr I Pearce (resigned 07.12.2022)
Mr D Glover
Ms L Capell
Ms F Wong
Ms H E Robertson (appointed 07.12.2022)
Ms J L Mackay (appointed 07.12.2022)
Mr R A Graves (appointed 07.03.2023)

The following directors retire by rotation and being eligible offer themselves for re-election: Ms C Clifton, Ms L Capell and Mr D Glover.

**FINANCIAL STATEMENTS**
**YEAR ENDED 31 MARCH 2023**

# MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

## Qualifying third party indemnity insurance

The Association has made qualifying third-party indemnity provisions for the benefit of its board members during the year. These provisions remain in force at the reporting date.

**Secretary**: Paul Brown

## Executive Team (as at 31.3.23):

| | |
|---|---|
| Paul Brown | Chief Executive |
| Tom Lin | Deputy Chief Executive/Finance Director |
| Nicola Thompson-Windley | Director of People, Policy & Culture |
| Joanna Fleetwood-Smith | Business Development Director |
| Jennie Skelding | Director of Residential Care Services (RI) |

## Management Team (as at 31.3.23):

| | |
|---|---|
| Lizzie Clark | Executive Assistant |
| Hannah Williamson | HR Manager |
| Nuala Facey | Housing Support Manager |
| Donna Pole | Housing Support Manager |
| Samantha Bird | Housing Support Manager |
| Emma Knight | Fundraising and Communications Manager |
| Michael Harris-Wakelam | Theatre & Events Manager |
| Sean Langley | Property & Maintenance Manager |
| Kate Beaumont | Y-Support Manager |
| Juliet Martin | Heritage Project Manager |
| Louise Jordan | Registered Manager (Children's Home) |
| Hannah Deignan | Regional Complex Needs Co-Ordinator |
| Jess Strutt | Complex Needs Manager |
| Curtis Matthews | Chance 2 Change Manager |

**FINANCIAL STATEMENTS**
**YEAR ENDED 31 MARCH 2023**

# MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Governing Document

YMCA Leicestershire was founded in 1883. It is a charitable company limited by guarantee, incorporated in 1919 and registered as a charity in 1966. The Association was established under a Memorandum of Association which established the objects and powers of Association and is governed under its Articles of Association. In the event of the Association being wound up members are required to contribute an amount not exceeding £0.01 (one penny).

The Association is also a Registered Provider of Social Housing (RP). Therefore, the Association's Accounts must be prepared in accordance with Housing legislation and the Housing Statement of Recommended Practice (SORP) which overrides the requirements of the Charities SORP.

### Recruitment and Appointment of Board Members

Board members are the directors of the Association and are also charity trustees for the purposes of charity law. Under the requirements of the Memorandum of Association and Articles of Association Board members are elected to serve on the Board. A proportion of Board members retire at every Annual General meeting (AGM) and are eligible for re-election.

Due to the nature of the Association, elected Board members must sign a form of commitment to YMCA England & Wales' Ethos Statement and Membership Agreement. This effectively means that elected Board members must be practising Christians. In addition, the Board may co-opt additional directors who are not practising Christians but support the Ethos Statement of YMCA England & Wales.

Recruitment of Board members is through advertising in appropriate media together with approaches to known interested individuals. Consideration is given to achieve a mix of skills amongst its Board members that will complement the individual departments within the Association.

### Board Member Induction and Training

Potential new Board members are given an induction pack which provides information on the Association's services, its constitution and financial position, together with their legal obligations.

Potential Board members are then invited to meet existing Board members and subsequently the Management Team. The induction process is tailored to individual needs.

### Organisational Structure

The Board meet quarterly and is responsible for overseeing the strategic direction and management of the Association. In addition, there is a Resources Committee (covering Finance, HR and Asset Management / Maintenance which meet quarterly).

The Chief Executive together with his Directorate and Management Team has day to day responsibility for the management and delivery of services.

**FINANCIAL STATEMENTS**
**YEAR ENDED 31 MARCH 2023**

# MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

## STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Related Parties

The Association wholly owns Y Leisure Limited which consists of the trading activities of the charity. The principal activities of Y Leisure are the provision of a bar. The profits of Y Leisure are distributed via gift aid to YMCA Leicestershire.

## STRATEGIC REPORT

Risk Management

The members of the Board have considered the risks faced by the Association and Group through a risk analysis exercise. Policy and procedural implementation have taken place and a critical analysis of the organisation's management structure completed.

### Key risks and uncertainties

The Association have considered the key risks and uncertainties it faces over the coming year and has identified these as;

1. Park House Children's Home fails to achieve an Ofsted standard of 'Good' therefore impacting on future occupancy and placement authority's confidence in the service.
2. Failure to recruit and maintain suitably qualified staff to manage and deliver residential care & Housing Support Services.
3. Failure to invest in the public areas within East Street therefore impacting on theatre audience and community groups experience.
4. Failure to mitigate risks as identified in the business risk register.
5. Inflation and our ability to meet increasing wage demands and operational costs.
6. Increasing cost of utilities, impacting on business finances.
7. Ability for the organisation to grow within the current economic environment.
8. Failure to meet new Ofsted regulations for the accommodation of 16-18 year olds resulting in the withdrawal of our UASC contract.
9. Failure to meet YMCA E&W Charity Standards thus impacting negatively on our national YMCA Health Check.

**FINANCIAL STATEMENTS**
**YEAR ENDED 31 MARCH 2023**

## MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

## STRATEGIC REPORT (continued)

### Residential Children's Services

Park House is now in its fifth year of delivery, having received an Ofsted grading of Requires Improvement in August 2022 was again a major disappointment for the organisation as this was a similar grade from the previous year. Looking back at the service, it is clear that there were a number of issues in relation management which included safeguarding that were not managed appropriately and impacted on our Ofsted grading. As part of rectifying this, the organisation appointed a new manager and a new Responsible Individual, both have made a significant difference to the service since their appointment. In September 2022, Ofsted carried out a mid-term inspection against an agreed action plan which identified positive progress in moving forward. Our aim is to achieve a minimum grading of Good at our forthcoming inspection which should be due in September 2023. Additionally, we have also rebuilt trust in our placement agencies and as such are confident that our relationship with commissioners is positive. A large part of this year we have been supporting a young person with significant needs as a solo placement, although challenging the team have worked well and made significate progress in meeting the young person's needs and aspirations.

### Education

The education task and finish group met and made a number of recommendations throughout the year, which included the development of a Skills for Life curriculum. As such, a senior member of staff was identified to lead on this and subsequently working alongside housing managers and the Business Development Director have designed a Skills for Life curriculum which can be implemented across the organisation. Looking forward, the plan will be to appoint an education worker who will lead in this area of work supporting our vision to empower young people to raise their educational attainment and access further education employment and/ or training.

### Theatre

The focus this year was around increasing access in the theatre following the investment in the lighting and electrical infrastructure that was carried out last year. As part of the capital purchase and investment group, it was agreed to explore options to create stage access and better washroom facilities for our disabled customers. Following a period of exploration, a platform lift was purchased which was identified as suitable to meet the access needs to the stage. Additionally, the current accessible toilet was refurbished in order to create a larger turning circle to accommodate automated chairs. It is also planned to carry out a full refurbishment of the main toilets and washroom facilities in July - August 2024 when the theatre goes 'dark'. This was originally planned for 2023 but due to conflicting priorities it has had to be rescheduled. This year the theatre continued to deliver a range of artistic shows and events including the annual comedy festival, and attracted in the region of 21,000 people through our doors.

### Shine

Shine as a regional project ended in March 2022 with a vision to roll out the learning and practice across the YMCA movement as a whole. This vision was being led by YMCA England and Wales' fundraising department but has yet to generate positive momentum and subsequent funding. The vision will now be part of the national strategy group, looking at housing and support which Shine should be fundamental to. As part of the organisation's commitment to complex needs, a decision was made to fund two Shine Workers from reserves and build them in to the Housing Staffing compliment. This reflected the organisation's commitment to the work of Shine and the impact the work has had on young people accessing our services.

**FINANCIAL STATEMENTS**
**YEAR ENDED 31 MARCH 2023**

## MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

### STRATEGIC REPORT (continued)

Additionally, through Shine, there was the development of an Experts by Experience group which is supporting young people to help shape services and practice based on their own experience. During the year, members of the group actively participated in leadership training, including a residential, the recruitment of staff and the design and equipping of the residents' kitchen at Aylestone.

**Serious Youth Violence**

Working alongside the Violence Reduction Unit, Police and Crime Commissioner and Leicester City Council, our community based street violence project engaged 32 young people in the key hotspots of New Parks/ Beaumont Leys, Highfields and Charnwood. Although the project has had a number of challenges, we are hopeful that year 2 will be funded, however this is on condition of meeting some challenging targets, a percentage of which are outside of our control. Regardless of this, our learning as an organisation from being involved in this project will be used for future funding bids.

**Day Centre Review**

During the year, the Day Centre continued to deliver critical services to street homeless and the vulnerably housed. As part of this, the provision was relocated from the Y bar in to one of the retail units on Granby Street. This enabled the Day Centre to regain its independence and have unrestricted access. The City Council continue to carry out their review of day centre services and the refurbishment of the Dawn Centre in to a new homeless hub. However, due to increase in cost, this has been delayed. The City Council are also in conversation with ourselves in relation to the role of the Day Centre within the new hub. This is a significant change in perspective by the Council as they did not previously recognise a role for the Day Centre within the new facility.

**Y Heritage**

The original Heritage project officially ended in September 2022, however the Heritage Lottery agreed to extend it until the end of October 2022. During this period, a funding application was made to deliver a regional Heritage project, in partnership with Norfolk YMCA and Museum Services. Unfortunately, the timeframe for this funding was March 2023, which would have impacted on the manager responsible for delivery of the project. With this in mind, the organisation made the decision to keep this manager in post and second her to support the Experts by Experience group for a period of up to six months. In March 2023, we were informed by Heritage Lottery that the funding bid was successful and the new project is due to start on 1st June 2023 for a 10 month development phase rolling in to an additional three year period.

**Human Resources**

During the year, the organisation made the decision to make a considerable investment in its HR team. This resulted in the appointment of a Director of People, Policy and Culture and an HR Manager. The two new appointments have made a significant impact on the business. Not only have they brought in new ideas and ways of working, they have developed a number of key policy documents, addressed issues of working practices, carried out a full review of the recruitment and selection processes and implemented a range of staff benefits including birthday leave, long service leave and a menopause policy which includes wellbeing leave. They are also exploring options for death in service and remote working.

**FINANCIAL STATEMENTS**
**YEAR ENDED 31 MARCH 2023**

# MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

## STRATEGIC REPORT (continued)

### Branding

In August 2022, we adopted and launched the national brand to YMCA Leicestershire, which included two new websites one for the theatre and one for the main organisation. In carrying out this branding exercise and renaming ourselves accordingly, we intend to expand our work in to the county. We also intend to hold an event with key funders and stakeholders to recognise their support for the organisation and share with them our branding journey going forward.

### Equality & Diversity

As part of our commitment to the EDI agenda, a number of staff attended regional training coordinated by the Responding to #BlackLivesMatters Regional Working Group. We also ensure that all staff as part of their induction or refresher training are trained in Equality, Diversity and Inclusion. The new Director of People, Policy and Culture will also develop an EDI action plan that is presented to the Board annually, reflecting what the organisation has achieved in relation to it's EDI commitment. With the pending change in Chair who is also the EDI Champion, there will be a need to identify an EDI Champion to replace her.

### Sports Health and Fitness

This year we made a substantial investment in a new gym / fitness studio, this will not only provide a much needed facility to residents and staff but also a tool for the HR department to include in their employee benefits package as part of their recruitment and retention strategy.

### Governance

Recognising the need to ensure that our Trustees reflect the local community and also the Charity Commission's recommendations regarding diverse Boards, we have appointed a new Trustee from the BAME community who brings a wealth of experience of artistic management to the organisation. We will continue to ensure that all reports that go to the Board, Equality, Diversity and Inclusion are included within our implications.

### Increase Cost of Utilities

Management of our utility bills has been a major challenge this year. However, due to the fact that we were tied in to a number of fixed contracts, the initial impact was not as great as it could have been. We are now at the point of negotiating new contracts which fortunately may coincide with a drop in the market rate of gas and electricity. The Deputy Chief Executive will continue to assess market fluctuations and choose a point at which to commit to new contracts that would be most advantageous to the business.

### Organisational Growth

Although we are in challenging times, there is a still a critical need for the organisation to grow and continue to develop its services. This year, we have looked in to expanding our residential childcare increasing our work with unaccompanied asylum seeking children and developing new work around serious violent crime.

### Multi-employer defined benefit pension scheme

YMCA Leicestershire recognises possible concern relating to its participation in a defined benefit pension scheme. Appropriate action has been taken: The scheme was closed to new members in 2007, and the link to final salary broken in 2011. Additional contributions continue to be made to reduce the deficit. As part of the YMCA federation, the multi-employer pension scheme is run by an independent Trustee board with employer representation through the Principal Employer, National Council of YMCAs.

**FINANCIAL STATEMENTS**
**YEAR ENDED 31 MARCH 2023**

## MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

### STRATEGIC REPORT (continued)

The pension scheme Trustee obtains an actuarial valuation every three years and we have considered the implications to the charity's finances from the latest available actuarial valuation.
We have reviewed the charity's ability to continue to deliver its charitable objectives by ensuring budgets, forecasts and plans are available and include the impact of deficit repayments. The pension scheme Trustee included the impact of pension scheme deficit repayments in considering going concern status, reserves, and the risks and uncertainties that the charity face noted elsewhere in this Report.
YMCA Leicestershire benefits from the pension scheme Trustee and the Principal Employer seeking suitable specialist professional advice both to manage the scheme and in the continuing effort to explore ways of reducing the overall pension deficit. The notes to the Accounts include an accounting policy and further details in note 18.

### STRATEGIC REPORT - Looking Forward (23/24)

#### Housing

We will enhance our work with Unaccompanied Asylum-Seeking Children (UASC) by increasing provision from 15 to 20 units which will include the leasing of an additional property to meet this need. The new housing management system Inform will be launched in August / September 2023, ensuring that our ability to collect relevant data and support monitoring recording and assessments is compatible with stakeholder needs. The year will also offer us the challenge of registering with Ofsted under their new guidance for accommodating 16 – 18 year old care leavers. This new requirement will entail the organisation drafting a number of new policy and procedure documents, including Young People's Guide and a clear definition of our service offer. Fortunately, the organisation is in a good position to meet the Ofsted standards as we have experience from our children's home of Ofsted inspection and guidance. This experience will be transferred to our housing support services. We are also looking to increase our housing resettlement team providing additional support for young people moving in to independent living. We will also look to be appointing a new Director of Housing following the resignation of the previous Housing Director in November 2022. As part of our Housing vision, we also intend to explore the Foyer Federation's Advantaged Thinking model and look to increase our housing portfolio.

#### Education

It is the organisation's intention to appoint an Education Worker to deliver on our Skills for Life curriculum. As part of this role, we will also aim to generate funding to appoint an Employment Engagement Officer, whose role will be to work with external companies / businesses creating opportunities for young people to gain meaningful and long-term employment.

#### Complex Needs

An organisational decision was made to amalgamate complex needs in to the core staffing compliment. As such, this will ensure that the young people we are working with have a consistency of support, not only in relation to their housing but also their mental health. This year, we have worked with the Clinical Commissioning Group to generate additional funding to support this work and our aim is to continue this relationship going forward, thus securing complex needs within the organisation for the foreseeable future.

#### Organisational Management

We will appoint a new Director of Housing who will lead on the implementation of the Ofsted guidelines for accommodating 16 – 17-year olds. They will also lead on the implementation of Advantaged Thinking should the organisation decide to adopt that model.

**FINANCIAL STATEMENTS**
**YEAR ENDED 31 MARCH 2023**

# MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

## STRATEGIC REPORT - Looking Forward (23/24) (continued)

### Recruitment, Selection and Retention

The new HR team will continue to explore how we can increase our recruitment, selection and retention successes by implementing a range of employee benefits that ultimately provide added value to staff working within the organisation. Currently it is difficult for the organisation to compete with local authority or private sector salaries therefore employee benefits may be a way of retaining staff.

### Park House Residential Services

We are focussed on achieving a minimum Ofsted grating of Good at our next inspection which is due in the late summer early autumn. The house will also go through a refurbishment programme in August which will include complete redecoration, new furniture, flooring and the relocation of the office. It is our intention to offer placements as of September 2023 with an aim to achieving full occupancy as soon as possible.

We will also explore options to expand our services through the development of a second home should finances allow. This will further support the strategy as set out in the business plan but also enable the organisation to move closer to its target of 40% income being self-generated.

### Heritage

From June 23rd the heritage project we have supported since 2018 embarks on the development phase of a potential 4 year project in partnership with Norfolk Museum Service, we have called the new project ' Your Heritage Your Future'. As the lead partner it will be our responsibility to turn the development phase into a valuable project that will make a significant impact for young people engaged in heritage. If successful it is hoped that our East Midlands/East of England relationship will flourish and the partnership will work on a range of new progression opportunities for young people in heritage organisations, principally museums, whilst enabling these organisations to build their capacity and confidence to engage young people and empower them to influence their youth engagement and employment offer. Your Heritage Your Future aims to identify the need within the museum sector to support development of programmes for young people and to develop a sustainable and diverse workforce that includes more opportunities for young people.

### The Y Theatre

The theatre will continue to offer a range of arts based culturally relevant events reflecting our local community. We will also look to engage in the Skills for Life Curriculum training young people on technical theatre management, front of house and customer services. We will also look to increase daytime use of the theatre, bar and room hire for conferences and meetings.

Working with homeless services to facilitate a drama/ spoken work group for those with lived experience of homelessness will also be a vision for 2023/24.

### Capital Development / Sustainability

We will continue to invest in our buildings ensuring that our 5* standard is maintained, we will also continue to implement a range of sustainability measures reducing our use of gas and electricity where possible through the instillation of smart technology. We will also look to install EV charging points at Aylestone in partnership with BeEv.

We will explore the East Street heating system and if possible carryout a feasibility study with an aim to us being environmentally and cost effective. We will also develop clear and costed plans for the refurbishment of the East Street toilets and wash room facilities.

**FINANCIAL STATEMENTS**
**YEAR ENDED 31 MARCH 2023**

# MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

## STRATEGIC REPORT (continued)

| | |
|---|---|
| **Vision** | Our vision is for every young person to have a safe place to call home and the support they need to create lasting change in their lives. |
| **Mission** | Our mission is to create supportive and inspiring places where young people and communities can belong, contribute and thrive. We do this through accommodation, care, support, advice, skills for life, theatre and cultural activities. |
| **Purpose statement** | *Everyone should have a fair chance to discover who they are and what they can become.* |
| | **Values** |
| **We welcome** | We work with kindness and integrity so that everyone can feel secure, respected and heard |
| **We support** | We build trusting relationships and nurture personal strengths to help people find their path to independence |
| **We empower** | We work alongside people to grow their skills and self-belief to enable them to thrive |
| **We enrich** | We create inspiring activities that give people a sense of connection and wellbeing |
| **We seek out** | We look for opportunities to collaborate and make an impact in the communities we serve |

### Strategic Measures

We will achieve this by:

1. Investing in our buildings, ensuring they are safe, accessible and fit for purpose whilst challenging the general perception of 'supported accommodation'.
2. Being an organisation that has the needs and aspirations of young people at its core.
3. Being a Learning Organisation that is committed to encouraging sharing of information and knowledge, whilst asking challenging questions that will ensure continual reflection and regeneration.
4. Consistently evaluating what we do, how we do it and the impact on the lives and aspirations of our communities.
5. Keeping abreast of the political, economic, social, technological and environmental agenda, ensuring a flexible approach to services in a complex and dynamic environment.
6. Being an organisation that supports the added value and benefits of cultural activities and engagement.
7. Ensuring sustainability through income generation of unrestricted funds.
8. Investing in our people, ensuring they have the necessary skills, knowledge and attitudes, to deliver high quality services.
9. Creating an environment that enables children to grow and thrive.
10. Maintaining and working within clear and prudent financial guidelines.
11. Being environmentally aware and responsible.

**FINANCIAL STATEMENTS**
**YEAR ENDED 31 MARCH 2023**

# MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

## STRATEGIC REPORT (continued)

### ACTIVITIES

The Y is a multi-faceted Association and Group and operates in the following fields:

#### Housing

YMCA Leicestershire provides supported housing for 104 young single homeless people 78 of which is part of Leicester City Councils' commissioned service. The accommodation is split over five sites; East Street (49 bed spaces) and Aylestone (35 bed spaces) providing accommodation to young people aged 16 – 25.

In addition, we have 3 move-on properties providing a total of 15 beds, a 5-bed house accommodating Unaccompanied Asylum-Seeking Children, and an additional property providing residential child care services.

The Housing department works in a holistic way and sees the provision of accommodation as just one element of its role. Other elements include help with claiming benefit, support in accessing community care grants, basic personal hygiene, education, informal counselling, problem solving, accessing appropriate medical support and empowering the young person to move on to semi/independent living.

Many of the young people that live within YMCA Leicestershire come from 'difficult' backgrounds, some have recently left care or prison, and others have been in abusive relationships, have special educational needs, suffer from low self-esteem or find themselves isolated from friends and family due to society's expectations and their inability to meet those expectations. For these young people it is essential that the staff form no judgements but work with them on a basis of mutual trust and respect, empowering them to gain the skills necessary to live, work and communicate with others.

#### The Y Support Project

The Y Advice and Support Centre (YASC) is a direct access day centre for homeless and vulnerably housed people based in Leicester. The centre provides access to information and advice on housing, benefits advice and access to primary healthcare. In addition, the centre provides practical support with free food and drink.

#### Community Arts

The Y Theatre is the oldest theatre within Leicester. Opened in 1900 the theatre is the one aspect of our core business that makes The Y truly different from most other YMCAs. The Y Theatre offers a varied programme of live music, comedy, performance and community events. Also, on offer are active art and educational workshops aimed at supporting and encouraging the local community, particularly young people to enjoy their creativity and build confidence and develop communication skills.

#### Fundraising

The fundraising team have continued to have an impact on organisational income through fundraising activities. The Big Give Christmas Challenge platform in December made a substantial impact on our fundraising targets and it is planned to have a Sleep Out later in the year to support our fundraising initiative. The team will also look to relaunch their Philanthropy Group, engaging Trustees in identifying philanthropic fundraising activities.

YMCA Leicestershire is committed to adhering to the Code of Fundraising Practice and new GDPR regulations throughout the whole fundraising process. The organisation takes any complaints seriously and does not advocate intrusive, persistent or the application of any undue pressure to donate. This is made clear to all commercial partners, volunteers and new members of the fundraising team. There were no fundraising complaints in the year.

**FINANCIAL STATEMENTS**
**YEAR ENDED 31 MARCH 2023**

# MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

## STRATEGIC REPORT (continued)

### Environmental Footprint

As part of our commitment to reducing our environmental footprint we are actively assessing our utility usage, and aim to work with Leicester city council via their sustainability agenda to identify innovative practices to reduce our carbon footprint.

### Shop Rental

YMCA Leicestershire has seven shop units in the East Street Property all of which are let on leases. In addition, YMCA Leicestershire leases land on Belvoir Drive to three telecommunication companies for the siting of communication towers.

### General

YMCA Leicestershire has core departments of Human Resources, Operations, Finance and Fundraising, Marketing and Communications.

The Human Resources department is responsible for all aspects of HR training and staff development within the organisation. This year we have ensure that all appropriate staff and Trustees have either gone through safeguarding training and safer recruitment training.
The organisation has continued to invest in Hays Online training and as such have access to a range of training courses through their portal. There is also an intention to review and implement the On-Call Policy, ensuring that managers are remunerated for on-call and unnecessary call outs are reduced.

The Operations Department is responsible for all aspects of asset management, maintenance and health and safety. As part of the Operation department's targets, reduced energy consumption, increased recycling and maintenance planning are an essential part of their overall contribution to business efficiency.

The Finance department is responsible for the overall financial management of income and expenditure as well as the management and implementation of the company's financial procedures. Its approach ensures that the needs of all departments, the organisation as a whole and our funders are met.

The organisation has a comprehensive fraud policy which is managed by the Deputy Chief Executive/ Finance Director.

**FINANCIAL STATEMENTS**
**YEAR ENDED 31 MARCH 2023**

# MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

## STRATEGIC REPORT (continued)

### Financial Review

YMCA Leicestershire has incurred a consolidated surplus of £16,098 (2022: surplus £161,290), which includes a surplus from Y Leisure of £31,645 (2022: surplus £13,337).

During 2022/23 The Y received the following large contracts and grants;

| | |
|---|---|
| Leicester City Council Supporting People | £359,619 |
| Leicester City Council Homelessness | £60,487 |
| Leicester Health | £36,868 |
| Heritage Lottery Fund | £104,732 |
| Arts Council – COVID grant | £7,500 |
| Leicestershire Office of the Police & Crime Commissioner | £80,035 |

In line with the Reserves policy statement, the organisation still needs to maintain its reserves by achieving a surplus of income over expenditure to ensure that it would meet its liabilities if all contracts ceased. The Board considers that YMCA Leicestershire is in a healthy financial situation, with two maturing housing initiatives (Children's Home and Unaccompanied Asylum-Seeking Children) that will increase our self-generating income stream. Coupled with the continuation of our robust approach to procurement and gains in efficiency via our IT investment, YMCA Leicestershire will aim to generate a surplus to fulfil its commitments.

### Reserves Policy

YMCA Leicestershire requires an appropriate level of reserves in order to operate effectively. The level is set with regard to our aims, needs and objectives and the risks we face. These are sudden cessation or non-renewal of contracts and grants, delay in receipt of funding, and future essential maintenance of properties. The Board of Trustees is of the opinion that reserves in the order of £671,000 are necessary. Free reserves representing unrestricted funds that are not represented by fixed assets used in the Charity's operations were £920,874 at 31 March 2023 – this is calculated before accounting for the pension deficit funding liability of £335,910 now included in the financial statements under FRS102, which is actually payable over a further 6 years at a monthly rate of £4,805. This policy will be reviewed annually.

### Investment Policy

The Board has delegated to independent investment advisors (page 2) the power to invest funds surplus to requirements in stocks and shares quoted on the London Stock Exchange. Such investments are to provide a combination of income and capital growth. The Resource Committee receive half-yearly reports and review the performance with the advisors. Investment performance for the year is in line with the target set in the investment policy.

**FINANCIAL STATEMENTS**
**YEAR ENDED 31 MARCH 2023**

# MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

## STRATEGIC REPORT (continued)

## YMCA Leicestershire Value for Money (VFM) Policy

### 1. Policy Statement

YMCA Leicestershire's Mission Statement, Strategic Objectives, Values and Service Delivery are underpinned by a commitment to value for money.

This policy presents our intentions on what we spend and how we deploy our staff and resources directly with the core values and the service standards we deliver. The Y's performance achievements and customer satisfaction are key elements of this policy. Our strategic objectives are:

- To provide high quality support and accommodation that empowers young people to achieve sustainable independence.
- To support young people to develop skills through access to arts education, employment, training and sports.
- To be a community resource that fully reflects the needs of local people, through the provision of community activities, advice information and advocacy.
- To be fully accessible, promote diversity and challenge discrimination in all its forms.
- To develop good quality partnerships that support service design and delivery and are cost effective.
- To be a proactive organisation that takes measured risks in order to keep abreast of changing needs.

### 2. Value for Money demonstrable expectations

The Regulator of Social Housing (RSH)'s framework for social housing has a specific Value for Money standard. The standard requires that:

- Registered providers articulate and deliver a comprehensive and strategic approach to achieving VFM in meeting organisational objectives.
- Trustees maintain a robust assessment of the performance of all their assets and resources. This will consider the interest of and commitment to stakeholders. This information should be available to stakeholders in a transparent and accessible format.

This means managing resources economically, efficiently and effectively to provide quality service and homes and planning for and delivering ongoing improvements for value for money.

The Board of Trustees meet on a quarterly basis in conjunction with the Resource Committee. The agenda items that will incorporate VFM considerations will be appropriately deliberated and their costs and benefits considered. This includes the generation of any potential returns commensurate to the risk involved.

**FINANCIAL STATEMENTS**
**YEAR ENDED 31 MARCH 2023**

# MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

## STRATEGIC REPORT (continued)

### 2. Value for Money demonstrable expectations (continued)

YMCA Leicestershire regularly reviews our contracts for services throughout the organisation and maintains a robust approach to the procurement of goods and services. During 2022/23 The Y's administration team continued to support the organisations' various departments in providing a number of quotes and identifying the most suitable supplier for various single project work throughout the financial year.

It is difficult to assess YMCA Leicestershire's performance against its peers within the region as each YMCA is very different. However, the lottery funded Regional Complex Needs project has enabled The Y to measure its understanding and approach to working with complex young people against 6 other YMCAs within the region. This has achieved a degree of benchmarking as described below.

**Benchmarking**

It is now a requirement to carry out a competitive benchmarking exercise as part of the trustee's annual report. As part of this process trustees have identified 6 regional YMCAs (Heart of England, Burton on Trent, Sutton Coldfield, North Staffordshire, Wellington and District and Lincolnshire). who could be seen as competitors within the Central Region. Each of these YMCAs are delivering a range of similar services to YMCA Leicestershire, all have some form of social housing, community development, sport and support services.

In carrying out the benchmarking exercise the area to be measured is, Working and Engaging Complex Needs young people, work which has been the subject of lottery funding to each of the above YMCAs co-ordinated and managed by Leicester.

Having carried out a desktop exercise it is clear that if one used the following measures:

- Knowledge and Understanding
- Experience
- Training
- Governance
- Staff skills & awareness

Leicester would be in a position to demonstrate that as part of a benchmarking exercise it would be more than able to show a competitive edge in relation to our work with this challenging group and as such set the standard that others would strive to meet.

Within the organisation, the employee appraisal system includes regular performance reviews that include KPIs at an individual and departmental level. This enables the managers of the charity to assess and measure the delivery of the strategic objectives of the organisation.

**FINANCIAL STATEMENTS**
**YEAR ENDED 31 MARCH 2023**

# MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

## STRATEGIC REPORT (continued)

### 2. Value for Money demonstrable expectations (continued)

Regulatory reporting on VFM is required by the Regulator of Social Housing from April 2018 and Registered Providers must publish the required evidence in the statutory accounts annually. The required VFM metrics are presented below.

| Regulator of Social Housing Metrics 2023 | | 2022-23 | 2021-22 |
|---|---|---|---|
| **Metric 1 (Efficiency)** | **Reinvestment %**<br>(Investment in properties, existing & new, as a % of the value of total properties held) | 0% | 0% |
| **Metric 2 (Effectiveness)** | **New supply delivered %**<br>(No. of new social and non-social housing units, acquired or developed in the year as a proportion of total social and non-social housing units owned at period end. ) | | |
| **Calc A** | **For social housing units** | 0% | 0% |
| **Calc B** | **For non-social housing units** | 0% | 0% |
| **Metric 3 (Efficiency)** | **Gearing %** | 4% | 4% |
| **Metric 4 (Efficiency)** | **EBITDA MRI interest cover %** | 1236% | 2630% |
| **Metric 5 (Economy)** | **Headline social housing cost per unit** | £14,019 | £12,868 |
| **Metric 6 (Efficiency)** | **Operating Margin %** | | |
| Calc A | Operating Margin (social housing only) % | 7% | 12% |
| Calc B | Operating Margin (overall) % | 1% | 4% |
| **Metric 7 (Efficiency)** | **Return on Capital Employed (ROCE) %** | 1% | 2% |

**Commentary**

As in the previous year, there was no reinvestment in social housing property for the year and no new units have been developed. Gearing levels have remained the same as the previous year. Interest cover has reduced due higher interest rate payments but continued to remain significantly sufficient. The social housing cost per unit has increased by 9% on the previous year due to higher inflationary pressures on all expenditure. The social housing operating margin has fallen by 5%, with the overall operating margin also decreased by 3% when compared with the previous year. The group's return on capital employed has fallen by 1% from the previous year.

**FINANCIAL STATEMENTS**
**YEAR ENDED 31 MARCH 2023**

# MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

## STRATEGIC REPORT *(continued)*

### 3. Key Strategic Objectives

YMCA Leicestershire will implement a programme to review expenditure and enable scrutiny of initiatives with a view to achieving a minimum of 5% saving year on year for the next four years. These objectives include:

- **Promotion** – embedding of VFM principles within the culture of the organisation.
- **People** – encouraging economic awareness amongst staff and VFM principles within all business operations.
- **Procurement** – creation, maintenance and promotion of economic, efficient and effective purchasing principles and continuous review of contracts and services.
- **Recycling** – to minimise waste and recycle as much as possible
- **Partnerships** – communicate our commitment to VFM and encourage these principles amongst our partners.
- **Improvement** – improving the efficiency of how we support and deliver our services.
- **Green** – implement a programme of energy efficiency, water conservation and waste minimisation across the organisation.

### PLANS FOR FUTURE PERIODS

The Association plans to continue its activities as outlined above. In addition, significant activities to be undertaken during the year are as follows:

1. To improve our Ofsted inspection rating of Requires Improvement to a minimum of Good.
2. To expand our residential childcare provision through the purchase of a second property in line with the Business Plan and reports taken to the Board.
3. Implement training for all staff and Trustees on Advantaged Thinking, Equality, Diversity Inclusion and Unconscious Bias.
4. To ensure we meet the new Ofsted standards for regulated provision for 16-18-year olds.
5. To implement a development plan to refurbish our wash room facilities at East Street.
6. To carry out a refurbishment of the Aylestone reception, working with the Experts by Experience group.
7. To explore individual legacies and philanthropy as part of our fundraising strategy.
8. To continue to work with the NHS CCG to support our work with complex needs young people.
9. To support the development of a Shadow Board of young people with representatives to sit on the main Board of the organisation.
10. To increase the diversity of the Board.
11. To work with our residents, empowering them to share their stories and journeys.
12. To assess our environmental footprint and develop plans to reduce the same.
13. To appoint a Skills for Life Worker and implement the education curriculum.
14. To ensure all front of house and bar staff are young people who are former residents.
15. To increase our provision to accommodate unaccompanied asylum-seeking children through the leasing of an additional property.
16. To carry out a strength audit of the Executive team and Board.
17. To hold an annual Board Development day, looking at future plans and growth.

**FINANCIAL STATEMENTS**
**YEAR ENDED 31 MARCH 2023**

# MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

## STATEMENT OF THE MEMBERS OF THE BOARD'S RESPONSIBILITIES

The Board is responsible for preparing the Members of the Board's Report, including Directors' Report and Strategic Report, and financial statements in accordance with applicable law and regulations.

Company and Registered Social Housing legislation require the Board to prepare financial statements for each financial year. Under that law the Board have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice. Under that law the Board must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and surplus and deficit of the group for that period. In preparing these financial statements the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice (SORP) Accounting by Registered Housing Providers 2019, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and group will continue in operation.

The Board is responsible for keeping adequate accounting records, that are sufficient to show and explain the company's and group's transactions and disclose with reasonable accuracy at any time the financial position of the company and group and enable them to ensure that the financial statements comply with Companies Act 2006, the Housing and Regeneration Act 2008 and the accounting requirements of the Accounting Direction for private registered providers of social housing 2019. The Board is also responsible for safeguarding the assets of the company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### RSH GOVERNANCE & FINANCIAL VIABILITY STANDARD

The Board recognises and confirms the compliance with the Regulator of Social Housing's Governance & Financial Viability Standard. The Y has also retained its continued qualification as a Homes England Investment partner for future housing programmes.

### PUBLIC BENEFIT

The Board of Trustees has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing Association aims and objectives and in planning future activities.

The focus of our work is:

- the provision of supported housing to vulnerable young homeless people
- facilitating our resources to offer a varied programme of community and educational events
- working in partnership with other agencies to secure the widest range of services available to match the needs of clients
- provision of sport, health and fitness facilities to members of the community
- provide residents with education, training and skills to secure employment or their own tenancies.

The Board of Trustees has complied with section 17 of the Charities Act 2011, and in setting a programme each year has had regard to both the Charity Commission's general guidance on public benefit and provision of services for the client population. The Board of Trustees always ensures that the services provided are in line with the charitable objects and aims of the Association.

The Board feels the aforementioned Strategic Report and principal activity support this conclusion.

### AUDITOR

In accordance with the Companies Act 2006 a resolution proposing the appointment of Forrester Boyd Chartered Accountants as Auditor will be put to the members.

**FINANCIAL STATEMENTS**
**YEAR ENDED 31 MARCH 2023**

# MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

## DIRECTORS' REPORT

### STATEMENT OF INTERNAL FINANCIAL CONTROL

The Board is responsible for maintaining a sound system of internal control which:

- focuses on the significant risks that threaten the Association's ability to meet its objectives; and
- provides reasonable assurance of the safeguarding of assets.

The Board is also responsible for reviewing the effectiveness of the system of internal control.

The internal control system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable, and not absolute, assurance against material misstatement or loss.

The process for identifying, evaluating and managing the significant risks faced by the Association is ongoing. This process has been in place for the year ended 31 March 2023 and up to the date of approval of the annual report and financial statements and is regularly reviewed by the Board.

The process which the Board has adopted in reviewing the effectiveness of the Association's system of internal control is reviewed through the Resource Committee. The key elements in exercising financial control include:

- Formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow monitoring of controls and restrict the unauthorised use of the Association's assets.

- The employment of suitably qualified staff to take responsibility for key areas of the business. This is supported by an annual appraisal system to maintain standards of performance.

- The preparation of forecasts and budgets which allow the Board and management to monitor the key business risks and financial objectives, and progress towards financial plans set for the year and the medium term; regular management accounts are prepared promptly, providing relevant, reliable and up-to-date financial and other information and significant variances from budgets are investigated as appropriate.

- All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through relevant sub-committees comprising Board members and others.

- The Resource Committee reviews reports from management and external auditors to provide reasonable assurance that control procedures are in place and are being followed. This includes a general review of the major risks facing the Association. The Resource Committee make regular reports to the Board

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

**FINANCIAL STATEMENTS**
**YEAR ENDED 31 MARCH 2023**

# MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

## DIRECTORS' REPORT *(continued)*

### STATEMENT OF INTERNAL FINANCIAL CONTROL *(continued)*

### FRAUD

It is the policy of YMCA Leicestershire to identify and promptly investigate any possibility of fraudulent or related dishonest activities against the organisation. The charity aims to promote an organisational culture which encourages the prevention of fraud by raising awareness of the need for high standards of personal conduct.

Any act of fraud ascertained upon investigation, or pursuant to a criminal conviction, or through written acknowledgment by the employee concerned, shall result in the appropriate disciplinary and legal actions against the employee.

Prevention of Fraud

Executives, managers and employees at all levels are responsible for exercising due diligence and control to prevent, detect and report acts of fraud. Those who fail to carry out these responsibilities will be subject to disciplinary action up to and including termination of employment.

Responsibility of Management

It is the responsibility of Executives and managers to be familiar with the types of improprieties that might occur in their area and be alert for any indication that improper activity, misappropriation or dishonest activity is or was in existence in his or her area and put in place controls to avoid such occurrences.

Responsibility of Employees

It is the responsibility of all employees to conduct their work schedule in such a way as to prevent fraud occurring in the workplace. Employees must also be alert to the possibilities for fraud and be on guard for any indications that improper or dishonest activity is taking place.

Reporting Fraud

It is the responsibility of all executives, managers and employees to report any suspicions of fraud without delay according to the procedure laid out below.

A person who suspects that fraudulent practice may be operating should, in the first instance, report the matter to his/her manager or immediate superior. Should it be inappropriate to make such a report to an immediate superior, the report should be made to that person's manager or directly to the Chief Executive.

Once a report of suspected fraud is made to supervisor/manager that person should report the suspicion to either the Chief Executive or Finance Director.

A Fraud Incident Report should be completed by the person reporting suspected fraud. The Finance Director will report any incidents to the Resource Committee. This policy is read in conjunction with the whistle blowing policy. The fraud policy is reviewed annually by the Finance Director.

**FINANCIAL STATEMENTS**
**YEAR ENDED 31 MARCH 2023**

# MEMBERS OF THE BOARD'S REPORT (including STRATEGIC REPORT)

## DIRECTORS' REPORT *(continued)*

### STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

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

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

The Members of the Board's Report which is prepared under the Charities Act 2011, which also contains all information required in a directors' report by the Companies Act 2006, and the incorporated Strategic Report prepared under the Companies Act 2006, were approved by the Board of Trustees on 9th Sept 2023 and signed:

by order of the Members of the Board

MR P BROWN
Chief Executive

Date: 9/9/23

# FINANCIAL STATEMENTS
# YEAR ENDED 31 MARCH 2023

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YMCA LEICESTERSHIRE

### Opinion

We have audited the financial statements of YMCA Leicestershire (the 'parent company') and its subsidiary (the 'group') for the year ended 31 March 2023 which comprise the Consolidated Income and Expenditure Account and Statement of Comprehensive Income, Consolidated and Association Balance Sheets, Consolidated and Association Statements of Changes in Reserves, Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 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 parent company's affairs as at 31 March 2023 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been properly 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 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 board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.
Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.
Our responsibilities and the responsibilities of the board with respect to going concern are described in the relevant sections of this report.

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## FINANCIAL STATEMENTS
## YEAR ENDED 31 MARCH 2023

**Opinions on other matters prescribed by the Companies Act 2006**
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Members of the Board's Report (incorporating Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Members of the Board's Report (incorporating Strategic Report) has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**
In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Members of the Board's Report (incorporating Strategic Report).

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

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

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

**Respective responsibilities of Trustees**
As explained more fully in the Statement of the Members of the Board's Responsibilities set out on page 19, the Trustees (who are also the directors of the 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 parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or the parent 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.

## FINANCIAL STATEMENTS
## YEAR ENDED 31 MARCH 2023

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

- Discussions with management, including consideration of known or suspected instances of non-compliance held.
- Challenging assumptions and judgements made within significant accounting estimates and judgements such as depreciation, bad debt and voids.
- Identification of key laws and regulations central to the associations operations and review of compliance with such laws including a review of the Charities Commission website and the Housing and Regeneration Act 2008.
- Testing of journal entries and potential override of systems.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. The risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery collusion, omission or misrepresentation.

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

**Use of our report**
This report is made solely to the 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

C Jensen

**Carrie Anne Jensen ACA (Senior Statutory Auditor)**
**For and on behalf of Forrester Boyd, Statutory Auditor**
Chartered Accountants
26 South Saint Mary's Gate
Grimsby
DN31 1LW

Date:
19 September 2023

# FINANCIAL STATEMENTS
# YEAR ENDED 31 MARCH 2023

## CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF COMPREHENSIVE INCOME

| | Note | Year ended 31 March 2023 £ | Year ended 31 March 2022 £ |
|---|---|---|---|
| **TURNOVER** | 3 | 3,520,295 | 3,629,971 |
| Operating costs | 3 | (3,470,807) | (3,483,652) |
| **OPERATING SURPLUS** | 3 | 49,488 | 146,319 |
| Interest receivable and similar income | 6 | 14,356 | 13,550 |
| Interest payable and similar charges | 7 | (25,047) | (20,879) |
| Change in fair value of investment properties | 12 | - | - |
| Change in fair value of investments | 13 | (22,699) | 22,300 |
| **SURPLUS FOR THE YEAR BEFORE TAX** | | 16,098 | 161,290 |
| Taxation | | - | - |
| **SURPLUS FOR THE YEAR AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR** | | 16,098 | 161,290 |

The results relate wholly to continuing activities.

The financial statements were approved by the board on 9/9/23

Mr T Moore (Treasurer)

K. Hamylton Ms K Hamylton (Chair)

The annexed notes form part of these financial statements.

# FINANCIAL STATEMENTS
# YEAR ENDED 31 MARCH 2023

## CONSOLIDATED AND ASSOCIATION BALANCE SHEETS

| | | Group | | Association | |
|---|---|---|---|---|---|
| | | 2023 | 2022 | 2023 | 2022 |
| | | £ | £ | £ | £ |
| **FIXED ASSETS** | | | | | |
| Intangible assets | 10 | 15,644 | - | 15,644 | - |
| Housing properties | 11 | 3,126,953 | 3,366,593 | 3,126,953 | 3,366,593 |
| Other tangible assets | 11 | 458,939 | 350,005 | 436,918 | 325,081 |
| Investment properties | 12 | 1,570,000 | 1,570,000 | 1,570,000 | 1,570,000 |
| | | 5,171,536 | 5,286,598 | 5,149,515 | 5,261,674 |
| Other investments | 13 | 439,178 | 465,457 | 439,179 | 465,457 |
| | | 5,610,714 | 5,752,055 | 5,588,694 | 5,727,131 |
| **CURRENT ASSETS** | | | | | |
| Stocks | 14 | 3,817 | 4,781 | - | - |
| Debtors | 15 | 362,187 | 353,262 | 376,377 | 433,097 |
| Cash and cash equivalents | 23 | 860,035 | 959,032 | 847,982 | 919,327 |
| | | 1,226,039 | 1,317,075 | 1,224,359 | 1,352,424 |
| **CURRENT LIABILITIES** | | | | | |
| Creditors: Amounts falling due within one year | 16 | 876,443 | 871,799 | 864,049 | 861,885 |
| **NET CURRENT ASSETS /(LIABILITIES)** | | 349,596 | 445,276 | 360,310 | 490,539 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | 5,960,310 | 6,197,331 | 5,949,004 | 6,217,670 |
| Creditors: Amounts falling due after one year | 17 | 2,283,319 | 2,491,868 | 2,283,319 | 2,491,868 |
| Provisions for liabilities | 18 | 335,910 | 380,480 | 335,910 | 380,480 |
| **TOTAL NET ASSETS** | | 3,341,081 | 3,324,983 | 3,329,775 | 3,345,322 |
| **RESERVES** | | | | | |
| **UNRESTRICTED FUNDS** | | | | | |
| Designated & general reserves | 19 | 3,325,738 | 3,341,285 | 3,325,738 | 3,341,285 |
| Non-charitable trading reserves | 19 | 11,306 | (20,339) | - | - |
| | | 3,337,044 | 3,320,946 | 3,325,738 | 3,341,285 |
| **RESTRICTED FUNDS** | 19 | 4,037 | 4,037 | 4,037 | 4,037 |
| **TOTAL RESERVES** | | 3,341,081 | 3,324,983 | 3,329,775 | 3,345,322 |

The Association's deficit is £15,547 (2022: surplus £147,953).

These financial statements on pages 26 to 51 were approved by the board and authorised for issue on 9/9/23 and were signed on its behalf by:

**Mr T Moore**
**Treasurer**

**Ms K Hamylton**
**Chair**

Company Registration Number 00159933

## FINANCIAL STATEMENTS
## YEAR ENDED 31 MARCH 2023

## CONSOLIDATED STATEMENT OF CHANGES IN RESERVES

| | General reserves £ | Designated reserves £ | Fair value reserve £ | Sub total £ | Non-charitable trading reserves £ | Total Unrestricted £ | Restricted funds £ | Total £ |
|---|---|---|---|---|---|---|---|---|
| **Balance at 1 April 2021** | 2,633,524 | 115,385 | 444,423 | 3,193,332 | (33,676) | 3,159,656 | 4,037 | 3,163,693 |
| Surplus/(Deficit) for the year | 348,484 | (151,988) | 22,300 | 218,796 | 13,337 | 232,133 | (70,843) | 161,290 |
| Transfers | (263,031) | 192,188 | - | (70,843) | - | (70,843) | 70,843 | - |
| **Balance at 31 March 2022** | 2,718,977 | 155,585 | 466,723 | 3,341,285 | (20,339) | 3,320,946 | 4,037 | 3,324,983 |
| Surplus/(Deficit) for the year | 259,809 | (261,763) | (22,699) | (24,653) | 31,645 | 6,992 | 9,106 | 16,098 |
| Transfers | (260,457) | 269,563 | - | 9,106 | - | 9,106 | (9,106) | - |
| **Balance at 31 March 2023** | 2,718,329 | 163,385 | 444,024 | 3,325,738 | 11,306 | 3,337,044 | 4,037 | 3,341,081 |

## FINANCIAL STATEMENTS
## YEAR ENDED 31 MARCH 2023

## ASSOCIATION STATEMENT OF CHANGES IN RESERVES

| | General reserves £ | Designated reserves £ | Fair value reserve £ | Total Unrestricted £ | Restricted funds £ | Total £ |
|---|---|---|---|---|---|---|
| **Balance at 1 April 2021** | 2,633,524 | 115,385 | 444,423 | 3,193,332 | 4,037 | 3,197,369 |
| Surplus/(Deficit) for the year | 348,484 | (151,988) | 22,300 | 218,796 | (70,843) | 147,953 |
| Transfers | (263,031) | 192,188 | - | (70,843) | 70,843 | - |
| **Balance at 31 March 2022** | 2,718,977 | 155,585 | 466,723 | 3,341,285 | 4,037 | 3,345,322 |
| Surplus/(Deficit) for the year | 259,809 | (261,763) | (22,699) | (24,653) | 9,106 | (15,547) |
| Transfers | (260,457) | 269,563 | - | 9,106 | (9,106) | - |
| **Balance at 31 March 2023** | 2,718,329 | 163,385 | 444,024 | 3,325,738 | 4,037 | 3,329,775 |

## FINANCIAL STATEMENTS
## YEAR ENDED 31 MARCH 2023

# CONSOLIDATED STATEMENT OF CASH FLOWS

| | Note | 2023 £ | 2022 £ |
|---|---|---|---|
| **OPERATING ACTIVITIES** | | | |
| Net cash generated from operations | 22 | 126,476 | 59,276 |
| **NET CASH GENERATED FROM OPERATING ACTIVITIES** | | 126,476 | 59,276 |
| **CASH FLOW FROM INVESTING ACTIVITIES** | | | |
| Interest and dividends received | | 14,356 | 13,550 |
| Payments to acquire tangible fixed assets | | (187,089) | (85,596) |
| **NET CASH USED IN INVESTING ACTIVITIES** | | (172,733) | (72,046) |
| **CASH FLOW FROM FINANCING ACTIVITIES** | | | |
| Payments to acquire fixed asset investments | | (40,094) | (64,933) |
| Receipts on sale of fixed asset investments | | 43,674 | 66,041 |
| Interest paid | | (25,047) | (20,879) |
| Repayment of borrowings | | (31,273) | (30,833) |
| **NET CASH (USED IN)/FROM FINANCING ACTIVITIES** | | (52,740) | (50,604) |
| **NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS** | | (98,997) | (63,374) |
| **CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR** | | 959,032 | 1,022,406 |
| **CASH AND CASH EQUIVALENTS AT END OF YEAR** | 23 | 860,035 | 959,032 |

## NOTES TO THE FINANCIAL STATEMENTS

### 1. LEGAL STATUS AND PRINCIPAL ACCOUNTING POLICIES

The Company is a private company limited by guarantee and is an English registered social housing provider. Each member undertakes to contribute an amount not exceeding 1p in the event of the Association being wound up. There were 16 members during the year (2022:13 members)

The address of the Company's registered office and principal place of business is 7 East Street, Leicester, LE1 6EY.

The Company is a registered charity and a public benefit entity.

The principal activities are disclosed in the Members of the Board's Report.

The Company is incorporated under the Companies Act 2006, Charities Act 2011 and is a private Registered Provider of Social Housing (RP).

**Basis of Accounting**
These financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Housing SORP 2018 "Statement of Recommended Practice for Registered Housing Providers" and comply with the Accounting Direction for Private Registered Providers of Social Housing 2019, and under the historical cost convention, except that investments are held at fair value.

Monetary amounts in these financial statements are rounded to the nearest whole £1, except where otherwise indicated.

### 2. PRINCIPAL ACCOUNTING POLICIES

**Reduced Disclosures**
In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirement in the individual financial statements of Leicester Young Men's Christian Association.

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flows and related notes and disclosures.
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches; and details of hedges and hedging fair value changes recognised in income or expenditure and in other comprehensive income.
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the Company are included within these financial statements.

**Going Concern**
The Group and Company have prepared detailed budgets and cash flow forecasts for the period of a minimum of 12 months from the date of approval of these financial statements. To mitigate the economic fallout of the COVID-19 pandemic, the detailed budgets and cash flow forecasts have been subjected to a degree of sensitivity analysis for the same period. On that basis, the members of the Board are satisfied that it remains appropriate to prepare the financial statements on the going concern basis.

**Turnover**
Turnover represents rental income and service charges income receivable in the year net of rent and service charge losses from voids, Supporting People income, revenue grants from Local Authorities and Homes England, and other income.

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

**Supporting People**
Supporting People income and expenditure relating to services is accounted for on an accruals basis, matching income and expenditure, and disclosures are made in accordance with the relevant standards and legislation.

**Basis of Consolidation**
These financial statements include the financial statements of the Company and its subsidiary undertaking up to 31 March 2023. Under Section 408(3) of the Companies Act 2006 the Company is exempt from the requirements to present its own income and expenditure account.

The consolidated financial statements incorporate those of the Company and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). All financial statements are made up to 31 March 2023.

Investment in the subsidiary is stated at cost.

**Donations**
Donations received for the general purposes of the Company are included as unrestricted funds. Donations for activities restricted by the wishes of the donor are taken to 'restricted funds' where these wishes are legally binding on the Board.

**Restricted Reserves**
Restricted reserves are those reserves which are only expendable in accordance with the wishes of the funder or regulatory body. Expenditure cannot be directly set against restricted reserves, but is taken through the Income and Expenditure Account. A transfer from restricted reserves is then made as appropriate. By this method, expenditure, which meets the criteria, is charged to the fund, together with a fair allocation of management expenses.

**Designated Reserves**
Designated reserves are part of unrestricted reserves which have been earmarked by the Board for a particular purpose. Such designations may be reversed by future Board decisions. Expenditure cannot be directly set against designated reserves, but is taken through the Income and Expenditure Account. A transfer is then made from designated reserves as appropriate.

**Intangible assets**
Intangible assets are recognised when future economic benefits are probable and the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised to income or expenditure on a straight-line basis over their useful lives, as follows:

| | |
|---|---|
| Website costs | - over 5 years |

Amortisation is revised prospectively for any significant change in useful life or residual value.

On disposal, the difference between the net disposal proceeds and the carrying amount of the intangible asset is recognised in income or expenditure.

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

**Fixed Assets and Depreciation**
Tangible fixed assets, are stated at cost, less accumulated depreciation. Depreciation is charged on a straight line basis over the expected economic useful lives of the assets at the following annual rates:

| | | |
|---|---|---|
| Freehold buildings (non-housing) | - | over 25 years |
| Furniture, fixtures and fittings, IT equipment | - | over 3 to 10 years (dependent on the expected economic life) |
| Leasehold improvements | - | over 25 years or the life of the lease if less |
| Motor vehicles | - | over 3 years |
| Lifts | - | over 25 years |

Major components of housing properties have been accounted for and depreciated separately from the connected housing property at the following rates:

| | | |
|---|---|---|
| Structure | - | over 10 to 25 years |
| Kitchens and Bathrooms | - | over 5 years |
| Electrical equipment | - | over 3 years |
| Lifts | - | over 25 years |

Freehold land is not depreciated.

The useful economic lives of all tangible fixed assets are reviewed annually.

Housing properties are principally properties available for rent and are stated at cost less and provision for any impairment (representing a diminution in the recoverable service potential of the asset below its carrying value in the balance sheet) less depreciation. Cost includes the cost of acquiring land and buildings, development costs and expenditure incurred in the respect of improvements.

Development costs of properties are capitalised to the extent that they are directly attributable to bringing the properties into working condition for their intended use. Directly attributable costs include the labour costs of own employees (including development staff, in-house architects and surveyors) arising directly from the construction or acquisition of the property, and the incremental costs that would have been avoided only if the property had not been constructed.

**Impairment**
An assessment is made at each reporting date of whether there are indications that a fixed asset (including housing properties) may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Group estimates the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets net of any associated Social Housing Grant and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use of the asset based on its service potential, are recognised as impairment losses in the Income and Expenditure Account.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in income and expenditure. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

**Investment Properties**

Investment properties (including properties held under an operating lease) consist of commercial properties and properties not held for social benefit. These properties are initially measured at cost and subsequently measured at fair value whilst a reliable measure of fair value is available without undue cost or effort. Changes in fair value are recognised in income and expenditure.

The Companies Act 2006 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principle set out in FRS 102. The Board considers that, because investment properties are not held for consumption, but for their investment potential, to depreciate them would not give a true and fair view.

If this departure from the Companies Act 2006 had not been made in order to give a true and fair view, the profit for the financial year would have been reduced by depreciation. However, the amount of depreciation cannot reasonably be quantified because depreciation is only one of many factors reflected in the annual valuation and the amount relating to the depreciation of the property cannot be separately identified.

**Investments and investment income**

Investments are carried at fair value. Changes in fair value are included in the Income and Expenditure Account.

Investment income is accounted for in the period in which the Group is entitled to receipt.

**Stocks**

Stocks are included at the lower of cost and net realisable value.

**Taxation**

The Association has charitable status and is registered with the Charity Commission and is therefore exempt from paying Corporation Tax on charitable activities.

**Value Added Tax**

Irrecoverable VAT which can be attributed to a capital item or expenditure is added to the cost of the capital item or expenses where practicable and material.

**Employee Benefits**

The costs of short-term employee benefits are recognised as a liability and an expense.

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**Government Grants**

Government grants include grants receivable from Homes England, local authorities and other government bodies.

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met, and the grants will be received.

Government grants received for housing properties are recognised in income over the useful economic life of the structure of the asset and, where applicable, the individual components of the structure (excluding land) under the accruals model.

Government grants relating to revenue are recognised as income over the periods when the related costs are incurred once reasonable assurance has been gained that the Company will comply with the conditions and the funds will be received.

**Other Grants**

Grants received from non-government sources are recognised using the performance model. Grants are recognised as income when the associated performance conditions are met.

**Leased Assets**

Rentals payable under operating leases are charged to the Income and Expenditure Account on a straight line basis over the lease term.

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 2. PRINCIPAL ACCOUNTING POLICES *(continued)*

**Pension Costs**

*Defined benefit plans*

The Company participated in a multi-employer defined benefit plan for employees of YMCAs in England, Scotland and Wales which was closed to new members and accruals on 30 April 2007. Due to insufficient information, the plan's actuary has advised that it is not possible to separately identify the assets and liabilities relating to Leicester Young Men's Christian Association.

As described in note 18 YMCA Leicestershire has a contractual obligation to make pension deficit payments of £57,664 pa over the period to April 2029 (2022: £55,985 pa), accordingly this is shown as a liability in these accounts. In addition, YMCA Leicestershire is required to contribute £13,660 pa (2022: £12,515 pa) to the operating expenses of the Pension Plan and these costs are charged to the Statement of Comprehensive Income as made.

*Defined contribution plans*

The Group also operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the Group. The annual contributions payable are charged to the Income and Expenditure Account. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

**Financial instruments**

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument and are offset only when the Group currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

***Financial assets***

*Debtors*

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a debtor constitutes a financing transaction, the debtor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in income or expenditure for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in income or expenditure.

**YEAR ENDED 31 MARCH 2022**

## 2. PRINCIPAL ACCOUNTING POLICES *(continued)*

***Financial liabilities***

*Creditors*

Creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

*Derecognition of financial assets and liabilities*

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

**Provisions**

Provisions are recognised when the Group has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably.

**Critical accounting estimates and areas of judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

*Critical accounting estimates and assumptions*

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

*Pension Deficit Liability*

In calculating the value of the contractual liability (detailed in Note 18), a discount rate of 3% has been applied to the payments due in future years in order to determine their present value.

*Expected Economic Useful Life of Fixed Assets*

The useful economic life of fixed assets (detailed in Note 11) is a key accounting estimate.

*Investment Properties*

The valuation of the investment properties (detailed in Note 12) is reviewed annually by the Board to assess whether a there is a diminution in the carrying value of the assets. The percentage of 'mixed use' properties deemed as 'investment property' was calculated based on size of area as per the completed valuation survey by Innes England.

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 3. GROUP TURNOVER AND OPERATING SURPLUS/(DEFICIT)

**Year to 31 March 2023**

| | Turnover £ | Operating costs £ | Operating surplus/ (deficit) £ |
|---|---|---|---|
| Social Housing | 2,145,945 | (1,997,105) | 148,840 |
| Non Social Housing activities | 1,374,350 | (1,473,702) | (99,352) |
| Total | 3,520,295 | (3,470,807) | 49,488 |

**Year to 31 March 2022**

| | Turnover £ | Operating costs £ | Operating surplus/ (deficit) £ |
|---|---|---|---|
| Social Housing | 2,107,232 | (1,855,547) | 251,685 |
| Non Social Housing activities | 1,522,739 | (1,628,105) | (105,366) |
| Total | 3,629,971 | (3,483,652) | 146,319 |

Non-social housing turnover includes amounts of £0 (2022: £36,714) received under the Governments Covid Job Retention Scheme and the business rates relief scheme.

**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

## 4. TURNOVER, COST OF SALES, OPERATING COSTS AND OPERATING SURPLUS

Particulars of Group income and expenditure from social housing lettings

| | General Housing 2023 £ | General Housing 2022 £ |
|---|---|---|
| TURNOVER FROM SOCIAL HOUSING LETTINGS | | |
| Rent receivable net of voids | 1096,880 | 1005,086 |
| Service charges receivable | 495,423 | 458,891 |
| NET RENTAL INCOME | 1,592,303 | 1,463,977 |
| Supporting people contract income | 359,619 | 428,630 |
| Other revenue grants | 49 | 639 |
| Grant amortisation | 193,974 | 213,986 |
| TURNOVER FROM SOCIAL HOUSING LETTINGS | 2,145,945 | 2,107,232 |
| EXPENDITURE ON SOCIAL HOUSING LETTINGS | | |
| Direct costs | 1,822 | - |
| Staffing | 1,033,332 | 990,999 |
| Administration | 203,774 | 173,384 |
| Depreciation and amortisation | 176,869 | 194,641 |
| Maintenance | 45,422 | 20,761 |
| Services | 31,313 | 49,929 |
| Service charge costs | 504,573 | 425,833 |
| OPERATING COSTS ON SOCIAL HOUSING LETTINGS | (1,997,105) | (1,855,547) |
| OPERATING SURPLUS ON SOCIAL HOUSING LETTINGS | 148,840 | 251,685 |
| Rent losses on voids | 50,195 | 77,417 |

| **Supported Housing Accommodation owned and managed** | **2023 No. of units** | **2022 No. of units** |
|---|---|---|
| Let at social rent | 104 | 104 |

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 5. OPERATING (DEFICIT)/SURPLUS

The operating surplus is stated after charging/(crediting):

| | Group | |
|---|---|---|
| | **2023** | **2022** |
| | **£** | **£** |
| Depreciation of housing properties | 239,640 | 252,232 |
| Depreciation of other tangible fixed assets | 61,239 | 61,472 |
| Amortisation of intangible fixed assets | 1,272 | 2,444 |
| Amortisation of grants | (193,974) | (213,986) |
| Auditor's remuneration (audit services) | 12,500 | 12,500 |
| Auditor's remuneration (non-audit work) | 1,000 | 1,000 |
| Operating lease rentals | 57,073 | 76,611 |
| Cost of stocks recognised as an expense | 32,778 | 19,108 |

### 6. INTEREST RECEIVABLE AND SIMILAR INCOME

| | Group | |
|---|---|---|
| | **2023** | **2022** |
| | **£** | **£** |
| Interest on bank deposits | 39 | 12 |
| Income from listed investments | 14,317 | 13,538 |
| | 14,356 | 13,550 |

**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

## 7. INTEREST PAYABLE AND SIMILAR CHARGES

| | Group 2023 £ | 2022 £ |
|---|---|---|
| YMCA pension notional finance charge (Note 18) | 11,415 | 10,870 |
| Interest on bank loan | 13,632 | 10,009 |
| | 25,047 | 20,879 |

## 8. DIRECTORS' EMOLUMENTS

The Directors are defined as the members of the Board, the Chief Executive and other senior executives. None of the members of the Board received any emoluments. Details of the Chief Executive's and other senior Executives' emoluments in respect of services to the Company are as follows:

| | 2023 £ | 2022 £ |
|---|---|---|
| Basic salary | 271,671 | 260,584 |
| Pension contributions | 13,421 | 13,040 |
| | 285,092 | 273,624 |

| | 2023 | 2022 |
|---|---|---|
| Number of Directors accruing benefits in the pension scheme | 5 | 4 |

Emoluments disclosed above include the following amounts paid to the highest paid director:

| | 2023 £ | 2022 £ |
|---|---|---|
| Emoluments for qualifying services | 107,822 | 113,700 |
| Pension contributions | 6,775 | 6,642 |

The Chief Executive is a member of the Company's pension scheme. He is an ordinary member of the pension scheme and no enhanced or special terms apply. The Company does not make any further contributions to an individual pension arrangement for the Chief Executive.

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

## 9. EMPLOYEE INFORMATION

| | 2023 No. | 2022 No. |
|---|---|---|
| Average number of persons (including part-time employees and the Chief Executive but excludes Casual Staff) employed during the year | 74 | 74 |
| Full time equivalent (40 hours per week) | 61 | 65 |

The Group also holds a bank of casual staff (sessional) who can be called on to cover short term unexpected absences. During the year the Group had 22 casual staff on its books (2022: 21).

| | 2023 £ | 2022 £ |
|---|---|---|
| **Staff costs (for the above persons)** | | |
| Wages and salaries | 1,924,469 | 1,858,826 |
| Social security costs | 171,335 | 158,149 |
| Other pension costs | 44,004 | 42,533 |
| | 2,139,808 | 2,059,508 |

There were two employees whose income exceeded £60,000 (2022: two) and one fell within the £110,001 - £120,000 bracket during the year (2022: one £110,001 - £120,000 bracket). The total compensation of employees who are considered to be the key management personnel of the Group was £318,869 (2022: £304,602).

There were £58 travel expenses reclaimed by Board members in 2023. (2022: £0)

## 10. INTANGIBLE FIXED ASSETS

| Group and Association | Website costs £ |
|---|---|
| **Cost** | |
| At 1 April 2022 | 12,204 |
| Additions | 16,916 |
| At 31 March 2023 | 29,120 |
| **Amortisation** | |
| At 1 April 2022 | 12,204 |
| Charge for the year | 1,272 |
| At 31 March 2023 | 13,476 |
| **Net Book Value** | |
| At 31 March 2023 | 15,644 |
| At 31 March 2022 | - |

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 11. TANGIBLE FIXED ASSETS

| Group and Association | Social Housing Properties held for letting £ |
|---|---|
| **Cost** | |
| At 1 April 2022 | 7,486,285 |
| Properties acquired | - |
| Works to existing properties | - |
| Disposals – component write-off | - |
| At 31 March 2023 | 7,486,285 |
| **Depreciation** | |
| At 1 April 2022 | 4,119,692 |
| Charge for the year | 239,640 |
| Eliminated on disposals – component write-off | - |
| At 31 March 2023 | 4,359,332 |
| **Net Book Value** | |
| At 31 March 2023 | 3,126,953 |
| At 31 March 2022 | 3,366,593 |

In accordance with the accounting policy, included within Housing Properties (historical cost), the Group and Association have capitalised in the year £nil (2022: £nil) of expenditure on works to existing properties. No capital expenditure has been included in the Income & Expenditure Account (2022: £nil).

| Depreciation charge for the year | 2023 £ | 2022 £ |
|---|---|---|
| Annual depreciation charge | 239,640 | 252,232 |
| Accelerated depreciation on component write off | - | - |
| | 239,640 | 252,232 |

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 11. TANGIBLE FIXED ASSETS *(continued)*

| Group | Freehold Land & Buildings £ | Furniture Fixtures & Fittings £ | Lift £ | TOTAL £ |
|---|---|---|---|---|
| **COST** | | | | |
| At 1 April 2022 | 918,914 | 641,758 | 299,936 | 1,860,608 |
| Additions | - | 170,173 | - | 170,173 |
| Disposals | - | - | - | - |
| At 31 March 2023 | 918,914 | 811,931 | 299,936 | 2,030,781 |
| **DEPRECIATION** | | | | |
| At 1 April 2022 | 789,727 | 420,940 | 299,936 | 1,510,603 |
| Charge for the year | 18,764 | 42,475 | - | 61,239 |
| Disposals | - | - | - | - |
| At 31 March 2023 | 808,491 | 463,415 | 299,936 | 1,571,842 |
| **NET BOOK VALUE** | | | | |
| At 31 March 2023 | 110,423 | 348,516 | - | 458,939 |
| At 31 March 2022 | 129,187 | 220,818 | - | 350,005 |

| Association | Freehold Land & Buildings £ | Furniture Fixtures & Fittings £ | Lift £ | TOTAL £ |
|---|---|---|---|---|
| **COST** | | | | |
| At 1 April 2022 | 918,914 | 602,034 | 299,936 | 1,820,884 |
| Additions | - | 169,903 | - | 169,903 |
| Disposals | - | - | - | - |
| At 31 March 2023 | 918,914 | 771,937 | 299,936 | 1,990,787 |
| **DEPRECIATION** | | | | |
| At 1 April 2022 | 789,727 | 406,140 | 299,936 | 1,495,803 |
| Charge for the year | 18,764 | 39,302 | - | 58,066 |
| Disposals | - | - | - | - |
| At 31 March 2023 | 808,491 | 445,442 | 299,936 | 1,553,869 |
| **NET BOOK VALUE** | | | | |
| At 31 March 2023 | 110,423 | 326,495 | - | 436,918 |
| At 31 March 2022 | 129,187 | 195,894 | - | 325,081 |

**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

## 12. INVESTMENT PROPERTIES

| Group and Association | 2023<br>£ | 2022<br>£ |
|---|---|---|
| At 1 April | 1,570,000 | 1,570,000 |
| Increase in fair value | - | - |
| At 31 March | 1,570,000 | 1,570,000 |

Investment properties were valued as at 31 March 2021 by Innes England. The valuation of the group's properties was carried out in accordance with the Royal Institute of Chartered Surveyors ("RICS") Professional Standards UK January 2014 and with particular regard to Financial Reporting Standard 102 and the Social Housing Statement of Recommended Practice.

## 13. FIXED ASSET INVESTMENTS

**Association**

**Investment in subsidiary company**

The company owns the whole of the ordinary share capital (1 ordinary share of £1) of Y Leisure Limited. The company is incorporated in Great Britain and registered in England and Wales and has been established to carry on trading activities on the Association's behalf. Its registered office is set out on page 1.

Y Leisure Limited operates a bar for the use of patrons of the Association and members of the public. The company will gift aid any taxable profits to Leicester YMCA. A summary of its trading results is shown below:

| | 2023<br>£ | 2022<br>£ |
|---|---|---|
| **Profit and loss account** | | |
| Turnover | 93,394 | 53,099 |
| Cost of sales | (52,336) | (30,999) |
| Gross profit/(loss) | 41,058 | 22,100 |
| Administrative expenses | (9,413) | (8,763) |
| Profit/(Loss) on ordinary activities before and after tax and retained | 31,645 | 13,337 |
| **Capital and reserves** | 11,307 | (20,339) |

**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

## 13. FIXED ASSET INVESTMENTS (continued)

| | 2023 £ | 2022 £ |
|---|---|---|
| **Group and Association** | | |
| **Other investments – listed at fair value** | | |
| At 1 April | 465,457 | 444,265 |
| Additions | 40,094 | 64,933 |
| Disposals | (43,674) | (66,041) |
| Realised gain on disposal | 1,399 | 20,841 |
| Unrealised gain/(deficit) | (24,098) | 1,459 |
| At 31 March | 439,178 | 465,457 |
| Historical cost | 373,763 | 376,027 |

## 14. STOCKS

| | Group | | Association | |
|---|---|---|---|---|
| | 2023 £ | 2022 £ | 2023 £ | 2022 £ |
| Goods for resale | 3,817 | 4,781 | - | - |

## 15. DEBTORS

| | Group | | Association | |
|---|---|---|---|---|
| | 2023 £ | 2022 £ | 2023 £ | 2022 £ |
| Housing debtors | 231,023 | 158,897 | 231,023 | 158,897 |
| Other trade debtors | 107,293 | 151,593 | 107,293 | 151,593 |
| Bad debt provision | (18,940) | (18,940) | (18,940) | (18,940) |
| Amount owed from subsidiary company | - | - | 14,190 | 79,835 |
| Other debtors | 2,517 | 6,659 | 2,517 | 6,659 |
| Prepayments & accrued income | 40,294 | 55,053 | 40,294 | 55,053 |
| | 362,187 | 353,262 | 376,377 | 433,097 |

Amounts written off housing debtors in the year amounted to £10,251 (2022: £5,314).

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 16. CREDITORS Amounts falling due within one year

| | Group | | Association | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| | £ | £ | £ | £ |
| Trade creditors | 227,054 | 285,541 | 220,983 | 281,363 |
| Bank loan | 20,976 | 30,270 | 20,976 | 30,270 |
| Taxation & Social Security | (2,500) | 54,319 | (5,343) | 52,064 |
| Accruals | 91,346 | 78,154 | 91,346 | 76,904 |
| Deferred income | 339,209 | 223,418 | 339,209 | 223,418 |
| Other creditors | 9,906 | 2,241 | 6,426 | 10 |
| Deferred capital grant (see note 17) | 190,452 | 197,856 | 190,452 | 197,856 |
| | 876,443 | 871,799 | 864,049 | 861,885 |

### 17. CREDITORS Amounts falling due after one year

| | Group | | Association | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| | £ | £ | £ | £ |
| Bank loan | 269,885 | 291,864 | 269,885 | 291,864 |
| Deferred capital grant | 2,013,434 | 2,200,004 | 2,013,434 | 2,200,004 |
| | 2,283,319 | 2,491,868 | 2,283,319 | 2,491,868 |

The bank loan is secured by a legal charge over 7 East Street Leicester, LE1 6EY.

| **Deferred capital grant** | Group and Association | |
|---|---|---|
| | 2023 | 2022 |
| | £ | £ |
| As at 1 April | 2,397,860 | 2,611,846 |
| Amortisation | (193,974) | (213,986) |
| As at 31 March | 2,203,886 | 2,397,860 |
| Less: due in less than one year | (190,452) | (197,856) |
| Due after more than one year | 2,013,434 | 2,200,004 |

| **Bank Loan** | Group and Association | |
|---|---|---|
| | 2023 | 2022 |
| | £ | £ |
| Amounts falling due by instalments after more than five years | 89,523 | 142,516 |

Repayment terms being monthly over a 15-year term at an interest rate of 6.23% pa (2022: 2.98%). Loan terms to be reviewed after 10 years in February 2026.

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 18. PENSION PROVISION

**Group and Association**

| | YMCA Pension | |
|---|---|---|
| | **2023** | **2022** |
| | **£** | **£** |
| 1 April | 380,480 | 362,317 |
| Paid in the year | (55,985) | (46,648) |
| Unwinding of discount (Note 7) | 11,415 | 10,870 |
| Change in funding deficit arrangements | - | 53,941 |
| 31 March | 335,910 | 380,480 |

Leicester Young Men's Christian Association 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 Leicester Young Men's Christian Association and at the year-end these were invested in the Mercer Dynamic De-risking Solution, 62% matching portfolio and 38% in the growth portfolio and Schroder (property units only).

The most recent completed three year valuation was as at 1 May 2020. The assumptions used which have the most significant effect on the results of the valuation are those relating to the assumed rates of return on assets held before and after retirement of 2.59% and 1.09% respectively, the increase in pensions in payment of 2.99% (for RPI capped at 5% p.a.), and the average life expectancy from normal retirement age (of 65) for a current male pensioner of 22.0 years, female 24.4 years, and 23.7 years for a male pensioner, female 26.1 years, retiring in 20 years' time. The result of the valuation showed that the actuarial value of the assets was £146.1m, 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 showed that the YMCA Pension Plan had a deficit of £39 million. The Association has been advised that it will need to make monthly contributions of £4,805 from 1 May 2023. This amount is based on the current actuarial assumptions (as outlined above) and may vary in the future as a result of actual performance of the Pension Plan. The current recovery period is 6 years commencing 1st May 2023.

| | **Repayable** | | | | | |
|---|---|---|---|---|---|---|
| | **Within one year** | **One to two years** | **Two to five years** | **After five years** | **After more than one year** | **Total** |
| **As at** | **£** | **£** | **£** | **£** | **£** | **£** |
| **31 March 2023** | 55,985 | 55,985 | 167,955 | 55,985 | 279,925 | 335,910 |
| **31 March 2022** | 54,354 | 54,354 | 163,063 | 108,709 | 326,126 | 380,480 |

In addition, Leicester Young Men's Christian Association may have over time liabilities in the event of the non-payment by other participating YMCAs of their share of the YMCA Pension Plan's deficit. It is not possible currently to quantify the potential amount that Leicester Young Men's Christian Association may be called upon to pay in the future.

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

**19 RESERVES: movements in the year**

| Group | At 1 April 2022 £ | Income £ | Expenditure £ | Transfers £ | At 31 March 2023 £ |
|---|---|---|---|---|---|
| **Unrestricted funds:** | | | | | |
| General reserve | 2,718,977 | 3,059,022 | (2,799,213) | (260,457) | 2,718,329 |
| Non-charitable reserve | (20,339) | 93,394 | (61,749) | - | 11,306 |
| **Other reserves** | | | | | |
| Fair value | 466,723 | (22,699) | - | - | 444,024 |
| **Designated reserves** | | | | | |
| New opportunities fund | 4,385 | - | - | - | 4,385 |
| Property repair & replacement | 80,000 | - | (74,944) | 69,944 | 75,000 |
| Fixed assets | 71,200 | - | (186,819) | 199,619 | 84,000 |
| **Total unrestricted funds** | 3,320,946 | 3,129,717 | (3,122,725) | 9,106 | 3,337,044 |
| **Restricted funds:** | | | | | |
| Y – Support Project | - | 99,278 | (92,535) | (6,743) | - |
| Y – Support (Ralph Hale) | 314 | - | - | - | 314 |
| Cold Weather Cafe | 2,238 | - | - | - | 2,238 |
| NOF (sports equipment) | 1,485 | - | - | - | 1,485 |
| Heritage Lottery | - | 92,018 | (90,894) | (1,124) | - |
| Arts Council – Cultural Relief Fund | - | 7,500 | - | (7,500) | - |
| Paul Hamlyn Foundation | - | 17,412 | (17,412) | - | - |
| Leicestershire OPCC | - | 120,854 | (88,456) | (32,398) | - |
| NHS CCG – Mental Health | - | 45,173 | (83,832) | 38,659 | - |
| **Total restricted funds** | 4,037 | 382,235 | (373,129) | (9,106) | 4,037 |
| **TOTAL FUNDS** | 3,324,983 | 3,511,952 | (3,495,854) | - | 3,341,081 |

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 19. RESERVES: movements in the year *(continued)*

**Transfers**

The transfer from restricted funds amounting to £9,106 to non-housing activities general reserve is to reflect a notional rental charge for the use of premises for the activities support by these restricted funds.

The Board members have reviewed the designated funds at the year-end which are separate to general reserves of the Group within the unrestricted funds. Accordingly, the appropriate transfers have been made to represent the decision made with respect to designated funds.

Restricted reserves relate to monies received, only to be expensed against the specific project that the monies were intended for. Below is a brief description of each restricted reserve;

- Y-Support Project – Local Authority grant for a day centre drop-in service for vulnerable and street homeless people. The Ralph Hale reserve was a donation to the project for equipment. The Cold Weather Café donation is for the provision of hot meals during the winter months.

- The New Opportunities Foundation (NOF) grant was used for the sports hall lighting which is now classed as investment property.

- Heritage Lottery – Grant funding for a 3 year project to engage vulnerable and disadvantaged young people to the arts and heritage sector.

- Arts Council (Cultural Relief Fund) – COVID relief grant to ensure that the theatre can re-open post national lockdown.

- Paul Hamlyn Foundation – to develop a 'Youth Panel' to engage with the regional 'Shine' project.

- Leicestershire OPCC – to develop and research an educational scheme to combat knife crime and gang violence.

- NHS CCG (Mental Health) – NHS grant to continue the work of Complex Needs coaches providing help and support for young people with complex mental health issues.

### 20. CAPITAL COMMITMENTS

Capital expenditure approved by the Board of Directors amounted to:

| | Group | | Association | |
|---|---|---|---|---|
| | 2023 £ | 2022 £ | 2023 £ | 2022 £ |
| Contracted | 20,596 | 16,934 | 20,596 | 16,934 |

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 21. COMMITMENTS UNDER OPERATING LEASES

The operating leases include new photocopying and printing equipment across the multi-sited organisation. At 31 March 2023 the total future commitments under non-cancellable operating leases were as follows:

**Group and Association**

| | Other 2023 £ | 2022 £ |
|---|---|---|
| Within one year | 88,416 | 72,103 |
| Within 2 to 5 years | 540,747 | 141,939 |
| | 629,163 | 214,042 |

### 22. RECONCILIATION OF SURPLUS AFTER TAX TO NET CASH GENERATED FROM OPERATIONS

| | 2023 £ | 2022 £ |
|---|---|---|
| Surplus for the year | 16,098 | 161,290 |
| Adjustments for: | | |
| Depreciation of tangible fixed assets | 300,879 | 313,704 |
| Amortisation of intangible fixed assets | 1,272 | 2,444 |
| Grant amortisation | (193,974) | (213,986) |
| Interest and dividends receivable | (14,356) | (13,550) |
| Interest payable | 25,047 | 20,879 |
| Accelerated depreciation | - | - |
| Fair value deficit/(gain) on investments | 22,699 | (22,300) |
| Operating cash flow before movements in working capital | 157,665 | 248,481 |
| Decrease/(Increase) in stocks | 964 | (3,731) |
| (Increase) in debtors | (8,925) | (208,288) |
| Increase in creditors | 21,342 | 4,651 |
| (Decrease)/Increase in provisions | (44,570) | 18,163 |
| **Cash generated from operations** | 126,476 | 59,276 |

### 23. CASH AND CASH EQUIVALENTS

| | Group | | Association | |
|---|---|---|---|---|
| | 2023 £ | 2022 £ | 2023 £ | 2022 £ |
| Cash and cash equivalents represent: | | | | |
| Cash at bank | 860,035 | 959,032 | 847,982 | 919,327 |

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 24. ANALYSIS OF CHANGES IN NET DEBT

| | At 1 April 2022 £ | Cash flows £ | Other non-cash changes £ | At 31 March 2023 £ |
|---|---|---|---|---|
| **Cash and cash equivalents** | | | | |
| Cash | 959,032 | (98,997) | - | 860,035 |
| | 959,032 | (98,997) | - | 860,035 |
| **Borrowings** | | | | |
| Bank loan | | | | |
| Debt due within 1 year | (30,270) | 9,294 | - | (20,976) |
| Debt due after 1 year | (291,864) | 21,979 | - | (269,885) |
| | (322,134) | 31,273 | - | (290,861) |
| **Total** | 636,898 | (67,724) | - | 569,174 |

### 25. RELATED PARTY TRANSACTIONS

There were no related party transactions to disclose for the year ended 31 March 2023 or in the previous year.

**YMCA LEICESTERSHIRE**

England & Wales - Charity number 213513

# Accounts

# LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION, (INCORPORATED) (THE)
# FINANCIAL STATEMENTS
# FOR THE YEAR ENDED
# 31 MARCH 2022

**Company Registration No: 00159933**
**Charities Commission No. 213513**
**Regulator of Social Housing No. H2381**

# LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION (INCORPORATED) (THE)

## FINANCIAL STATEMENTS

## YEAR ENDED 31 MARCH 2022

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# LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION (INCORPORATED) (THE)

## MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS

| | |
|---|---|
| **The members of the Board** | Mrs K Hamylton<br>Mr P Hawkins<br>Mr T Moore<br>Mr I Pearce<br>Mr C Bolas<br>Mr R Brannen<br>Ms E Hollis<br>Mrs R Tedstone-Woods<br>Ms E Ling<br>Ms C Clifton<br>Mr D Glover<br>Ms L Capell<br>Ms F Wong |
| **Company secretary** | Mr P Brown |
| **Registered office** | 7 East Street<br>Leicester<br>LE1 6EY |
| **Auditor** | Forrester Boyd Chartered Accountants<br>26 South Saint Mary's Gate<br>Grimsby<br>DN31 1LW |

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
(INCORPORATED) (THE)

## MEMBERS OF THE BOARD'S REPORT (incorporating STRATEGIC REPORT)

## YEAR ENDED 31 MARCH 2022

### INTRODUCTION

The Board have pleasure in presenting their annual report, together with the audited financial statements of the group for the year ended 31 March 2022. This report contains a Directors' Report as required by company law.

### REFERENCE AND ADMINISTRATIVE INFORMATION

**Registered name** Leicester Young Men's Christian Association (Incorporated) (The)

**Known as** Leicester YMCA (The Y)

**Charity registration number** 213513

**Company registration number** 00159933

**Regulator of Social Housing number** H2381

**Registered Office and main address** 7 East Street, Leicester, LE1 6EY

**Auditor** Forrester Boyd Chartered Accountants, 26 South Saint Mary's Gate, Grimsby, DN31 1LW

**Principal bankers** HSBC, 2-6 Gallowtree Gate, Leicester, LE1 1DA

**Investment advisors** Brewin Dolphin Limited, Waterfront House, 35 Station Street, Nottingham, NG2 3DQ

**Board and Committee Members**

The following persons have served The Y during the year –

Ms K Hamylton – Chair
Mr P Hawkins – Vice Chair
Mr T Moore - Treasurer
Mr C Bolas
Mr R Brannen
Ms E Hollis
Mrs R Tedstone-Woods
Ms E Ling
Ms C Clifton
Mr I Pearce
Mr D Glover
Ms L Capell
Ms F Wong (appointed 08/12/2021)

The following directors retire by rotation and being eligible offer themselves for re-election:
Ms E Hollis, Mr R Brannen and Mr C Bolas.

**Qualifying third party indemnity insurance**

The Association has made qualifying third-party indemnity provisions for the benefit of its board members during the year. These provisions remain in force at the reporting date.

**Secretary**: Paul Brown

**Executive Team (as at 31.3.22):**

| | |
|---|---|
| Paul Brown | Chief Executive |
| Tom Lin | Deputy Chief Executive/Finance Director |
| Anna Maudsley | Director of Accommodation, Care and Support |
| Joanna Fleetwood-Smith | Business Development Director |

**Management Team (as at 31.3.22):**

| | |
|---|---|
| Lizzie Clark | Executive Assistant |
| Vicki Corbett | Purchasing and Procurement Officer |
| Andrea Deacon | HR Manager |
| Nuala Facey | Housing Support Manager |
| Donna Pole | Housing Support Manager |
| Emma Knight | Fundraising and Communications Manager |
| Michael Harris-Wakelam | Theatre & Events Manager |
| Sean Langley | Property & Maintenance Manager |
| Kate Beaumont | Y-Support Manager |
| Juliet Martin | Heritage Project Manager |
| Gregoire Nombo | Registered Manager (Children's Home) |
| Hannah Deignan | Regional Complex Needs Co-Ordinator |

## STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Leicester YMCA (The Y) was founded in 1883. It is a charitable company limited by guarantee, incorporated in 1919 and registered as a charity in 1966. The Association was established under a Memorandum of Association which established the objects and powers of Association and is governed under its Articles of Association. In the event of the Association being wound up members are required to contribute an amount not exceeding £0.01 (one penny).

The Association is also a Registered Provider of Social Housing (RP). Therefore, the Association's Accounts must be prepared in accordance with Housing legislation and the Housing Statement of Recommended Practice (SORP) which overrides the requirements of the Charities SORP.

Recruitment and Appointment of Board Members

Board members are the directors of the Association and are also charity trustees for the purposes of charity law. Under the requirements of the Memorandum of Association and Articles of Association Board members are elected to serve on the Board. A proportion of Board members retire at every Annual General meeting (AGM) and are eligible for re-election.

Due to the nature of the Association, elected Board members must sign a form of commitment to the International YMCA's Paris Basis and to the British YMCA's Aims and purposes. This effectively means that elected Board members must be practising Christians. In addition, the Board may co-opt additional directors who are not practising Christians but support the Ethos Statement of The Y.

Recruitment of Board members is through advertising in appropriate media together with approaches to known interested individuals. Consideration is given to achieve a mix of skills amongst its Board members that will complement the individual departments within the Association.

Board Member Induction and Training

Potential new Board members are given an induction pack which provides information on the Association's services, its constitution and financial position, together with their legal obligations.

Potential Board members are then invited to meet existing Board members and subsequently the Management Team. The induction process is tailored to individual needs.

Organisational Structure

The Board meet quarterly and is responsible for overseeing the strategic direction and management of the Association. In addition, there is a Resource Committee (covering Finance, HR and Asset Management / Maintenance which meet quarterly).

The Chief Executive together with his Directorate and Management Team has day to day responsibility for the management and delivery of services.

## MEMBERS OF THE BOARD'S REPORT (incorporating STRATEGIC REPORT) *(continued)*

## YEAR ENDED 31 MARCH 2022

## STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Related Parties

The Association wholly owns Y Leisure Limited which consists of the trading activities of the charity. The principal activities of Y Leisure are the provision of a bar. The profits of Y Leisure are distributed via gift aid to The Y.

## STRATEGIC REPORT

Risk Management

The members of the Board have considered the risks faced by the Association and Group through a risk analysis exercise. Policy and procedural implementation have taken place and a critical analysis of the organisation's management structure completed.

### Key risks and uncertainties

The Association have considered the key risks and uncertainties it faces over the coming year and has identified these as;

1. Park House Children's Home fails to achieve an Ofsted standard of 'Good' therefore impacting on future occupancy and placement authority's confidence in the service.
2. Failure to recruit and maintain suitably qualified staff to manage and deliver residential care & Housing Support Services
3. That our newly designed education curriculum does not fully engage the young people living in our accommodation
4. Our ability to make the theatre fully accessible is not realised due to a lack of successful funding applications
5. Failure to invest in the public areas within East Street therefore impacting on theatre audience and community groups experience.
6. Failure to mitigate risks as identified in the business risk register
7. Shine 2 fails to be scaled regionally or nationally therefore a critical piece of work is lost to the wider movement.
8. The City Council Day Centre Review results in closure of Y Advice Centre and HR consequences for staff.
9. Y Heritage fails to attract additional funding therefore impacting on staff and young people.
10. Loss of key staff due to the environment being weighted to the employee not the employer.
11. Inflation and our ability to meet increasing wage demands and operational costs.
12. Increasing cost of utilities, impacting on business finances.
13. Ability for the organisation to grow within the current economic environment.

## STRATEGIC REPORT (continued)

### Residential Children's Services

Park House is now in its fourth year of delivery, having received an Ofsted grading of Requires Improvement in August 2021 was a major disappointment for the organisation as this was a down grade from the previous year. However, during this period, we had a change of manager, deputy manager and responsible Individual, there were also issues in relation to recruiting suitably experienced and qualified staff which is a major issue within the industry. Ofsted carried out a mid-term inspection which was positive and clearly identified progress against our inspection action plan. Our aim is to achieve a grading of Good in our next inspection which should be due Summer 2022 rising to outstanding in 2023.

### Education

As part of our offer to young people the organisation set up an education task and finish group to assess our education offer and ensure it is appropriate to meet the needs of our residents. The curriculum will be very much focusing of Skills for Life and creating accessible learning spaces. In order to ensure our residents, access this opportunity we need to engage them not only of the design of the curriculum but also the environment it will be delivered from. We will also need to ensure we have the right people delivering the service and that education has a clear management structure and is not delivered within the margins of overstretched staff.

### Theatre

The Theatre Feasibility Study version 2 enabled us to focus on three key areas of development, Lighting and electrical infrastructure, access and washroom facilities, During the year we were able to make major improvements to the lighting due to a range of grants, however there are still issues in relation to access and washroom facilities. As part of this we have set up a Capital Purchase & Development / Investment Group consisting of trustees and the executive who are considering a range of potential investment / development projects including washroom facilities and access. However due to the nature of the theatre, capital development in relation to these areas can only be carried out within a relatively small window when the theatre goes Dark (July-August) Although this gives us time to get our thoughts and plans in place the major obstacle will be cost and affordability.

### Shine

Shine has developed substantially from a regional project supporting 6 YMCA's to raise their understanding of working with complex needs young people, to the development of a toolkit, training packages, communities of practice and co-production. During the year we also worked with Scale Accelerator to identify how Shine can be scaled and replicated across the YMCA movement. Shine has developed from a project to a product and we are now working with YMCA England & Wales to identify how Shine can be funded and replicated. The major concern is that unless funding is identified key staff will be at risk and a key area of work that makes a real difference to young people may be lost to the wider movement.

### Day Centre Review

We are aware that the city council are carrying out a review of day centre services and as part of this there are plans to convert the Dawn Centre into a Multi-Disciplinary Facility, it is unclear what this will mean for our current Day Centre and continued funding both from the city council and health. Should this funding be withdrawn then serious consideration will need to be had in relation to the future of the service.

## STRATEGIC REPORT (continued)

### Y Heritage

Our Heritage Project is due to end in September 2022 after 3.5 years of successful delivery and engagement, currently a funding proposal is being developed in partnership with Norfolk Museum Services however should this not be successful we would not only lose a valuable member of staff but an amazing project that engaged young people in an area of work that predominately they do not access will be lost.

### Loss of Key Staff

There is a national recruitment crisis especially across the care and social sector, our experience of the last 12 months is that it is becoming more and more challenging to attract and retain good calibre staff. Internally we have carried an extensive salary review and regrading ensuring our salaries are competitive and as part of the organisational business plan we are exploring additional non-pay benefits. However, there is a risk that key staff will look to move on from the business if we are unable to match or better competitors renumeration packages, this is also impacted by the rise in inflation and people's ability to maintain their standard of living.

### Increase Cost of Utilities

Although the organisation is fixed into some of its utilities contracts when these ends we will be subject to a major hike in pricing. This will have an impact on organisational finance across the board and be ongoing. We also need to explore better ways of saving energy and address this within the culture of the organisation.

### Organisational Growth

Given the economic challenges the country currently face, difficult decisions will need to be made in relation to growth and service development, as a business we cannot stand still or lose our competitive edge, however any decision on growth will need to be underpinned by a clear business case which considers risk against business objectives and financial return.

### Multi-employer defined benefit pension scheme

Leicester YMCA recognises possible concern relating to its participation in a defined benefit pension scheme. Appropriate action has been taken: The scheme was closed to new members in 2007, and the link to final salary broken in 2011. Additional contributions continue to be made to reduce the deficit. As part of the YMCA federation, the multi-employer pension scheme is run by an independent Trustee board with employer representation through the Principal Employer, National Council of YMCAs. The pension scheme Trustee obtains an actuarial valuation every three years and we have considered the implications to the charity's finances from the latest available actuarial valuation. We have reviewed the charity's ability to continue to deliver its charitable objectives by ensuring budgets, forecasts and plans are available and include the impact of deficit repayments. The pension scheme Trustee included the impact of pension scheme deficit repayments in considering going concern status, reserves, and the risks and uncertainties that the charity face noted elsewhere in this Report.

Leicester YMCA benefits from the pension scheme Trustee and the Principal Employer seeking suitable specialist professional advice both to manage the scheme and in the continuing effort to explore ways of reducing the overall pension deficit. The notes to the Accounts include an accounting policy and further details in note 18.

## STRATEGIC REPORT (continued)

### STRATEGIC REPORT - Looking Forward (22/23)

**Shine**

Our plan will be to scale our work with complex needs young people regional and nationally by working in collaboration with YMCA E&W and implement the recommendations from Scale Accelerator as well as developing our Learning Hub. We will also embed complex needs as a core part of our supported housing offer by apply for funds from the CCG and evidencing the positive impact Shine can make on a young person's life as well as that saving on the public purse.

**Housing**

We will enhance our work with Unaccompanied Asylum-Seeking Children (UASC) by increasing provision from 8 to 15 units and working with the city council on an agreed specification for additional work and free up an additional move on property. We intend to review and upgrade our Housing Management System through the purchase of In-Form Client Management system. We also plan to enhance our housing support by developing a resident resettlement support programme by carrying out a restructure of the housing officer role and appoint an additional team member to support resident resettlement.

**Education**

We will develop a clear and deliverable education curriculum that is owned by residents, staff and Trustees through the setting up of an Education Task and Finish Group with clear terms of reference and time frame.

**Serious Youth Violence**

We Will Develop a level of expertise in working with young people involved in serious violent crime through the delivery of a street based mentoring project in partnership with the Violence Reduction Network.

**Branding**

The organisation will adopt the national YMCA England and Wales brand and rebrand to YMCA Leicestershire. This will include the commissioning of two new websites, new signage and marketing materials. As part of this process the Theatre will retain the brand 'THE Y Theatre'.

**Equality & Diversity**

The organisation will commit to the development of a Diversity Action Plan which includes staff and trustee recruitment, training and awareness raising across the business, as well as ensuring all senior staff have access to EDI training and EDI training is a core part of all staff induction and ongoing development.

**Governance**

Ensure our Trustee Board better reflects the local communities we serve in relation to diversity through the implementation of a robust marketing and recruitment process, to include radio, social media and community meetings.

**Organisational Management**

We will appoint a new director of People, Policy and Culture who will lead our HR team from a strategic perspective and be part of the executive team.

**Recruitment, Selection and Retention**

We will carry out a full review of our recruitment, selection and retention processes ensuring that we attract the best possible staff and assess non-financial rewards.

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
(INCORPORATED) (THE)

MEMBERS OF THE BOARD'S REPORT (incorporating STRATEGIC REPORT) *(continued)*

YEAR ENDED 31 MARCH 2022

STRATEGIC REPORT (continued)

| | |
|---|---|
| **Vision** | Our vision is for every young person to have a safe place to call home and the support they need to create lasting change in their lives. |
| **Mission** | Our mission is to create supportive and inspiring places where young people and communities can belong, contribute and thrive. We do this through accommodation, care, support, advice, skills for life, theatre and cultural activities. |
| **Purpose statement** | *Everyone should have a fair chance to discover who they are and what they can become.* |

**Values**

| | |
|---|---|
| **We welcome** | We work with kindness and integrity so that everyone can feel secure, respected and heard |
| **We support** | We build trusting relationships and nurture personal strengths to help people find their path to independence |
| **We empower** | We work alongside people to grow their skills and self-belief to enable them to thrive |
| **We enrich** | We create inspiring activities that give people a sense of connection and wellbeing |
| **We seek out** | We look for opportunities to collaborate and make an impact in the communities we serve |

**Strategic Measures**
We will achieve this by:

1. Investing in our buildings, ensuring they are safe, accessible and fit for purpose whilst challenging the general perception of 'supported accommodation'.
2. Being an organisation that has the needs and aspirations of young people at its core.
3. Being a Learning Organisation that is committed to encouraging sharing of information and knowledge, whilst asking challenging questions that will ensure continual reflection and regeneration.
4. Consistently evaluating what we do, how we do it and the impact on the lives and aspirations of our communities.
5. Keeping abreast of the political, economic, social, technological and environmental agenda, ensuring a flexible approach to services in a complex and dynamic environment.
6. Being an organisation that supports the added value and benefits of cultural activities and engagement.
7. Ensuring sustainability through income generation of unrestricted funds.
8. Investing in our people, ensuring they have the necessary skills, knowledge and attitudes, to deliver high quality services.
9. Creating an environment that enables children to grow and thrive.
10. Maintaining and working within clear and prudent financial guidelines.

## STRATEGIC REPORT (continued)

### ACTIVITIES

The Y is a multi-faceted Association and Group and operates in the following fields:

### Housing

The Y provides supported housing for 104 young single homeless people 85 of which is part of Leicester City Councils' commissioned service. The accommodation is split over five sites; East Street (49 bed spaces) and Aylestone (35 bed spaces) providing accommodation to young people aged 16 – 25.

In addition, we have 3 move-on properties providing a total of 15 beds, a 5-bed house accommodating Unaccompanied Asylum-Seeking Children, and an additional property providing residential child care services.

The Housing department works in a holistic way and sees the provision of accommodation as just one element of its role. Other elements include help with claiming benefit, support in accessing community care grants, basic personal hygiene, education, informal counselling, problem solving, accessing appropriate medical support and empowering the young person to move on to semi/independent living.

Many of the young people that live within The Y come from 'difficult' backgrounds, some have recently left care or prison, and others have been in abusive relationships, have special educational needs, suffer from low self-esteem or find themselves isolated from friends and family due to society's expectations and their inability to meet those expectations. For these young people it is essential that the staff form no judgements but work with them on a basis of mutual trust and respect, empowering them to gain the skills necessary to live, work and communicate with others.

### The Y Support Project

The Y Support Project (YSP) is a direct access day centre for homeless and vulnerably housed people based in Leicester. The centre provides access to information and advice on housing, benefits advice and access to primary healthcare. In addition, the centre provides practical support with free food and drink.

### Community Arts

The Y Theatre is the oldest theatre within Leicester. Opened in 1900 the theatre is the one aspect of our core business that makes The Y truly different from most other YMCAs. The Y Theatre offers a varied programme of live music, comedy, performance and community events. Also, on offer are active art and educational workshops aimed at supporting and encouraging the local community, particularly young people to enjoy their creativity and build confidence and develop communication skills.

### Fundraising

Although the fundraising team had a challenging year they were still able to generate substantial income through digital fundraising. The team continued to maintain strong relationships with corporate supporters, and The Big Give Christmas Challenge platform in December made a substantial impact on our fundraising targets.

The Y is committed to adhering to the Code of Fundraising Practice and new GDPR regulations throughout the whole fundraising process. The organisation takes any complaints seriously and does not advocate intrusive, persistent or the application of any undue pressure to donate. This is made clear to all commercial partners, volunteers and new members of the fundraising team. There were no fundraising complaints in the year.

## STRATEGIC REPORT (continued)

### Environmental Footprint

As part of our commitment to reducing our environmental footprint we are actively assessing our utility usage, and aim to work with Leicester city council via their sustainability agenda to identify innovative practices to reduce our carbon footprint.

### Shop Rental

The Y has seven shop units in the East Street Property all of which are let on leases. In addition, The Y leases land on Belvoir Drive to three telecommunication companies for the siting of communication towers.

### General

The Y has core departments of Human Resources, Operations, Finance and Fundraising, Marketing and Communications.

The Human Resources department is responsible for all aspects of HR training and development within the organisation. This year we have enrolled all senior staff on the NSPCC Safer Recruitment Training, Trustees have carried out on line Safeguarding training, 3 managers are completing the ILM Level 5 in management. Looking forward, we have invested in Hays online training and as such have access to a range of training courses via their portal. We are also committed to delivering training on Diversity, Equality, Inclusion and Unconscious Bias to all staff. Additionally, we will formally launch our Menopause Policy and ensure all staff are trained to understand the signs and impact of the menopause on the lives of their colleagues and ensure those staff suffering from the menopause have the relevant support from the organisation.

The Operations Department is responsible for all aspects of asset management, maintenance and health and safety. As part of the Operation department's targets, reduced energy consumption, increased recycling and maintenance planning are an essential part of their overall contribution to business efficiency.

The Finance department is responsible for the overall financial management of income and expenditure as well as the management and implementation of the company's financial procedures. Its approach ensures that the needs of all departments, the organisation as a whole and our funders are met.

The organisation has a comprehensive fraud policy which is managed by the Deputy Chief Executive/ Finance Director.

## STRATEGIC REPORT (continued)

### Financial Review

The Y has incurred a consolidated surplus of £161,290 (2021: surplus before gains on investment properties £162,157), which includes a surplus from Y Leisure of £13,337 (2021: deficit £11,239).

During 2021/22 The Y received the following large contracts and grants;

| | |
|---|---|
| Leicester City Council Supporting People | £428,630 |
| Leicester City Council Homelessness | £60,487 |
| Leicester Health | £36,746 |
| Heritage Lottery Fund | £243,739 |
| Arts Council – COVID grant | £54,056 |
| Paul Hamlyn Charity | £30,000 |

In line with the Reserves policy statement, The Y still needs to maintain its reserves by achieving a surplus of income over expenditure to ensure that it would meet its liabilities if all contracts ceased. The Board considers that The Y is in a healthy financial situation, with two maturing housing initiatives (Children's Home and Unaccompanied Asylum-Seeking Children) that will increase our self-generating income stream. Coupled with the continuation of our robust approach to procurement and gains in efficiency via our IT investment, The Y will aim to generate a surplus to fulfil its commitments.

### Reserves Policy

The Y requires an appropriate level of reserves in order to operate effectively. The level is set with regard to our aims, needs and objectives and the risks we face. These are sudden cessation or non-renewal of contracts and grants, delay in receipt of funding, and future essential maintenance of properties. The Board of Trustees is of the opinion that reserves in the order of £646,000 are necessary. Free reserves representing unrestricted funds that are not represented by fixed assets used in the Charity's operations were £957,823 at 31 March 2022 – this is calculated before accounting for the pension deficit funding liability of £380,480 now included in the financial statements under FRS102, which is actually payable over a further 7 years at a monthly rate of £4,665. This policy will be reviewed annually.

### Investment Policy

The Board has delegated to independent investment advisors (page 2) the power to invest funds surplus to requirements in stocks and shares quoted on the London Stock Exchange. Such investments are to provide a combination of income and capital growth. The Resource Committee receive half-yearly reports and review the performance with the advisors. Investment performance for the year is in line with the target set in the investment policy.

## STRATEGIC REPORT (continued)

### The Y Value for Money (VFM) Policy

#### 1. Policy Statement

The Y's Mission Statement, Strategic Objectives, Values and Service Delivery are underpinned by a commitment to value for money.

This policy presents our intentions on what we spend and how we deploy our staff and resources directly with the core values and the service standards we deliver. The Y's performance achievements and customer satisfaction are key elements of this policy. Our strategic objectives are:

- To provide high quality support and accommodation that empowers young people to achieve sustainable independence.
- To support young people to develop skills through access to arts education, employment, training and sports.
- To be a community resource that fully reflects the needs of local people, through the provision of community activities, advice information and advocacy.
- To be fully accessible, promote diversity and challenge discrimination in all its forms.
- To develop good quality partnerships that support service design and delivery and are cost effective.
- To be a proactive organisation that takes measured risks in order to keep abreast of changing needs.

#### 2. Value for Money demonstrable expectations

The Regulator of Social Housing (RSH)'s framework for social housing has a specific Value for Money standard. The standard requires that:

- Registered providers articulate and deliver a comprehensive and strategic approach to achieving VFM in meeting organisational objectives.
- Trustees maintain a robust assessment of the performance of all their assets and resources. This will take into account the interest of and commitment to stakeholders. This information should be available to stakeholders in a transparent and accessible format.

This means managing resources economically, efficiently and effectively to provide quality service and homes and planning for and delivering ongoing improvements for value for money.

The Board of Trustees meet on a quarterly basis in conjunction with the Resource Committee. The agenda items that will incorporate VFM considerations will be appropriately deliberated and their costs and benefits considered. This includes the generation of any potential returns commensurate to the risk involved.

## STRATEGIC REPORT (continued)

### 2. Value for Money demonstrable expectations (continued)

The Y regularly reviews our contracts for services throughout the organisation and maintains a robust approach to the procurement of goods and services. During 2021/22 The Y's purchase and procurement officer continued to support the organisations' various departments in providing a number of quotes and identifying the most suitable supplier for various single project work throughout the financial year.

It is difficult to assess The Y's performance against its peers within the region as each YMCA is very different. However, the lottery funded Regional Complex Needs project has enabled The Y to measure its understanding and approach to working with complex young people against 6 other YMCAs within the region. This has achieved a degree of benchmarking as described below.

**Benchmarking**

It is now a requirement to carry out a competitive benchmarking exercise as part of the trustee's annual report. As part of this process trustees have identified 6 regional YMCAs (Heart of England, Burton on Trent, Sutton Coldfield, North Staffordshire, Wellington and District and Lincolnshire). who could be seen as competitors within the Central Region. Each of these YMCAs are delivering a range of similar services to Leicester, all have some form of social housing, community development, sport and support services.

In carrying out the benchmarking exercise the area to be measured is, Working and Engaging Complex Needs young people, work which has been the subject of lottery funding to each of the above YMCAs co-ordinated and managed by Leicester.

Having carried out a desktop exercise it is clear that if one used the following measures:

- Knowledge and Understanding
- Experience
- Training
- Governance
- Staff skills & awareness

Leicester would be in a position to demonstrate that as part of a benchmarking exercise it would be more than able to show a competitive edge in relation to our work with this challenging group and as such set the standard that others would strive to meet.

Within the organisation, the employee appraisal system includes regular performance reviews that include KPIs at an individual and departmental level. This enables the managers of The Y to assess and measure the delivery of the strategic objectives of the organisation.

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
(INCORPORATED) (THE)

MEMBERS OF THE BOARD'S REPORT (incorporating STRATEGIC REPORT) *(continued)*

YEAR ENDED 31 MARCH 2022

STRATEGIC REPORT *(continued)*

**2. Value for Money demonstrable expectations (continued)**

Regulatory reporting on VFM is required by the Regulator of Social Housing from April 2018 and Registered Providers must publish the required evidence in the statutory accounts annually. The required VFM metrics are presented below.

| Regulator of Social Housing Metrics 2022 | | 2021-22 | 2020-21 |
|---|---|---|---|
| **Metric 1 (Efficiency)** | **Reinvestment %**<br>(Investment in properties, existing & new, as a % of the value of total properties held) | 0% | 0% |
| **Metric 2 (Effectiveness)** | **New supply delivered %**<br>(No. of new social and non-social housing units, acquired or developed in the year as a proportion of total social and non-social housing units owned at period end. ) | | |
| **Calc A** | **For social housing units** | 0% | 0% |
| **Calc B** | **For non-social housing units** | 0% | 0% |
| **Metric 3 (Efficiency)** | **Gearing %** | 4% | 5% |
| **Metric 4 (Efficiency)** | **EBITDA MRI interest cover %** | 2630% | 2082% |
| **Metric 5 (Economy)** | **Headline social housing cost per unit** | £12,868 | £13,641 |
| **Metric 6 (Efficiency)** | **Operating Margin %** | | |
| Calc A | Operating Margin (social housing only) % | 12% | 13% |
| Calc B | Operating Margin (overall) % | 4% | 3% |
| **Metric 7 (Efficiency)** | **Return on Capital Employed (ROCE) %** | 2% | 2% |

**Commentary**

There was no reinvestment in social housing property for the year and no new units have been developed. Gearing levels have decreased by 1% from the previous year. Interest cover has continued to remain significantly high due to an increased operating surplus for the year. The social housing cost per unit has decreased by 6% on the previous year due to reduced COVID safety expenditure. The social housing operating margin has fallen by 1%, however, the overall operating margin has increased by 1% when compared with the previous year. The group's return on capital employed has remained at the same level as the year before.

**STRATEGIC REPORT** *(continued)*

**3. Key Strategic Objectives**

The Y will implement a programme to review expenditure and enable scrutiny of initiatives with a view to achieving a minimum of 5% saving year on year for the next four years. These objectives include:

- **Promotion** – embedding of VFM principles within the culture of the organisation.
- **People** – encouraging economic awareness amongst staff and VFM principles within all business operations.
- **Procurement** – creation, maintenance and promotion of economic, efficient and effective purchasing principles and continuous review of contracts and services.
- **Recycling** – to minimise waste and recycle as much as possible
- **Partnerships** – communicate our commitment to VFM and encourage these principles amongst our partners.
- **Improvement** – improving the efficiency of how we support and deliver our services.
- **Green** – implement a programme of energy efficiency, water conservation and waste minimisation across the organisation.

**PLANS FOR FUTURE PERIODS**

The Association plans to continue its activities as outlined above. In addition, significant activities to be undertaken during the year are as follows:

1. To improve our Ofsted inspection rating of requires Improvement
2. To explore the development of an additional residential care through presentations to the Board and the development of a business case
3. In Partnership with Spring Impact explore the upscaling of the Shine Project regionally and nationally.
4. Implement training for all staff and Trustees on Equality, Diversity Inclusion and Unconscious Bias
5. To adopt the National Brand.
6. To ensure we meet the new Ofsted standards for regulated provision for 16+
7. Carry out investigation into the refurbishment of our wash room facilities at East Street
8. To explore individual legacies as part of our fundraising strategy
9. Implement a capital investment strategy recognising major capital works and its impact on organisational budgets and cash flow
10. To look at funding opportunities in order to continue our work around complex needs
11. For Co-Production to become fundamental to our work with young people and create opportunities for young people to engage in governance
12. To increase the diversity of the Board
13. To assess our environmental footprint and develop plans to reduce the same.
14. To develop and implement an education curriculum
15. To source additional funding for the continuation of our Heritage work.

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
(INCORPORATED) (THE)

MEMBERS OF THE BOARD'S REPORT (incorporating STRATEGIC REPORT) *(continued)*

YEAR ENDED 31 MARCH 2022

## STATEMENT OF THE MEMBERS OF THE BOARD'S RESPONSIBILITIES

The Board is responsible for preparing the Members of the Board's Report, including Directors' Report and Strategic Report, and financial statements in accordance with applicable law and regulations.

Company and Registered Social Housing legislation require the Board to prepare financial statements for each financial year. Under that law the Board have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice. Under that law the Board must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and surplus and deficit of the group for that period. In preparing these financial statements the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice (SORP) Accounting by Registered Housing Providers 2019, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and group will continue in operation.

The Board is responsible for keeping adequate accounting records, that are sufficient to show and explain the company's and group's transactions and disclose with reasonable accuracy at any time the financial position of the company and group and enable them to ensure that the financial statements comply with Companies Act 2006, the Housing and Regeneration Act 2008 and the accounting requirements of the Accounting Direction for private registered providers of social housing 2019. The Board is also responsible for safeguarding the assets of the company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## RSH GOVERNANCE & FINANCIAL VIABILITY STANDARD

The Board recognises and confirms the compliance with the Regulator of Social Housing's Governance & Financial Viability Standard. The Y has also retained its continued qualification as a Homes England Investment partner for future housing programmes.

## PUBLIC BENEFIT

The Board of Trustees has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing Association aims and objectives and in planning future activities.

The focus of our work is:

- the provision of supported housing to vulnerable young homeless people
- facilitating our resources to offer a varied programme of community and educational events
- working in partnership with other agencies to secure the widest range of services available to match the needs of clients
- provision of sport, health and fitness facilities to members of the community
- provide residents with education, training and skills to secure employment or their own tenancies.

The Board of Trustees has complied with section 17 of the Charities Act 2011, and in setting a programme each year has had regard to both the Charity Commission's general guidance on public benefit and provision of services for the client population. The Board of Trustees always ensures that the services provided are in line with the charitable objects and aims of the Association.

The Board feels the aforementioned Strategic Report and principal activity support this conclusion.

## AUDITOR

In accordance with the Companies Act 2006 a resolution proposing the appointment of Forrester Boyd Chartered Accountants as Auditor will be put to the members.

YEAR ENDED 31 MARCH 2022

## DIRECTORS' REPORT

## STATEMENT OF INTERNAL FINANCIAL CONTROL

The Board is responsible for maintaining a sound system of internal control which:

- focuses on the significant risks that threaten the Association's ability to meet its objectives; and
- provides reasonable assurance of the safeguarding of assets.

The Board is also responsible for reviewing the effectiveness of the system of internal control.

The internal control system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable, and not absolute, assurance against material misstatement or loss.

The process for identifying, evaluating and managing the significant risks faced by the Association is ongoing. This process has been in place for the year ended 31 March 2022 and up to the date of approval of the annual report and financial statements and is regularly reviewed by the Board.

The process which the Board has adopted in reviewing the effectiveness of the Association's system of internal control is reviewed through the Resource Committee. The key elements in exercising financial control include:

- Formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow monitoring of controls and restrict the unauthorised use of the Association's assets.
- The employment of suitably qualified staff to take responsibility for key areas of the business. This is supported by an annual appraisal system to maintain standards of performance.
- The preparation of forecasts and budgets which allow the Board and management to monitor the key business risks and financial objectives, and progress towards financial plans set for the year and the medium term; regular management accounts are prepared promptly, providing relevant, reliable and up-to-date financial and other information and significant variances from budgets are investigated as appropriate.
- All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through relevant sub-committees comprising Board members and others.
- The Resource Committee reviews reports from management and external auditors to provide reasonable assurance that control procedures are in place and are being followed. This includes a general review of the major risks facing the Association. The Resource Committee make regular reports to the Board
- Formal procedures have been established for instituting appropriate action to correct weaknesses identified from the above reports.

## MEMBERS OF THE BOARD'S REPORT (incorporating STRATEGIC REPORT) *(continued)*

## YEAR ENDED 31 MARCH 2022

### DIRECTORS' REPORT *(continued)*
### STATEMENT OF INTERNAL FINANCIAL CONTROL *(continued)*

**FRAUD**

It is the policy of the The Y to identify and promptly investigate any possibility of fraudulent or related dishonest activities against the organisation. The Y aims to promote an organisation culture which encourages the prevention of fraud by raising awareness of the need for high standards of personal conduct.

Any act of fraud ascertained upon investigation, or pursuant to a criminal conviction, or through written acknowledgment by the employee concerned, shall result in the appropriate disciplinary and legal actions against the employee.

Prevention of Fraud

Executives, managers and employees at all levels are responsible for exercising due diligence and control to prevent, detect and report acts of fraud. Those who fail to carry out these responsibilities will be subject to disciplinary action up to and including termination of employment.

Responsibility of Management

It is the responsibility of Executives and managers to be familiar with the types of improprieties that might occur in their area and be alert for any indication that improper activity, misappropriation or dishonest activity is or was in existence in his or her area and put in place controls to avoid such occurrences.

Responsibility of Employees

It is the responsibility of all employees to conduct their work schedule in such a way as to prevent fraud occurring in the workplace. Employees must also be alert to the possibilities for fraud and be on guard for any indications that improper or dishonest activity is taking place.

Reporting Fraud

It is the responsibility of all executives, managers and employees to report any suspicions of fraud without delay according to the procedure laid out below.

A person who suspects that fraudulent practice may be operating should, in the first instance, report the matter to his/her manager or immediate superior. Should it be inappropriate to make such a report to an immediate superior, the report should be made to that person's manager or directly to the Chief Executive.

Once a report of suspected fraud is made to supervisor/manager that person should report the suspicion to either the Chief Executive or Finance Director.

A Fraud Incident Report should be completed by the person reporting suspected fraud. The Finance Director will report any incidents to the Resource Committee. This policy is read in conjunction with the whistle blowing policy. The fraud policy is reviewed annually by the Finance Director.

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
(INCORPORATED) (THE)

## MEMBERS OF THE BOARD'S REPORT (incorporating STRATEGIC REPORT) *(continued)*

## YEAR ENDED 31 MARCH 2022

### DIRECTORS' REPORT *(continued)*

### STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

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

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

The Members of the Board's Report which is prepared under the Charities Act 2011, which also contains all information required in a directors' report by the Companies Act 2006, and the incorporated Strategic Report prepared under the Companies Act 2006, were approved by the Board of Trustees on 13/9/22 and signed:

by order of the Members of the Board

MR P BROWN
Chief Executive

Date: 13/9/22

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION (INCORPORATED) (THE)

### Opinion

We have audited the financial statements of Leicester Young Men's Christian Association (Incorporated) (The) (the 'parent company') and its subsidiary (the 'group') for the year ended 31 March 2022 which comprise the Consolidated Income and Expenditure Account and Statement of Comprehensive Income, Consolidated and Association Balance Sheets, Consolidated and Association Statements of Changes in Reserves, Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 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 parent company's affairs as at 31 March 2022 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been properly 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 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 board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

- the information given in the Members of the Board's Report (incorporating Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Members of the Board's Report (incorporating Strategic Report) has been prepared in accordance with applicable legal requirements.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION (INCORPORATED) (THE) (CONTINUED)

**Matters on which we are required to report by exception**
In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Members of the Board's Report (incorporating Strategic Report).

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

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

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

**Respective responsibilities of Trustees**
As explained more fully in the Statement of the Members of the Board's Responsibilities set out on page 18, the Trustees (who are also the directors of the 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 parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or the parent 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.

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

- Discussions with management, including consideration of known or suspected instances of non-compliance held.
- Challenging assumptions and judgements made within significant accounting estimates and judgements such as depreciation, bad debt and voids.
- Identification of key laws and regulations central to the associations operations and review of compliance with such laws including a review of the Charities Commission website and the Housing and Regeneration Act 2008.
- Testing of journal entries and potential override of systems.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. The risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery collusion, omission or misrepresentation.

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

**Use of our report**
This report is made solely to the 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

C Jensen

**Carrie Anne Jensen ACA (Senior Statutory Auditor)**
**For and on behalf of Forrester Boyd, Statutory Auditor**
Chartered Accountants
26 South Saint Mary's Gate
Grimsby
DN31 1LW

Date:
13th September 2022

## LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION (INCORPORATED) (THE)

## CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF COMPREHENSIVE INCOME

## YEAR ENDED 31 MARCH 2022

| | Note | Year ended 31 March 2022 £ | Year ended 31 March 2021 £ |
|---|---|---|---|
| **TURNOVER** | 3 | 3,629,971 | 3,674,604 |
| Operating costs | 3 | (3,483,652) | (3,574,978) |
| **OPERATING SURPLUS** | 3 | 146,319 | 99,626 |
| Interest receivable and similar income | 6 | 13,550 | 12,199 |
| Interest payable and similar charges | 7 | (20,879) | (18,229) |
| Change in fair value of investment properties | 12 | - | 264,328 |
| Change in fair value of investments | 13 | 22,300 | 68,561 |
| **SURPLUS FOR THE YEAR BEFORE TAX** | | 161,290 | 426,485 |
| Taxation | | - | - |
| **SURPLUS FOR THE YEAR AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR** | | 161,290 | 426,485 |

The results relate wholly to continuing activities.

The financial statements were approved by the board on 13/9/22

Mr T Moore (Treasurer)

K. Hamylton Ms K Hamylton (Chair)

The annexed notes form part of these financial statements.

# LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION (INCORPORATED) (THE)

## CONSOLIDATED AND ASSOCIATION BALANCE SHEETS

## AS AT 31 MARCH 2022

| | | Group | | Association | |
|---|---|---|---|---|---|
| | | 2022 | 2021 | 2022 | 2021 |
| | | £ | £ | £ | £ |
| **FIXED ASSETS** | | | | | |
| Intangible assets | 10 | - | 2,444 | - | 2,444 |
| Housing properties | 11 | 3,366,593 | 3,618,825 | 3,366,593 | 3,618,825 |
| Other tangible assets | 11 | 350,005 | 325,881 | 325,081 | 311,299 |
| Investment properties | 12 | 1,570,000 | 1,570,000 | 1,570,000 | 1,570,000 |
| | | 5,286,598 | 5,517,150 | 5,261,674 | 5,502,568 |
| Other investments | 13 | 465,457 | 444,265 | 465,457 | 444,266 |
| | | 5,752,055 | 5,961,415 | 5,727,131 | 5,946,834 |
| **CURRENT ASSETS** | | | | | |
| Stocks | 14 | 4,781 | 1,050 | - | - |
| Debtors | 15 | 353,262 | 144,974 | 433,097 | 205,029 |
| Cash and cash equivalents | 23 | 959,032 | 1,022,406 | 919,327 | 1,013,416 |
| | | 1,317,075 | 1,168,430 | 1,352,424 | 1,218,445 |
| **CURRENT LIABILITIES** | | | | | |
| Creditors: Amounts falling due within one year | 16 | 871,799 | 927,776 | 861,885 | 929,534 |
| **NET CURRENT ASSETS /(LIABILITIES)** | | 445,276 | 240,654 | 490,539 | 288,911 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | 6,197,331 | 6,202,069 | 6,217,670 | 6,235,745 |
| Creditors: Amounts falling due after one year | 17 | 2,491,868 | 2,676,059 | 2,491,868 | 2,676,059 |
| Provisions for liabilities | 18 | 380,480 | 362,317 | 380,480 | 362,317 |
| **TOTAL NET ASSETS** | | 3,324,983 | 3,163,693 | 3,345,322 | 3,197,369 |
| **RESERVES** | | | | | |
| **UNRESTRICTED FUNDS** | | | | | |
| Designated & general reserves | 19 | 3,341,285 | 3,193,332 | 3,341,285 | 3,193,332 |
| Non-charitable trading reserves | 19 | (20,339) | (33,676) | - | - |
| Joint venture reserve | 19 | - | - | - | - |
| | | 3,320,946 | 3,159,656 | 3,341,285 | 3,193,332 |
| **RESTRICTED FUNDS** | 19 | 4,037 | 4,037 | 4,037 | 4,037 |
| **TOTAL RESERVES** | | 3,324,983 | 3,163,693 | 3,345,322 | 3,197,369 |

The Association's surplus is £151,532 (2021: £437,814).

These financial statements on pages 24 to 49 were approved by the board and authorised for issue on 13/9/22 and were signed on its behalf by:

**Mr T Moore**
**Treasurer**

**Ms K Hamylton**
**Chair**

Company Registration Number 00159933

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
(INCORPORATED) (THE)

CONSOLIDATED STATEMENT OF CHANGES IN RESERVES

YEAR ENDED 31 MARCH 2022

| | General reserves £ | Designated reserves £ | Fair value reserve £ | Sub total £ | Non-charitable trading reserves £ | Total Unrestricted £ | Restricted funds £ | Total £ |
|---|---|---|---|---|---|---|---|---|
| **Balance at 1 April 2020** | 2,531,599 | 112,385 | 111,534 | 2,755,518 | (22,347) | 2,733,171 | 4,037 | 2,737,208 |
| Surplus/(Deficit) for the year | 300,837 | (138,781) | 332,889 | 494,945 | (11,329) | 483,616 | (57,131) | 426,485 |
| Transfers | (198,912) | 141,781 | - | (57,131) | - | (57,131) | 57,131 | - |
| **Balance at 31 March 2021** | 2,633,524 | 115,385 | 444,423 | 3,193,332 | (33,676) | 3,159,656 | 4,037 | 3,163,693 |
| Surplus/(Deficit) for the year | 348,484 | (151,988) | 22,300 | 218,796 | 13,337 | 232,133 | (70,843) | 161,290 |
| Transfers | (263,031) | 192,188 | - | (70,843) | - | (70,843) | 70,843 | - |
| **Balance at 31 March 2022** | 2,718,977 | 155,585 | 466,723 | 3,341,285 | (20,339) | 3,320,946 | 4,037 | 3,324,983 |

## LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION (INCORPORATED) (THE)

## ASSOCIATION STATEMENT OF CHANGES IN RESERVES

## YEAR ENDED 31 MARCH 2022

| | General reserves £ | Designated reserves £ | Fair value reserve £ | Total Unrestricted £ | Restricted funds £ | Total £ |
|---|---|---|---|---|---|---|
| **Balance at 1 April 2020** | 2,531,599 | 112,385 | 111,534 | 2,755,518 | 4,037 | 2,759,555 |
| Surplus/(Deficit) for the year | 300,837 | (138,781) | 332,889 | 494,945 | (57,131) | 437,814 |
| Transfers | (198,912) | 141,781 | - | (57,131) | 57,131 | - |
| **Balance at 31 March 2021** | 2,633,524 | 115,385 | 444,423 | 3,193,332 | 4,037 | 3,197,369 |
| Surplus/(Deficit) for the year | 348,484 | (151,988) | 22,300 | 218,796 | (70,843) | 147,953 |
| Transfers | (263,031) | 192,188 | - | (70,843) | 70,843 | - |
| **Balance at 31 March 2022** | 2,718,977 | 155,585 | 466,723 | 3,341,285 | 4,037 | 3,345,322 |

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION (INCORPORATED) (THE)

## CONSOLIDATED STATEMENT OF CASH FLOWS

## YEAR ENDED 31 MARCH 2022

| | Note | 2022 £ | 2021 £ |
|---|---|---|---|
| **OPERATING ACTIVITIES** | | | |
| Net cash generated from operations | 22 | 59,276 | 488,743 |
| **NET CASH GENERATED FROM OPERATING ACTIVITIES** | | 59,276 | 488,743 |
| **CASH FLOW FROM INVESTING ACTIVITIES** | | | |
| Interest and dividends received | | 13,550 | 12,199 |
| Payments to acquire tangible fixed assets | | (85,596) | (72,063) |
| Proceeds on disposal of Joint Venture | | - | - |
| **NET CASH USED IN INVESTING ACTIVITIES** | | (72,046) | (59,864) |
| **CASH FLOW FROM FINANCING ACTIVITIES** | | | |
| Payments to acquire fixed asset investments | | (64,933) | (101,305) |
| Receipts on sale of fixed asset investments | | 66,041 | 107,879 |
| Interest paid | | (20,879) | (18,229) |
| Repayment of borrowings | | (30,833) | (31,799) |
| **NET CASH (USED IN)/FROM FINANCING ACTIVITIES** | | (50,604) | (43,454) |
| **NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS** | | (63,374) | 385,425 |
| **CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR** | | 1,022,406 | 636,981 |
| **CASH AND CASH EQUIVALENTS AT END OF YEAR** | 23 | 959,032 | 1,022,406 |

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
(INCORPORATED) (THE)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

## 1. LEGAL STATUS AND PRINCIPAL ACCOUNTING POLICIES

The Company is a private company limited by guarantee and is an English registered social housing provider. Each member undertakes to contribute an amount not exceeding 1p in the event of the Association being wound up. There were 13 members during the year (2021:13 members)

The address of the Company's registered office and principal place of business is 7 East Street, Leicester, LE1 6EY.

The Company is a registered charity and a public benefit entity.

The principal activities are disclosed in the Members of the Board's Report.

The Company is incorporated under the Companies Act 2006, Charities Act 2011 and is a private Registered Provider of Social Housing (RP).

**Basis of Accounting**
These financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Housing SORP 2018 "Statement of Recommended Practice for Registered Housing Providers" and comply with the Accounting Direction for Private Registered Providers of Social Housing 2019, and under the historical cost convention, except that investments are held at fair value.

Monetary amounts in these financial statements are rounded to the nearest whole £1, except where otherwise indicated.

## 2. PRINCIPAL ACCOUNTING POLICIES

REDUCED DISCLOSURES
In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirement in the individual financial statements of Leicester Young Men's Christian Association.

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flows and related notes and disclosures.
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches; and details of hedges and hedging fair value changes recognised in income or expenditure and in other comprehensive income.
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the Company are included within these financial statements.

**Going Concern**
The Group and Company have prepared detailed budgets and cash flow forecasts for the period of a minimum of 12 months from the date of approval of these financial statements. To mitigate the economic fallout of the COVID-19 pandemic, the detailed budgets and cash flow forecasts have been subjected to a degree of sensitivity analysis for the same period. On that basis, the members of the Board are satisfied that it remains appropriate to prepare the financial statements on the going concern basis.

## 2. PRINCIPAL ACCOUNTING POLICIES (continued)

**Turnover**
Turnover represents rental income and service charges income receivable in the year net of rent and service charge losses from voids, Supporting People income, revenue grants from Local Authorities and Homes England, and other income.

**Supporting People**
Supporting People income and expenditure relating to services is accounted for on an accruals basis, matching income and expenditure, and disclosures are made in accordance with the relevant standards and legislation.

**Basis of Consolidation**
These financial statements include the financial statements of the Company and its subsidiary undertaking up to 31 March 2022. Under Section 408(3) of the Companies Act 2006 the Company is exempt from the requirements to present its own income and expenditure account.

The consolidated financial statements incorporate those of the Company and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). All financial statements are made up to 31 March 2022.

Investment in the subsidiary is stated at cost.

**Donations**
Donations received for the general purposes of the Company are included as unrestricted funds. Donations for activities restricted by the wishes of the donor are taken to 'restricted funds' where these wishes are legally binding on the Board.

**Restricted Reserves**
Restricted reserves are those reserves which are only expendable in accordance with the wishes of the funder or regulatory body. Expenditure cannot be directly set against restricted reserves, but is taken through the Income and Expenditure Account. A transfer from restricted reserves is then made as appropriate. By this method, expenditure, which meets the criteria, is charged to the fund, together with a fair allocation of management expenses.

**Designated Reserves**
Designated reserves are part of unrestricted reserves which have been earmarked by the Board for a particular purpose. Such designations may be reversed by future Board decisions. Expenditure cannot be directly set against designated reserves, but is taken through the Income and Expenditure Account. A transfer is then made from designated reserves as appropriate.

**Intangible assets**
Intangible assets are recognised when future economic benefits are probable and the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised to income or expenditure on a straight-line basis over their useful lives, as follows: -

| | |
|---|---|
| Website costs | - over 5 years |

## 2. PRINCIPAL ACCOUNTING POLICIES (continued)

Amortisation is revised prospectively for any significant change in useful life or residual value.

On disposal, the difference between the net disposal proceeds and the carrying amount of the intangible asset is recognised in income or expenditure.

**Fixed Assets and Depreciation**
Tangible fixed assets, are stated at cost, less accumulated depreciation. Depreciation is charged on a straight line basis over the expected economic useful lives of the assets at the following annual rates:

| | | |
|---|---|---|
| Freehold buildings (non-housing) | - | over 25 years |
| Furniture, fixtures and fittings, IT equipment | - | over 3 to 10 years (dependent on the expected economic life) |
| Leasehold improvements | - | over 25 years or the life of the lease if less |
| Motor vehicles | - | over 3 years |
| Lifts | - | over 25 years |

Major components of housing properties have been accounted for and depreciated separately from the connected housing property at the following rates:

| | | |
|---|---|---|
| Structure | - | over 10 to 25 years |
| Kitchens and Bathrooms | - | over 5 years |
| Electrical equipment | - | over 3 years |
| Lifts | - | over 25 years |

Freehold land is not depreciated.

The useful economic lives of all tangible fixed assets are reviewed annually.

Housing properties are principally properties available for rent and are stated at cost less and provision for any impairment (representing a diminution in the recoverable service potential of the asset below its carrying value in the balance sheet) less depreciation. Cost includes the cost of acquiring land and buildings, development costs and expenditure incurred in the respect of improvements.

Development costs of properties are capitalised to the extent that they are directly attributable to bringing the properties into working condition for their intended use. Directly attributable costs include the labour costs of own employees (including development staff, in-house architects and surveyors) arising directly from the construction or acquisition of the property, and the incremental costs that would have been avoided only if the property had not been constructed.

**Impairment**
An assessment is made at each reporting date of whether there are indications that a fixed asset (including housing properties) may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Group estimates the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets net of any associated Social Housing Grant and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use of the asset based on its service potential, are recognised as impairment losses in the Income and Expenditure Account.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in income and expenditure. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

## 2. PRINCIPAL ACCOUNTING POLICIES (continued)

**Investment Properties**
Investment properties (including properties held under an operating lease) consist of commercial properties and properties not held for social benefit. These properties are initially measured at cost and subsequently measured at fair value whilst a reliable measure of fair value is available without undue cost or effort. Changes in fair value are recognised in income and expenditure.

The Companies Act 2006 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principle set out in FRS 102. The Board considers that, because investment properties are not held for consumption, but for their investment potential, to depreciate them would not give a true and fair view.

If this departure from the Companies Act 2006 had not been made in order to give a true and fair view, the profit for the financial year would have been reduced by depreciation. However, the amount of depreciation cannot reasonably be quantified because depreciation is only one of many factors reflected in the annual valuation and the amount relating to the depreciation of the property cannot be separately identified.

**Investments and investment income**
Investments are carried at fair value. Changes in fair value are included in the Income and Expenditure Account.

Investment income is accounted for in the period in which the Group is entitled to receipt.

**Stocks**
Stocks are included at the lower of cost and net realisable value.

**Taxation**
The Association has charitable status and is registered with the Charity Commission and is therefore exempt from paying Corporation Tax on charitable activities.

**Value Added Tax**
Irrecoverable VAT which can be attributed to a capital item or expenditure is added to the cost of the capital item or expenses where practicable and material.

**Employee Benefits**
The costs of short-term employee benefits are recognised as a liability and an expense.

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**Government Grants**
Government grants include grants receivable from Homes England, local authorities and other government bodies.

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met, and the grants will be received.

Government grants received for housing properties are recognised in income over the useful economic life of the structure of the asset and, where applicable, the individual components of the structure (excluding land) under the accruals model.

Government grants relating to revenue are recognised as income over the periods when the related costs are incurred once reasonable assurance has been gained that the Company will comply with the conditions and the funds will be received.

## 2. PRINCIPAL ACCOUNTING POLICES *(continued)*

**Other Grants**
Grants received from non-government sources are recognised using the performance model. Grants are recognised as income when the associated performance conditions are met.

**Leased Assets**
Rentals payable under operating leases are charged to the Income and Expenditure Account on a straight line basis over the lease term.

**Pension Costs**
*Defined benefit plans*
The Company participated in a multi-employer defined benefit plan for employees of YMCAs in England, Scotland and Wales which was closed to new members and accruals on 30 April 2007. Due to insufficient information, the plan's actuary has advised that it is not possible to separately identify the assets and liabilities relating to Leicester Young Men's Christian Association.

As described in note 18 Leicester Young Men's Christian Association has a contractual obligation to make pension deficit payments of £55,985 pa over the period to April 2029 (2021: £46,648 pa), accordingly this is shown as a liability in these accounts. In addition, Leicester Young Men's Christian Association is required to contribute £12,515 pa (2021: £11,040 pa) to the operating expenses of the Pension Plan and these costs are charged to the Statement of Comprehensive Income as made.

*Defined contribution plans*
The Group also operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the Group. The annual contributions payable are charged to the Income and Expenditure Account. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

**Financial instruments**
The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument and are offset only when the Group currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

***Financial assets***
*Debtors*

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a debtor constitutes a financing transaction, the debtor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in income or expenditure for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in income or expenditure.

## 2. PRINCIPAL ACCOUNTING POLICES *(continued)*

***Financial liabilities***

*Creditors*

Creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

*Derecognition of financial assets and liabilities*

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

**Provisions**

Provisions are recognised when the Group has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably.

**Critical accounting estimates and areas of judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

*Critical accounting estimates and assumptions*

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

*Pension Deficit Liability*

In calculating the value of the contractual liability (detailed in Note 18), a discount rate of 3% has been applied to the payments due in future years in order to determine their present value.

*Expected Economic Useful Life of Fixed Assets*

The useful economic life of fixed assets (detailed in Note 11) is a key accounting estimate.

*Investment Properties*

The valuation of the investment properties (detailed in Note 12) is reviewed annually by the Board to assess whether a there is a diminution in the carrying value of the assets. The percentage of 'mixed use' properties deemed as 'investment property' was calculated based on size of area as per the completed valuation survey by Innes England.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2022

## 3. GROUP TURNOVER AND OPERATING SURPLUS/(DEFICIT)

**Year to 31 March 2022**

| | Turnover £ | Operating costs £ | Operating surplus/ (deficit) £ |
|---|---|---|---|
| Social Housing | 2,107,232 | (1,855,547) | 251,685 |
| Non Social Housing activities | 1,522,739 | (1,628,105) | (105,366) |
| Total | 3,629,971 | (3,483,652) | 146,319 |

**Year to 31 March 2021**

| | Turnover £ | Operating costs £ | Operating surplus/ (deficit) £ |
|---|---|---|---|
| Social Housing | 2,228,900 | (1,937,110) | 291,790 |
| Non Social Housing activities | 1,445,704 | (1,637,868) | (192,164) |
| Total | 3,674,604 | (3,574,978) | 99,626 |

Non-social housing turnover includes amounts of £36,714 (2021: £250,686) received under the Governments Covid Job Retention Scheme and the business rates relief scheme.

## 4. TURNOVER, COST OF SALES, OPERATING COSTS AND OPERATING SURPLUS

Particulars of Group income and expenditure from social housing lettings

| | General Housing 2022 £ | General Housing 2021 £ |
|---|---|---|
| TURNOVER FROM SOCIAL HOUSING LETTINGS | | |
| Rent receivable net of voids | 1005,086 | 925,927 |
| Service charges receivable | 458,891 | 445,224 |
| NET RENTAL INCOME | 1,463,977 | 1,371,151 |
| Supporting people contract income | 428,630 | 428,630 |
| Other revenue grants | 639 | 170,379 |
| Grant amortisation | 213,986 | 258,740 |
| TURNOVER FROM SOCIAL HOUSING LETTINGS | 2,107,232 | 2,228,900 |
| EXPENDITURE ON SOCIAL HOUSING LETTINGS | | |
| Direct costs | - | 6,487 |
| Staffing | 990,999 | 1,023,851 |
| Administration | 173,384 | 175,053 |
| Depreciation and amortisation | 194,641 | 237,920 |
| Maintenance | 20,761 | 25,583 |
| Services | 49,929 | 43,829 |
| Service charge costs | 425,833 | 424,387 |
| OPERATING COSTS ON SOCIAL HOUSING LETTINGS | (1,855,547) | (1,937,110) |
| OPERATING SURPLUS ON SOCIAL HOUSING LETTINGS | 251,685 | 291,790 |
| Rent losses on voids | 77,417 | 41,862 |

| **Supported Housing Accommodation owned and managed** | **2022 No. of units** | **2021 No. of units** |
|---|---|---|
| Let at social rent | 104 | 103 |

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION (INCORPORATED) (THE)

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2022

## 5. OPERATING (DEFICIT)/SURPLUS

The operating surplus is stated after charging/(crediting):

| | Group | |
|---|---|---|
| | 2022 | 2021 |
| | £ | £ |
| Depreciation of housing properties | 252,232 | 296,857 |
| Depreciation of other tangible fixed assets | 61,472 | 58,688 |
| Amortisation of intangible fixed assets | 2,444 | 2,440 |
| Amortisation of grants | (213,986) | (258,740) |
| Auditor's remuneration (audit services) | 12,500 | 12,500 |
| Auditor's remuneration (non-audit work) | 1,000 | 1,000 |
| Operating lease rentals | 76,611 | 59,073 |
| Cost of stocks recognised as an expense | 19,108 | 98 |

## 6. INTEREST RECEIVABLE AND SIMILAR INCOME

| | Group | |
|---|---|---|
| | 2022 | 2021 |
| | £ | £ |
| Interest on bank deposits | 12 | - |
| Income from listed investments | 13,538 | 12,199 |
| | 13,550 | 12,199 |

## 7. INTEREST PAYABLE AND SIMILAR CHARGES

| | Group | |
|---|---|---|
| | 2022 | 2021 |
| | £ | £ |
| YMCA pension notional finance charge (Note 18) | 10,870 | 9,234 |
| Interest on bank loan | 10,009 | 8,995 |
| | 20,879 | 18,229 |

## 8. DIRECTORS' EMOLUMENTS

The Directors are defined as the members of the Board, the Chief Executive and other senior executives. None of the members of the Board received any emoluments. Details of the Chief Executive's and other senior Executives' emoluments in respect of services to the Company are as follows:

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Basic salary | 260,584 | 246,801 |
| Pension contributions | 13,040 | 12,790 |
| | 273,624 | 259,591 |

| | 2022 | 2021 |
|---|---|---|
| Number of Directors accruing benefits in the pension scheme | 4 | 4 |

Emoluments disclosed above include the following amounts paid to the highest paid director:

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Emoluments for qualifying services | 113,700 | 107,260 |
| Pension contributions | 6,642 | 6,598 |

The Chief Executive is a member of the Company's pension scheme. He is an ordinary member of the pension scheme and no enhanced or special terms apply. The Company does not make any further contributions to an individual pension arrangement for the Chief Executive.

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
(INCORPORATED) (THE)

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2022

## 9. EMPLOYEE INFORMATION

| | 2022<br>No. | 2021<br>No. |
|---|---|---|
| Average number of persons (including part-time employees and the Chief Executive but excludes Casual Staff) employed during the year | 74 | 79 |
| Full time equivalent (40 hours per week) | 65 | 66 |

The Group also holds a bank of casual staff (sessional) who can be called on to cover short term unexpected absences. During the year the Group had 21 casual staff on its books (2021: 23).

| | 2022<br>£ | 2021<br>£ |
|---|---|---|
| **Staff costs (for the above persons)** | | |
| Wages and salaries | 1,858,826 | 1,898,856 |
| Social security costs | 158,149 | 155,031 |
| Other pension costs | 42,533 | 43,051 |
| | 2,059,508 | 2,096,938 |

There were two employees whose income exceeded £60,000 (2021: two) and one fell within the £110,001 - £120,000 bracket during the year (2021: one £100,001 - £110,000 bracket).
The total compensation of employees who are considered to be the key management personnel of the Group was £304,602 (2021: £288,703).

There were no expenses reclaimed by Board members in 2022 or 2021.

## 10. INTANGIBLE FIXED ASSETS

| **Group and Association** | **Website costs**<br>**£** |
|---|---|
| **Cost** | |
| At 1 April 2021 | 12,204 |
| Additions | - |
| At 31 March 2022 | 12,204 |
| **Amortisation** | |
| At 1 April 2021 | 9,760 |
| Charge for the year | 2,444 |
| At 31 March 2022 | 12,204 |
| **Net Book Value** | |
| At 31 March 2022 | - |
| At 31 March 2021 | 2,444 |

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
(INCORPORATED) (THE)

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2022

## 11. TANGIBLE FIXED ASSETS

| Group and Association | Social Housing Properties held for letting £ |
|---|---|
| **Cost** | |
| At 1 April 2021 | 7,486,285 |
| Properties acquired | - |
| Works to existing properties | - |
| Disposals – component write-off | - |
| At 31 March 2022 | 7,486,285 |
| **Depreciation** | |
| At 1 April 2021 | 3,867,460 |
| Charge for the year | 252,232 |
| Eliminated on disposals – component write-off | - |
| At 31 March 2022 | 4,119,692 |
| **Net Book Value** | |
| At 31 March 2022 | 3,366,593 |
| At 31 March 2021 | 3,618,825 |

In accordance with the accounting policy, included within Housing Properties (historical cost), the Group and Association have capitalised in the year £nil (2021: £23,840) of expenditure on works to existing properties. No capital expenditure has been included in the Income & Expenditure Account (2021: £nil).

| Depreciation charge for the year | 2022 £ | 2021 £ |
|---|---|---|
| Annual depreciation charge | 252,232 | 296,857 |
| Accelerated depreciation on component write off | - | - |
| | 252,232 | 296,857 |

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
(INCORPORATED) (THE)

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2022

## 11. TANGIBLE FIXED ASSETS *(continued)*

| Group | Freehold Land & Buildings £ | Furniture Fixtures & Fittings £ | Lift £ | TOTAL £ |
|---|---|---|---|---|
| **COST** | | | | |
| At 1 April 2021 | 918,914 | 556,162 | 299,936 | 1,775,012 |
| Additions | - | 85,596 | - | 85,596 |
| Disposals | - | - | - | - |
| At 31 March 2022 | 918,914 | 641,758 | 299,936 | 1,860,608 |
| **DEPRECIATION** | | | | |
| At 1 April 2021 | 770,963 | 386,961 | 291,207 | 1,449,131 |
| Charge for the year | 18,764 | 33,979 | 8,729 | 61,472 |
| Disposals | - | - | - | - |
| At 31 March 2022 | 789,727 | 420,940 | 299,936 | 1,510,603 |
| **NET BOOK VALUE** | | | | |
| At 31 March 2022 | 129,187 | 220,818 | - | 350,005 |
| At 31 March 2021 | 147,951 | 169,201 | 8,729 | 325,881 |

| Association | Freehold Land & Buildings £ | Furniture Fixtures & Fittings £ | Lift £ | TOTAL £ |
|---|---|---|---|---|
| **COST** | | | | |
| At 1 April 2021 | 918,914 | 530,048 | 299,936 | 1,748,898 |
| Additions | - | 71,986 | - | 71,986 |
| Disposals | - | - | - | - |
| At 31 March 2022 | 918,914 | 602,034 | 299,936 | 1,820,884 |
| **DEPRECIATION** | | | | |
| At 1 April 2021 | 770,963 | 375,429 | 291,207 | 1,437,599 |
| Charge for the year | 18,764 | 30,711 | 8,729 | 58,204 |
| Disposals | - | - | - | - |
| At 31 March 2022 | 789,727 | 406,140 | 299,936 | 1,495,803 |
| **NET BOOK VALUE** | | | | |
| At 31 March 2022 | 129,187 | 195,894 | - | 325,081 |
| At 31 March 2021 | 147,951 | 154,619 | 8,729 | 311,299 |

## 12. INVESTMENT PROPERTIES

| Group and Association | 2022<br>£ | 2021<br>£ |
|---|---|---|
| At 1 April | 1,570,000 | 1,305,672 |
| Increase in fair value | - | 264,328 |
| At 31 March | 1,570,000 | 1,570,000 |

Investment properties were valued as at 31 March 2021 by Innes England. The valuation of the group's properties was carried out in accordance with the Royal Institute of Chartered Surveyors ("RICS") Professional Standards UK January 2014 and with particular regard to Financial Reporting Standard 102 and the Social Housing Statement of Recommenced Practice. The increase in fair value of £264,328 for the investment properties as at 31 March 2021 was accepted by the Board of Trustees.

## 13. FIXED ASSET INVESTMENTS

**Association**

**Investment in subsidiary company**

The company owns the whole of the ordinary share capital (1 ordinary share of £1) of Y Leisure Limited. The company is incorporated in Great Britain and registered in England and Wales and has been established to carry on trading activities on the Association's behalf. Its registered office is set out on page 1.

Y Leisure Limited operates a bar for the use of patrons of the Association and members of the public. The company will gift aid any taxable profits to Leicester YMCA. A summary of its trading results is shown below:

| | 2022<br>£ | 2021<br>£ |
|---|---|---|
| **Profit and loss account** | | |
| Turnover | 53,100 | - |
| Cost of sales | (31,000) | (6,227) |
| Gross profit/(loss) | 22,100 | (6,227) |
| Administrative expenses | (8,763) | (5,102) |
| Profit/(Loss) on ordinary activities before and after tax and retained | 13,337 | (11,329) |
| **Capital and reserves** | (20,339) | (33,676) |

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION (INCORPORATED) (THE)

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2022

## 13. FIXED ASSET INVESTMENTS (continued)

| | 2022 £ | 2021 £ |
|---|---|---|
| **Group and Association** | | |
| **Other investments – listed at fair value** | | |
| At 1 April | 444,265 | 382,278 |
| Additions | 64,933 | 101,305 |
| Disposals | (66,041) | (107,879) |
| Realised gain on disposal | 20,841 | 7,700 |
| Unrealised gain/(deficit) | 1,459 | 60,861 |
| At 31 March | 465,457 | 444,265 |
| Historical cost | 376,027 | 377,216 |

## 14. STOCKS

| | Group | | Association | |
|---|---|---|---|---|
| | 2022 £ | 2021 £ | 2022 £ | 2021 £ |
| Goods for resale | 4,781 | 1,050 | - | - |

## 15. DEBTORS

| | Group | | Association | |
|---|---|---|---|---|
| | 2022 £ | 2021 £ | 2022 £ | 2021 £ |
| Housing debtors | 158,897 | 98,438 | 158,897 | 98,438 |
| Other trade debtors | 151,593 | 23,369 | 151,593 | 23,369 |
| Bad debt provision | (18,940) | (18,940) | (18,940) | (18,940) |
| Amount owed from subsidiary company | - | - | 79,835 | 60,055 |
| Other debtors | 6,659 | 350 | 6,659 | 350 |
| Prepayments & accrued income | 55,053 | 41,757 | 55,053 | 41,757 |
| | 353,262 | 144,974 | 433,097 | 205,029 |

Amounts written off housing debtors in the year amounted to £5,314 (2021: £25,269).

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION (INCORPORATED) (THE)

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2022

## 16. CREDITORS Amounts falling due within one year

| | Group | | Association | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | £ | £ | £ | £ |
| Trade creditors | 285,541 | 325,690 | 281,363 | 325,690 |
| Bank loan | 30,270 | 30,930 | 30,270 | 30,930 |
| Taxation & Social Security | 54,319 | 40,316 | 52,064 | 43,220 |
| Accruals | 78,154 | 70,903 | 76,904 | 70,903 |
| Deferred income | 223,418 | 195,305 | 223,418 | 195,305 |
| Other creditors | 2,241 | 6,808 | 10 | 5,662 |
| Deferred capital grant (see note 17) | 197,856 | 257,824 | 197,856 | 257,824 |
| | 871,799 | 927,776 | 861,885 | 929,534 |

## 17. CREDITORS Amounts falling due after one year

| | Group | | Association | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | £ | £ | £ | £ |
| Bank loan | 291,864 | 322,037 | 291,864 | 322,037 |
| Deferred capital grant | 2,200,004 | 2,354,022 | 2,200,004 | 2,354,022 |
| | 2,491,868 | 2,676,059 | 2,491,868 | 2,676,059 |

The bank loan is secured by a legal charge over 7 East Street Leicester, LE1 6EY.

| **Deferred capital grant** | Group and Association | |
|---|---|---|
| | 2022 | 2021 |
| | £ | £ |
| As at 1 April | 2,611,846 | 2,870,586 |
| Amortisation | (213,986) | (258,740) |
| As at 31 March | 2,397,860 | 2,611,846 |
| Less: due in less than one year | (197,856) | (257,824) |
| Due after more than one year | 2,200,004 | 2,354,022 |

| **Bank Loan** | Group and Association | |
|---|---|---|
| | 2022 | 2021 |
| | £ | £ |
| Amounts falling due by instalments after more than five years | 142,516 | 179,810 |

Repayment terms being monthly over a 15-year term at an interest rate of 2.98% pa (2021: 2.48%). Loan terms to be reviewed after 10 years in February 2026.

## 18. PENSION PROVISION

**Group and Association**

| | YMCA Pension | |
|---|---|---|
| | **2022** | **2021** |
| | **£** | **£** |
| 1 April | 362,317 | 307,794 |
| Paid in the year | (46,648) | (45,290) |
| Unwinding of discount (Note 7) | 10,870 | 9,234 |
| Change in funding deficit arrangements | 53,941 | 90,579 |
| 31 March | 380,480 | 362,317 |

Leicester Young Men's Christian Association 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 Leicester Young Men's Christian Association and at the year-end these were invested in the Mercer Dynamic De-risking Solution, 63% matching portfolio and 37% in the growth portfolio and Schroder (property units only).

The most recent completed three year valuation was as at 1 May 2020. The assumptions used which have the most significant effect on the results of the valuation are those relating to the assumed rates of return on assets held before and after retirement of 2.59% and 1.09% respectively, the increase in pensions in payment of 2.99% (for RPI capped at 5% p.a.), and the average life expectancy from normal retirement age (of 65) for a current male pensioner of 22.0 years, female 24.4 years, and 23.7 years for a male pensioner, female 26.1 years, retiring in 20 years' time. The result of the valuation showed that the actuarial value of the assets was £146.1m, 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 showed that the YMCA Pension Plan had a deficit of £39 million. The Association has been advised that it will need to make monthly contributions of £4,665 from 1 May 2022. This amount is based on the current actuarial assumptions (as outlined above) and may vary in the future as a result of actual performance of the Pension Plan. The current recovery period is 7 years commencing 1st May 2022.

| | **Repayable** | | | | | |
|---|---|---|---|---|---|---|
| | **Within one year** | **One to two years** | **Two to five years** | **After five years** | **After more than one year** | **Total** |
| **As at** | **£** | **£** | **£** | **£** | **£** | **£** |
| **31 March 2022** | 54,354 | 54,354 | 163,063 | 108,709 | 326,126 | 380,480 |
| **31 March 2021** | 45,290 | 45,290 | 135,868 | 135,869 | 317,027 | 362,317 |

In addition, Leicester Young Men's Christian Association may have over time liabilities in the event of the non-payment by other participating YMCAs of their share of the YMCA Pension Plan's deficit. It is not possible currently to quantify the potential amount that Leicester Young Men's Christian Association may be called upon to pay in the future.

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
(INCORPORATED) (THE)

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2022

**19. RESERVES: movements in the year**

**Group**

| | At 1 April 2021 £ | Income £ | Expenditure £ | Transfers £ | At 31 March 2022 £ |
|---|---|---|---|---|---|
| **Unrestricted funds:** | | | | | |
| General reserve | 2,633,524 | 3,065,935 | (2,717,451) | (263,031) | 2,718,977 |
| Non-charitable reserve | (33,676) | 53,099 | (39,762) | - | (20,339) |
| **Other reserves** | | | | | |
| Fair value | 444,423 | 22,300 | - | - | 466,723 |
| **Designated reserves** | | | | | |
| New opportunities fund | 4,385 | - | - | - | 4,385 |
| Property repair & replacement | 81,000 | - | (80,002) | 79,002 | 80,000 |
| Fixed assets | 30,000 | - | (71,986) | 113,186 | 71,200 |
| **Total unrestricted funds** | 3,159,656 | 3,141,334 | (2,907,951) | (70,843) | 3,320,946 |
| **Restricted funds:** | | | | | |
| Y – Support Project | - | 101,378 | (95,334) | (6,044) | - |
| Y – Support (Ralph Hale) | 314 | - | - | - | 314 |
| Cold Weather Cafe | 2,238 | - | - | - | 2,238 |
| NOF (sports equipment) | 1,485 | - | - | - | 1,485 |
| Heritage Lottery | - | 250,211 | (236,219) | (13,992) | - |
| Arts Council – Cultural Relief Fund | - | 54,056 | (91,233) | 37,177 | - |
| Paul Hamlyn Foundation | - | 35,035 | (49,723) | 14,688 | - |
| Leicestershire OPCC | - | 14,717 | (4,481) | (10,236) | - |
| Safe & Sound – Homeless Link | | 43,946 | (49,700) | 5,754 | - |
| Big Lottery Regional Complex Needs | - | 25,144 | (68,640) | 43,496 | - |
| **Total restricted funds** | 4,037 | 524,487 | (595,330) | 70,843 | 4,037 |
| **TOTAL FUNDS** | 3,163,693 | 3,665,821 | (3,504,531) | - | 3,324,983 |

## 19. RESERVES: movements in the year *(continued)*

### Transfers

The transfer from restricted funds amounting to £70,843 to non-housing activities general reserve is to reflect a notional rental charge for the use of premises for the activities support by these restricted funds.

The Board members have reviewed the designated funds at the year-end which are separate to general reserves of the Group within the unrestricted funds. Accordingly, the appropriate transfers have been made to represent the decision made with respect to designated funds.

Restricted reserves relate to monies received, only to be expensed against the specific project that the monies were intended for. Below is a brief description of each restricted reserve;

- Y-Support Project – Local Authority grant for a day centre drop-in service for vulnerable and street homeless people. The Ralph Hale reserve was a donation to the project for equipment. The Cold Weather Café donation is for the provision of hot meals during the winter months.

- The New Opportunities Foundation (NOF) grant was used for the sports hall lighting which is now classed as investment property.

- Heritage Lottery – Grant funding for a 3 year project to engage vulnerable and disadvantaged young people to the arts and heritage sector.

- Arts Council (Cultural Relief Fund) – COVID relief grant to ensure that the theatre can re-open post national lockdown.

- Paul Hamlyn Foundation – to develop a 'Youth Panel' to engage with the regional 'Shine' project.

- Leicestershire OPCC – to develop and research an educational scheme to combat knife crime and gang violence.

- Safe & Sound (Homeless Link) – a pilot project offering accommodation and additional services to highly complex and vulnerable young females.

- Big Lottery (Regional Complex Needs) - Grant funding for a regional project (Shine) involving 6 other YMCAs to support the needs of highly complex residents.

## 20. CAPITAL COMMITMENTS

Capital expenditure approved by the Board of Directors amounted to:

| | Group | | Association | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | £ | £ | £ | £ |
| Contracted | 16,934 | 10,000 | 16,934 | 10,000 |

## 21. COMMITMENTS UNDER OPERATING LEASES

The operating leases include a car for the Children's Home, Laundry equipment for the Aylestone site and new photocopying and printing equipment across the multi-sited organisation.
At 31 March 2022 the total future commitments under non-cancellable operating leases were as follows:

**Group and Association**

| | Other | |
|---|---|---|
| | **2022** | **2021** |
| | **£** | **£** |
| Within one year | 72,103 | 77,693 |
| Within 2 to 5 years | 141,939 | 276,672 |
| | 214,042 | 354,365 |

## 22. RECONCILIATION OF SURPLUS AFTER TAX TO NET CASH GENERATED FROM OPERATIONS

| | **2022** | **2021** |
|---|---|---|
| | **£** | **£** |
| Surplus for the year | 161,290 | 426,485 |
| Adjustments for: | | |
| Depreciation of tangible fixed assets | 313,704 | 355,545 |
| Amortisation of intangible fixed assets | 2,444 | 2,440 |
| Grant amortisation | (213,986) | (258,740) |
| Interest and dividends receivable | (13,550) | (12,199) |
| Interest payable | 20,879 | 18,229 |
| Accelerated depreciation | - | - |
| Fair value (gain)/deficit on investments | (22,300) | (68,561) |
| Fair value (gain)/deficit on investment properties | - | (264,328) |
| Operating cash flow before movements in working capital | 248,481 | 198,871 |
| (Increase)/decrease in stocks | (3,731) | 603 |
| (Increase)/decrease in debtors | (208,288) | 142,875 |
| Increase in creditors | 4,651 | 91,871 |
| Increase in provisions | 18,163 | 54,523 |
| **Cash generated from operations** | 59,276 | 488,743 |

## 23. CASH AND CASH EQUIVALENTS

| | Group | | Association | |
|---|---|---|---|---|
| | **2022** | **2021** | **2022** | **2021** |
| | **£** | **£** | **£** | **£** |
| Cash and cash equivalents represent: | | | | |
| Cash at bank | 959,032 | 1,022,406 | 919,327 | 1,013,416 |

## 24. ANALYSIS OF CHANGES IN NET DEBT

| | At 1 April 2021 | Cash flows | Other non-cash changes | At 31 March 2022 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Cash and cash equivalents** | | | | |
| Cash | 1,022,406 | (63,374) | - | 959,032 |
| | 1,022,406 | (63,374) | - | 959,032 |
| **Borrowings** | | | | |
| Bank loan | | | | |
| Debt due within 1 year | (30,930) | 660 | - | (30,270) |
| Debt due after 1 year | (322,037) | 30,173 | - | (291,864) |
| | (352,967) | 30,833 | - | (322,134) |
| **Total** | 669,439 | (32,541) | - | 636,898 |

## 25. RELATED PARTY TRANSACTIONS

There were no related party transactions to disclose for the year ended 31 March 2022 or in the previous year.

**YMCA LEICESTERSHIRE**

England & Wales - Charity number 213513

# Accounts

# LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION, (INCORPORATED) (THE)
# FINANCIAL STATEMENTS
# FOR THE YEAR ENDED
# 31 MARCH 2021

Company Registration No: 00159933
Charities Commission No. 213513
Regulator of Social Housing No. H2381

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
(INCORPORATED) (THE)

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

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# LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION (INCORPORATED) (THE)

## MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS

| | |
|---|---|
| **The members of the Board** | Mrs K Hamylton<br>Mr P Hawkins<br>Mr T Moore<br>Mr I Pearce<br>Mr C Bolas<br>Mr R Brannen<br>Ms E Hollis<br>Mrs R Tedstone-Woods<br>Ms E Ling<br>Ms C Clifton<br>Mr D Glover<br>Ms L Capell<br>Ms F Wong |
| **Company secretary** | Mr P Brown |
| **Registered office** | 7 East Street<br>Leicester<br>LE1 6EY |
| **Auditor** | Forrester Boyd Chartered Accountants<br>26 South Saint Mary's Gate<br>Grimsby<br>DN31 1LW |

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
(INCORPORATED) (THE)

## MEMBERS OF THE BOARD'S REPORT (incorporating STRATEGIC REPORT)

## YEAR ENDED 31 MARCH 2021

### INTRODUCTION

The Board have pleasure in presenting their annual report, together with the audited financial statements of the group for the year ended 31 March 2021. This report contains a Directors' Report as required by company law.

### REFERENCE AND ADMINISTRATIVE INFORMATION

**Registered name** Leicester Young Men's Christian Association (Incorporated) (The)

**Known as** Leicester YMCA (The Y)

**Charity registration number** 213513

**Company registration number** 00159933

**Regulator of Social Housing number** H2381

**Registered Office and main address** 7 East Street, Leicester. LE1 6EY

**Auditor** Forrester Boyd Chartered Accountants, 26 South Saint Mary's Gate, Grimsby, DN31 1LW

**Principal bankers** HSBC, 2-6 Gallowtree Gate, Leicester, LE1 1DA

**Investment advisors** Brewin Dolphin Limited, Waterfront House, 35 Station Street, Nottingham, NG2 3DQ

**Board and Committee Members**

The following persons have served The Y during the year –

Ms K Hamylton – Chair
Mr P Hawkins – Vice Chair
Mr T Moore - Treasurer
Ms J Bliss (retired 02/12/2020)
Mr C Bolas
Mr R Brannen
Mr M Cooney (retired 01/09/2020)
Ms E Hollis
Mrs R Tedstone-Woods
Ms E Ling (appointed 02/12/2020)
Ms C Clifton (appointed 02/12/2020)
Mr I Pearce (appointed 02/12/2020)
Mr D Glover (appointed 02/12/2020)
Ms L Capell (appointed 02/12/2020)
Ms F Wong (co-opted 02/12/2020)

The following directors retire by rotation and being eligible offer themselves for re-election:
Mr P Hawkins, Mr C Bolas and Mrs R Tedstone-Woods.

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
(INCORPORATED) (THE)

MEMBERS OF THE BOARD'S REPORT (incorporating STRATEGIC REPORT) *(continued)*

YEAR ENDED 31 MARCH 2021

**Qualifying third party indemnity insurance**

The Association has made qualifying third-party indemnity provisions for the benefit of its board members during the year. These provisions remain in force at the reporting date.

**Secretary**: Paul Brown

**Management Team (as at 31.3.21):**

| | |
|---|---|
| Paul Brown | Chief Executive |
| Tom Lin | Deputy Chief Executive/Finance Director |
| Anna Maudsley | Director of Accommodation, Care and Support |
| Joanna Fleetwood-Smith | Business Development Director |
| Lizzie Clark | Executive Assistant |
| Vicki Corbett | Purchasing and Procurement Officer |
| Andrea Deacon | HR Manager |
| Nuala Facey | Support Service Manager |
| Louise Potter | Principal Housing Officer |
| Emma Knight | Fundraising and Communications Manager |
| Michael Harris-Wakelam | Theatre & Events Manager |
| Sean Langley | Property & Maintenance Manager |
| Kate Beaumont | Y-Support Manager |
| Juliet Martin | Heritage Project Manager |
| Michelle Hill | Registered Manager (Children's Home) |
| Hannah Deignan | Regional Complex Needs Co-Ordinator |

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
(INCORPORATED) (THE)

MEMBERS OF THE BOARD'S REPORT (incorporating STRATEGIC REPORT) *(continued)*

YEAR ENDED 31 MARCH 2021

## STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Leicester YMCA (The Y) was founded in 1883. It is a charitable company limited by guarantee, incorporated in 1919 and registered as a charity in 1966. The Association was established under a Memorandum of Association which established the objects and powers of Association and is governed under its Articles of Association. In the event of the Association being wound up members are required to contribute an amount not exceeding £0.01 (one penny).

The Association is also a Registered Provider of Social Housing (RP). Therefore, the Association's Accounts must be prepared in accordance with Housing legislation and the Housing Statement of Recommended Practice (SORP) which overrides the requirements of the Charities SORP.

Recruitment and Appointment of Board Members

Board members are the directors of the Association and are also charity trustees for the purposes of charity law. Under the requirements of the Memorandum of Association and Articles of Association Board members are elected to serve on the Board. A proportion of Board members retire at every Annual General meeting (AGM) and are eligible for re-election.

Due to the nature of the Association, elected Board members must sign a form of commitment to the International YMCA's Paris Basis and to the British YMCA's Aims and purposes. This effectively means that elected Board members must be practising Christians. In addition, the Board may co-opt additional directors who are not practising Christians but support the Ethos Statement of The Y.

Recruitment of Board members is through advertising in appropriate media together with approaches to known interested individuals. Consideration is given to achieve a mix of skills amongst its Board members that will complement the individual departments within the Association.

Board Member Induction and Training

Potential new Board members are given an induction pack which provides information on the Association's services, its constitution and financial position, together with their legal obligations.

Potential Board members are then invited to meet existing Board members and subsequently the Management Team. The induction process is tailored to individual needs.

Organisational Structure

The Board meet quarterly and is responsible for overseeing the strategic direction and management of the Association. In addition, there is a Resource Committee (covering Finance, HR and Asset Management / Maintenance which meet quarterly).

The Chief Executive together with his Directorate and Management Team has day to day responsibility for the management and delivery of services.

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
(INCORPORATED) (THE)

MEMBERS OF THE BOARD'S REPORT (incorporating STRATEGIC REPORT) *(continued)*

YEAR ENDED 31 MARCH 2021

## STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Related Parties

The Association wholly owns Y Leisure Limited which consists of the trading activities of the charity. The principal activities of Y Leisure are the provision of a bar. The profits of Y Leisure are distributed via gift aid to The Y.

## STRATEGIC REPORT

Risk Management

The members of the Board have considered the risks faced by the Association and Group through a risk analysis exercise. Policy and procedural implementation have taken place and a critical analysis of the organisation's management structure completed.

### Key risks and uncertainties

The Association have considered the key risks and uncertainties it faces over the coming year and has identified these as;

1. Park House Children's Home fails to maintain an Ofsted standard of 'Good' therefore impacting on future occupancy and placement authority's confidence in the service.
2. Failure to recruit and maintain suitably qualified staff to manage and deliver residential care services
3. The outcome of the City Council tender process results in a lower number of commissioned beds than the organisations submission
4. A need to have an up to date and COVID aware business continuity policy and plan
5. Young people do not fully engage in the in the Skills Lab Training offer therefore not meeting our commitment to creating real employment opportunities in the theatre
6. Our commitment to refurbish the theatre is not realised due to a lack of successful funding applications
7. Theatre electrical infrastructure fails to be compliant resulting in the need for major investment
8. Failure to invest in the public areas within East Street therefore impacting on theatre audience experience
9. The potential need to reconfigure our housing provision pending the outcome of the City Councils tender exercise
10. Failure to mitigate risks as identified in the business risk register
11. Potential impact on all services if we have a third COVID-19 Lockdown
12. Shine 2 fails to be implemented across the 6 YMCAs who have expressed an interest in participating
13. Failure to meet NCVO and Enabling Environments standards
14. The organisation fails to retain complex needs workers due to lack of funding resulting in additional pressures impacting on young people's mental health
15. Lack of organisational expertise in digital marketing and fundraising
16. Day Centre Review results in closure of Y Advice Centre and HR consequences for staff.

## STRATEGIC REPORT (continued)

### Residential Children's Services

Park House is now in its third year of delivery, having received an Ofsted grading of GOOD in January 2020. This was a major success for the organisation as being graded as Good in our first year of trading reflected both the investment and our commitment to the work. Given the unprecedented year since our Ofsted assessment, it may be difficult to keep this grading, however every effort will be made to not only maintain the grading of Good but improve it to Outstanding.

The year also saw us maintain our positive relationship with Leicestershire County Council, Nottinghamshire County Council and Leicester City Council who have all placed young people in Park House.

### Theatre

The Theatre Feasibility Study version 2 enabled us to focus on three key areas of development, Lighting and electrical infrastructure, access and washroom facilities, however due to the pandemic, the theatre closed at the end of March 2020 and did not trade in the 20-21 financial year. We used this opportunity to develop three distinct marketing / funding proposals specifically aimed at; The City Mayor (Washroom facilities), Heritage Lottery (Access), Arts Council (lighting and electrical infrastructure).

Unfortunately, the impact on the arts sector with a level of uncertainty as to the future of live entertainment did not help our ask and alternative plans will need to be sought.

The theatre did however make a successful application to the Arts Council Cultural Recovery Fund which enabled the organisation to keep key theatre staff employed and bridge the gap between core costs and non-existent income.

### Housing

The Y has held the City Council framework agreement for young peoples' supported accommodation for 7 years. Over this period the contract has been extended three times and has now been further extended to September 2021. Not only is this additional extension a positive reflection on our continued good work, but it also allows us to have security of income for the next 6 months and also position ourselves for the potential retendering of services. Over the year the biggest challenge has been the fact that we were dealing with the pandemic and trying to educate the residents to appreciate social distancing and recognise contra to early government advice that Covid 19 could be contacted by anyone not just the elderly.

Additional key challenges were the increase in poor mental health of our residents and the lack of move on opportunities to both semi and independent living.

### Shine

The regional complex needs project (Shine) completed its initial 2 years of lottery funding and each of the 6 YMCA as part of the original agreement extended their Shine worker's contract for an additional 12 months. A success application to the Lottery and Paul Hamlyn Foundation COVID-19 Emergency Fund enabled us to invest in psychotherapy services and extend our complex needs provision. This specific funding enabled staff to gain additional skills and understanding in Trauma Informed Practice which better equipped them to address some of the increases in resident's mental wellbeing. Shine also started work alongside YMCA England and Wales to potentially roll out Shine across the movement.

### Sports Ground

LCFC relocated the majority of their footballing activities to their new training facility in Seagrave during the year which only left behind their women's team at Belvoir Drive. There has been no indication of their intentions in relation to their lease of the site and the main contract has 30 years left to run. It is no secret that given the opportunity we would wish to use the land for residential development but until we have clarity from the Club as to their long-term intentions we will put these plans on hold.

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
(INCORPORATED) (THE)

MEMBERS OF THE BOARD'S REPORT (incorporating STRATEGIC REPORT) *(continued)*

YEAR ENDED 31 MARCH 2021

STRATEGIC REPORT (continued)

**Fundraising**
As one can imagine, given the year we had fundraising was a major challenge. The pandemic completely wrote off any opportunity to generate funds through events and activities, therefore the team developed a strategy which focussed on corporate donations, individual giving, digital fundraising and sponsorship. The year also saw the marketing and fundraising team start the process of developing a philanthropy group and exploring legacies.

**Y Support Project**
Due to the governments 'Every Body In' Initiative the Dawn Centre was re profiled to be accommodation only and as such the day centre was relocated to an alternative shared temporary city centre location. Due to this the service operated on a reduced basis and access was limited to those most in need. However, the service continued to meet the needs of the most vulnerable ensuring that essential access to health and housing support, food and advice was maintained.

**UASC**
Similar to our supported housing contract, the UASC contract was extended until the end of September 2021 and will be recommissioned jointly by both Housing and Children and Young Peoples Services. Over the year, we continued to provide stability and security for very vulnerable young people who have had challenging experiences. One of our biggest challenges was to support newly accommodated young people during a pandemic, however staff managed to enable this to happen and we were fortunate in that there were no outbreaks of COVID amongst the young people we housed.

**Kick the Dust**
Our Heritage project benefitted from additional funding that enabled the recruitment of a fourth staff member and an extension of current staff contracts. This enabled the project to extend its reach into the County engaging with new and exciting partners. A particular highlight this year was the delivery of Heritage open days in our theatre, managed and designed by young people in partnership with the Documentary Media Centre, a photo competition which resulted in the photos being used to create a Calendar, and a young resident developing her photography skills to such an extent that the photos were used in The Y's Annual Report.

**Enabling Environment**
Our commitment to achieve the Enabling Environment Standard both internally and across the 6 YMCA's who are part of the Shine project is well underway. Working alongside the Royal College of Psychiatrists it is our intention to achieve this standard by the end of the 2021 calendar year. As such we have carried out staff surveys, set up buddying schemas and created opportunities for managers to meet and share practice in order to support synergy.

**Governance**
In 2020, the Trustees adopted the new Charity Code of Governance part of which was recognising the need to have more diverse Trustees. As such efforts will be made to increase the diversity of the Board by recruiting BAME Trustees who have the necessary skills and attributes to add value to our governance framework.

## STRATEGIC REPORT (continued)

### Multi-employer defined benefit pension scheme

Leicester YMCA recognises possible concern relating to its participation in a defined benefit pension scheme. Appropriate action has been taken: The scheme was closed to new members in 2007, and the link to final salary broken in 2011. Additional contributions continue to be made to reduce the deficit. As part of the YMCA federation, the multi-employer pension scheme is run by an independent Trustee board with employer representation through the Principal Employer, National Council of YMCAs. The pension scheme Trustee obtains an actuarial valuation every three years and we have considered the implications to the charity's finances from the latest available actuarial valuation. We have reviewed the charity's ability to continue to deliver its charitable objectives by ensuring budgets, forecasts and plans are available and include the impact of deficit repayments. The pension scheme Trustee included the impact of pension scheme deficit repayments in considering going concern status, reserves, and the risks and uncertainties that the charity face noted elsewhere in this Report.

Leicester YMCA benefits from the pension scheme Trustee and the Principal Employer seeking suitable specialist professional advice both to manage the scheme and in the continuing effort to explore ways of reducing the overall pension deficit. The notes to the Accounts include an accounting policy and further details in note 18.

### Project Funding

The year although COVID impacted, we achieved a number of successful funding bids to support our work including Arts Council, Homelessness Link, Paul Hamlyn Foundation, Haramead Trust, Voluntary Action Leicester, Lottery, Leicester City Council, Leicestershire County Council and the National Grid. These grants enabled us to provide much needed services during a challenging year which ensured our residents continued to be supported and empowered. The Arts Council funding ensured that the theatre was able to keep essential staff and cover fixed costs during extended closure.

## STRATEGIC REPORT - Looking Forward (21/22)

### Shine

Looking forward it is hoped that the Regional Complex Needs project Shine can be replicated across 6 other YMCA's in the region (Shine 2) and developed across the YMCA movement in partnership with YMCA England & Wales. As part of this we have been successful in being selected by Spring Impact as part of their Scale Accelerator Programme and to be allocated a consultant who will work alongside us to upscale Shine. This is due to start in July for a period of 6 months with the aim to provide the evidence to potential funders. We will also be working alongside Purple House to provide training and support across the 7 shine projects around Trauma, Reflective Practice and Action Learning Sets. Shine will also launch its toolkit website and look to organising a Shine Conference at the end of year 3.

### Safe & Sound / Mothers and Babies

The Safe & Sound project has evolved from providing accommodation and support to a group of vulnerable and complex young women to one that now supports them through outreach to maintain their independent tenancies, develop their parenting skills and have the support to function with their own community. This new dimension of the project will provide additional outreach for up to 6 months ensuring the young women do not feel isolated whilst making the transition to sustained independence.

The Mothers and Babies work will start in earnest in July with the appointment of a specialist parenting worker who will support our new mothers through a supportive space where they can meet with their peers and collectively develop their parenting skills in order to give their child the best possible start in life.

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
(INCORPORATED) (THE)

MEMBERS OF THE BOARD'S REPORT (incorporating STRATEGIC REPORT) *(continued)*

YEAR ENDED 31 MARCH 2021

**STRATEGIC REPORT - Looking Forward (21/22)(continued)**

**Housing**

Our housing provision continues to deliver high quality accommodation and support to young people across 6 sites. With the City Council planning to re-tender their supported housing services for young people, the next 6 months will be a challenging course to navigate. However, we are confident that our submission will be of the highest quality and regardless of the outcome we will continue to ensure we have high quality accommodation for vulnerable young people. There may be a need to increase our age range from 16-25 to 16-30 and offer more direct access to our services, this will be considered once we are aware of the outcome of the commissioning exercise.

Our work with unaccompanied asylum-seeking children will be relocated to our Aylestone site should we be successful with the commission, this will then bring Portland Road back into our move-on portfolio.

**Kick the Dust**

There has been a conscious effort this year to engage with more Heritage projects based in the County which has proved successful. Looking forward there is a need to look at 'what next' once funding ends later this year. The project team have proved that given the right level of resources staff can support young people to engage and this underlines our commitment to both the work and approach. We will endeavour to seek out additional funding to support the continuance of this highly valued project.

**IT & GDPR**

Having invested heavily in IT we now need to ensure we are GDPR compliant as such we have included GDPR as a specific responsibility in the Procurement and Compliance Officer Job Description who will lead on this essential area of work over the coming year. As part of this, current staff will be offered training in both GDPR and Cyber Security, all new staff will have this as part of their induction and working alongside our IT provider we will ensure systems and processes are in place to enable us to be compliant and meet our legal obligations.

**Theatre**

After 15 months of closure the theatre reopened in June 2021 albeit with a much-reduced capacity and the implementation of Covid 19 protocols. During the closure a decision was made to refurbish the bar and implement new terminal payment processes. This investment will enable the theatre to generate additional income from the much-extended bar, table ordering and contactless payments. Additionally, this investment alongside minor upgrade to lighting will move us in the right direction in our overall plan to implement the theatre feasibility study should funds become available. We also have plans-a-foot to train residents in theatre lighting and sound, front of house and stage management. The pandemic did not help in our plans to implement a major fundraising initiative to refurbish the theatre, however we plan to continue to explore funding opportunities that will support New Lighting, Access and Wash Room facilities.

**Park House Residential Children's Home**

We will explore options to open a second children's home building on the success of Park House. This potential development will be resource intensive and there will need to be careful thought in relation to location. However, we are not starting from scratch and have the essential documentation already developed. A second home will not only enable us to provide additional essential services but also enable economies of scale and support our commitment to move away from a reliance on grants and contracts to become more self-financing.

## STRATEGIC REPORT (continued)

### Fundraising

This year (Covid allowing) as well as the team looking at fundraising events and activities to generate much needed income, they will also be focusing on legacies and regular giving. This will be developed alongside Remember a Charity Week and The Big Give. The team will also be exploring the potential of developing a donor networking event where we can show our appreciation for their support, and share how their donation has contributed to our work.

### Business Development

The business development department will lead on the funding portfolio for the theatre, the education curriculum and the enabling environments awards. There will also be a need to explore new funding pots to support our core work around housing and complex needs.

### Vision

Our vision is for every young person to have a safe place to call home and the support they need to create lasting changes in their lives.

### Mission

To be the leading provider of supported accommodation for young people within the East Midlands, transforming young lives through skills, arts, health, advice and care.

### Values

**Support**

- Every young person should have a safe place to live.

**Empower**

- Every young person is entitled to a chance to improve their lives.

**Enrich**

- Every young person should be entitled to a range of inspiring opportunities.
- To be a community organisation that has Christian values at our core.

### Strategic Measures

We will achieve this by:

1. Investing in our buildings, ensuring they are safe, accessible and fit for purpose whilst challenging the general perception of 'supported accommodation'.

2. Being an organisation that has the needs and aspirations of young people at its core.

3. Being a Learning Organisation that is committed to encouraging sharing of information and knowledge, whilst asking challenging questions that will ensure continual reflection and regeneration.

4. Consistently evaluating what we do, how we do it and the impact on the lives and aspirations of our communities.

5. Keeping abreast of the political, economic, social, technological and environmental agenda, ensuring a flexible approach to services in a complex and dynamic environment.

6. Being an organisation that supports the added value and benefits of cultural activities and engagement.

7. Ensuring sustainability through income generation of unrestricted funds.

8. Investing in our people, ensuring they have the necessary skills, knowledge and attitudes, to deliver high quality services.

9. Creating an environment that enables children to grow and thrive.

10. Maintaining and working within clear and prudent financial guidelines.

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
(INCORPORATED) (THE)

MEMBERS OF THE BOARD'S REPORT (incorporating STRATEGIC REPORT) *(continued)*

YEAR ENDED 31 MARCH 2021

**STRATEGIC REPORT (continued)**

**ACTIVITIES**

The Y is a multi-faceted Association and Group and operates in the following fields:

**Housing**

The Y provides supported housing for 103 young single homeless people 85 of which is part of Leicester City Councils' commissioned service. The accommodation is split over five sites; East Street (48 bed spaces) and Aylestone (35 bed spaces) providing accommodation to young people aged 16 – 25.

In addition, we have 3 move-on properties providing a total of 15 beds, a 5-bed house accommodating Unaccompanied Asylum-Seeking Children, and an additional property providing residential child care services.

The Housing department works in a holistic way and sees the provision of accommodation as just one element of its role. Other elements include help with claiming benefit, support in accessing community care grants, basic personal hygiene, education, informal counselling, problem solving, accessing appropriate medical support and empowering the young person to move on to semi/independent living.

Many of the young people that live within The Y come from 'difficult' backgrounds, some have recently left care or prison, and others have been in abusive relationships, have special educational needs, suffer from low self-esteem or find themselves isolated from friends and family due to society's expectations and their inability to meet those expectations. For these young people it is essential that the staff form no judgements but work with them on a basis of mutual trust and respect, empowering them to gain the skills necessary to live, work and communicate with others.

**The Y Support Project**

The Y Support Project (YSP) is a direct access day centre for homeless and vulnerably housed people based in Leicester. The centre provides access to information and advice on housing, benefits advice and access to primary healthcare. In addition, the centre provides practical support with free food and drink, showers, clothing, toiletries and laundry.

**Community Arts**

The Y Theatre is the oldest theatre within Leicester. Opened in 1900 the theatre is the one aspect of our core business that makes The Y truly different from most other YMCAs. The Y Theatre offers a varied programme of live music, comedy, performance and community events. Also, on offer are active art and educational workshops aimed at supporting and encouraging the local community, particularly young people to enjoy their creativity and build confidence and develop communication skills.

**Fundraising**

Whilst the fundraising team were not able to deliver any events or community fundraising during 2020 – 21, the income level has been maintained through digital campaigns and continuing strong relationships with corporate supporters. Significant donations were received from Highcross, Pukka Pies, Beauty with a Purpose, Stocks Taylor Benson and Rock Kitchen Harris, the latter two also offering pro bono design support. The two key digital campaigns were "Save Our Theatre" in July 2020 and "Y Skills Matter" hosted through The Big Give Christmas Challenge platform in December.

The Y is committed to adhering to the Code of Fundraising Practice and new GDPR regulations throughout the whole fundraising process. The organisation takes any complaints seriously and does not advocate intrusive, persistent or the application of any undue pressure to donate. This is made clear to all commercial partners, volunteers and new members of the fundraising team. There were no fundraising complaints in the year.

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
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MEMBERS OF THE BOARD'S REPORT (incorporating STRATEGIC REPORT) *(continued)*

YEAR ENDED 31 MARCH 2021

STRATEGIC REPORT (continued)

**Environmental Footprint**

As part of our commitment to reducing our environmental footprint we are actively assessing our utility usage, and aim to work with Leicester city council via their sustainability agenda to identify innovative practices to reduce our carbon footprint.

**Shop Rental**

The Y has seven shop units in the East Street Property all of which are let on leases. In addition, The Y leases land on Belvoir Drive to three telecommunication companies for the siting of communication towers.

**General**

The Y has core departments of Human Resources, Operations, Finance and Fundraising, Marketing and Communications.

The Human Resources department is responsible for all aspects of HR training and development within the organisation. This year we have enrolled all senior staff on the NSPCC Safer Recruitment Training, Trustees have carried out on line Safeguarding training, 3 managers are completing the ILM Level 5 in management. Looking forward, we have invested in Hays online training and as such have access to a range of training courses via their portal. We are also committed to delivering training on Diversity, Equality, Inclusion and Unconscious Bias to all staff. Additionally, we will formally launch our Domestic Abuse Policy and ensure all staff are trained to understand the signs of domestic abuse and where to go in the organisation for support.

The Operations Department is responsible for all aspects of asset management, maintenance and health and safety. As part of the Operation department's targets, reduced energy consumption, increased recycling and maintenance planning are an essential part of their overall contribution to business efficiency.

The Finance department is responsible for the overall financial management of income and expenditure as well as the management and implementation of the company's financial procedures. Its approach ensures that the needs of all departments, the organisation as a whole and our funders are met.

The organisation has a comprehensive fraud policy which is managed by the Deputy Chief Executive/ Finance Director.

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
(INCORPORATED) (THE)

MEMBERS OF THE BOARD'S REPORT (Incorporating STRATEGIC REPORT) *(continued)*

YEAR ENDED 31 MARCH 2021

## STRATEGIC REPORT (continued)

### Financial Review

The Y has incurred a consolidated surplus of £162,157 (2020: surplus £16,299), which includes a deficit from Y Leisure of £11,239 (2020: surplus £752).

During 2020/21 The Y received the following large contracts and grants;

| | |
|---|---|
| Leicester City Council Supporting People | £428,630 |
| Leicester City Council Homelessness | £60,487 |
| Leicester Health | £36,228 |
| BBC Children In Need Grant | £18,632 |
| Heritage Lottery Fund | £173,054 |
| Big Lottery – Regional Complex Needs (£37,457 held for future expenditure) | £149,243 |
| Arts Council – COVID grant | £104,007 |
| Paul Hamlyn Charity | £50,000 |
| Homeless Link COVID grant | £40,759 |
| Leicestershire OPCC | £19,261 |

As will be seen from the Reserves policy statement, The Y still needs to maintain its reserves by achieving a surplus of income over expenditure to ensure that it would meet its liabilities if all contracts ceased. The Board considers that The Y is in a healthy financial situation, with two maturing housing initiatives (Children's Home and Unaccompanied Asylum-Seeking Children) that will increase our self-generating income stream. Coupled with the continuation of our robust approach to procurement and gains in efficiency via our IT investment, The Y will aim to generate a surplus to fulfil its commitments.

### Reserves Policy

The Y requires an appropriate level of reserves in order to operate effectively. The level is set with regard to our aims, needs and objectives and the risks we face. These are sudden cessation or non-renewal of contracts and grants, delay in receipt of funding, and future essential maintenance of properties. The Board of Trustees is of the opinion that reserves in the order of £576,000 are necessary. Free reserves representing unrestricted funds that are not represented by fixed assets used in the Charity's operations were £823,622 at 31 March 2021 – this is calculated before taking into account of the pension deficit funding liability of £362,317, now included in the financial statements under FRS102, which is actually payable over a further 8 years at a monthly rate of £3,887. This policy will be reviewed annually.

### Investment Policy

The Board has delegated to independent investment advisors (page 2) the power to invest funds surplus to requirements in stocks and shares quoted on the London Stock Exchange. Such investments are to provide a combination of income and capital growth. The Resource Committee receive half-yearly reports and review the performance with the advisors. Investment performance for the year is in line with the target set in the investment policy.

## STRATEGIC REPORT (continued)

### The Y Value for Money (VFM) Policy

#### 1. Policy Statement

The Y's Mission Statement, Strategic Objectives, Values and Service Delivery are underpinned by a commitment to value for money.

This policy presents our intentions on what we spend and how we deploy our staff and resources directly with the core values and the service standards we deliver. The Y's performance achievements and customer satisfaction are key elements of this policy. Our strategic objectives are:

- To provide high quality support and accommodation that empowers young people to achieve sustainable independence.
- To support young people to develop skills through access to arts education, employment, training and sports.
- To be a community resource that fully reflects the needs of local people, through the provision of community activities, advice information and advocacy.
- To be fully accessible, promote diversity and challenge discrimination in all its forms.
- To develop good quality partnerships that support service design and delivery and are cost effective.
- To be a proactive organisation that takes measured risks in order to keep abreast of changing needs.

#### 2. Value for Money demonstrable expectations

The Regulator of Social Housing (RSH)'s framework for social housing has a specific Value for Money standard. The standard requires that:

- Registered providers articulate and deliver a comprehensive and strategic approach to achieving VFM in meeting organisational objectives.
- Trustees maintain a robust assessment of the performance of all their assets and resources. This will take into account the interest of and commitment to stakeholders. This information should be available to stakeholders in a transparent and accessible format.

This means managing resources economically, efficiently and effectively to provide quality service and homes and planning for and delivering ongoing improvements for value for money.

The Board of Trustees meet on a quarterly basis in conjunction with the Resource Committee. The agenda items that will incorporate VFM considerations will be appropriately deliberated and their costs and benefits considered. This includes the generation of any potential returns commensurate to the risk involved.

**STRATEGIC REPORT (continued)**

**2. Value for Money demonstrable expectations (continued)**

The Y regularly reviews our contracts for services throughout the organisation and maintains a robust approach to the procurement of goods and services. During 2020/21 The Y's purchase and procurement officer continued to support the organisations' various departments in providing a number of quotes and identifying the most suitable supplier for various single project work throughout the financial year.

It is difficult to assess The Y's performance against its peers within the region as each YMCA is very different. However, the lottery funded Regional Complex Needs project has enabled The Y to measure its understanding and approach to working with complex young people against 6 other YMCAs within the region. This has achieved a degree of benchmarking as described below.

**Benchmarking**

It is now a requirement to carry out a competitive benchmarking exercise as part of the trustee's annual report. As part of this process trustees have identified 6 regional YMCAs (Birmingham, Burton on Trent, Sutton Coldfield, North Staffordshire, Wellington and District and Lincolnshire). who could be seen as competitors within the Central Region. Each of these YMCAs are delivering a range of similar services to Leicester, all have some form of social housing, community development, sport and support services.

In carrying out the benchmarking exercise the area to be measured is, Working and Engaging Complex Needs young people, work which has been the subject of lottery funding to each of the above YMCAs co-ordinated and managed by Leicester.

Having carried out a desktop exercise it is clear that if one used the following measures:

- Knowledge and Understanding
- Experience
- Training
- Governance
- Staff skills & awareness

Leicester would be in a position to demonstrate that as part of a benchmarking exercise it would be more than able to show a competitive edge in relation to our work with this challenging group and as such set the standard that others would strive to meet.

Within the organisation, the employee appraisal system includes regular performance reviews that include KPIs at an individual and departmental level. This enables the managers of The Y to assess and measure the delivery of the strategic objectives of the organisation.

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
(INCORPORATED) (THE)

MEMBERS OF THE BOARD'S REPORT (incorporating STRATEGIC REPORT) *(continued)*

YEAR ENDED 31 MARCH 2021

STRATEGIC REPORT *(continued)*

**2. Value for Money demonstrable expectations (continued)**

Regulatory reporting on VFM is required by the Regulator of Social Housing from April 2018 and Registered Providers must publish the required evidence in the statutory accounts annually. The required VFM metrics are presented below.

| Regulator of Social Housing Metrics 2021 | | 2020-21 | 2019-20 |
|---|---|---|---|
| Metric 1 (Efficiency) | Reinvestment %<br>(Investment in properties, existing & new, as a % of the value of total properties held) | 0% | 0% |
| Metric 2 (Effectiveness) | New supply delivered %<br>(No. of new social and non-social housing units, acquired or developed in the year as a proportion of total social and non-social housing units owned at period end. ) | | |
| Calc A | For social housing units | 0% | 0% |
| Calc B | For non-social housing units | 0% | 3% |
| Metric 3 (Efficiency) | Gearing % | 5% | 5% |
| Metric 4 (Efficiency) | EBITDA MRI interest cover % | 2082% | 1457% |
| Metric 5 (Economy) | Headline social housing cost per unit | £13,641 | £12,958 |
| Metric 6 (Efficiency) | Operating Margin % | | |
| Calc A | Operating Margin (social housing only) % | 14% | 9% |
| Calc B | Operating Margin (overall) % | 3% | 2% |
| Metric 7 (Efficiency) | Return on Capital Employed (ROCE) % | 2% | 1% |

**Commentary**

There was a minimum of reinvestment in social housing property but equated to less than 1%. No new units have been acquired. Gearing levels have remained the same as the previous year. Interest cover has remains significantly high due to an increased operating surplus for the year. The social housing cost per unit has increased by 5% on the previous year due to additional COVID safety expenditure. The increase in operating surplus has generated a 5% increase on the social housing operating margin and a 1% increase on the overall operating margin compared with the previous year. The group's return on capital employed has increased by 1% from the prior year.

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
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MEMBERS OF THE BOARD'S REPORT (incorporating STRATEGIC REPORT) *(continued)*

YEAR ENDED 31 MARCH 2021

STRATEGIC REPORT *(continued)*

3. **Key Strategic Objectives**

The Y will implement a programme to review expenditure and enable scrutiny of initiatives with a view to achieving a minimum of 5% saving year on year for the next four years. These objectives include:

- **Promotion** – embedding of VFM principles within the culture of the organisation.
- **People** – encouraging economic awareness amongst staff and VFM principles within all business operations.
- **Procurement** – creation, maintenance and promotion of economic, efficient and effective purchasing principles and continuous review of contracts and services.
- **Recycling** – to minimise waste and recycle as much as possible
- **Partnerships** – communicate our commitment to VFM and encourage these principles amongst our partners.
- **Improvement** – improving the efficiency of how we support and deliver our services.
- **Green** – implement a programme of energy efficiency, water conservation and waste minimisation across the organisation.

PLANS FOR FUTURE PERIODS

The Association plans to continue its activities as outlined above. In addition, significant activities to be undertaken during the year are as follows:

1. To fully maintain or improve our Ofsted inspection rating of good
2. To explore the development of an additional residential care through presentations to the Board and the development of a business case
3. To appoint our own in-house Responsible Individual and move away from using a consultant
4. In Partnership with Spring Impact explore the upscaling of the Shine Project across the region.
5. To Achieve the Enabling Environments & NCVO Standards
6. Implement training for all staff and Trustees on Equality, Diversity Inclusion and Unconscious Bias
7. To fully engage in the regional BLM implementation plan
8. To appoint Trustees who lead on Equality, Diversity and Safeguarding
9. To adopt the National Brand.
10. To ensure we meet the new standards for regulated provision for 16+
11. Continue to have reduced rents in at least one of our Move-on properties in order to support working young people
12. To bring Iris Watson House back on line for semi-independent living for young people
13. Explore the development of single gender housing provision
14. Explore the potential to increase our age range to 30, subject to the outcome of the City Council tender exercise
15. Carry out investigation into the refurbishment of our wash room facilities at East Street
16. To explore individual legacies as part of our fundraising strategy
17. Implement a capital investment strategy recognising major capital works and its impact on organisational budgets and cash flow
18. To look at funding opportunities in order to continue our work around complex needs
19. For Co-Production to become fundamental to our work with young people and create opportunities for young people to engage in governance
20. To increase the diversity of the Board
21. To assess our environmental footprint and develop plans to reduce the same.

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
(INCORPORATED) (THE)

MEMBERS OF THE BOARD'S REPORT (incorporating STRATEGIC REPORT) *(continued)*

YEAR ENDED 31 MARCH 2021

## STATEMENT OF THE MEMBERS OF THE BOARD'S RESPONSIBILITIES

The Board is responsible for preparing the Members of the Board's Report, including Directors' Report and Strategic Report, and financial statements in accordance with applicable law and regulations.

Company and Registered Social Housing legislation require the Board to prepare financial statements for each financial year. Under that law the Board have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice. Under that law the Board must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and surplus and deficit of the group for that period. In preparing these financial statements the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice (SORP) Accounting by Registered Housing Providers 2019, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and group will continue in operation.

The Board is responsible for keeping adequate accounting records, that are sufficient to show and explain the company's and group's transactions and disclose with reasonable accuracy at any time the financial position of the company and group and enable them to ensure that the financial statements comply with Companies Act 2006, the Housing and Regeneration Act 2008 and the accounting requirements of the Accounting Direction for private registered providers of social housing 2019. The Board is also responsible for safeguarding the assets of the company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## RSH GOVERNANCE & FINANCIAL VIABILITY STANDARD

The Board recognises and confirms the compliance with the Regulator of Social Housing's Governance & Financial Viability Standard. The Y has also retained its continued qualification as a Homes England Investment partner for future housing programmes.

## PUBLIC BENEFIT

The Board of Trustees has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing Association aims and objectives and in planning future activities.

The focus of our work is:

- the provision of supported housing to vulnerable young homeless people
- facilitating our resources to offer a varied programme of community and educational events
- working in partnership with other agencies to secure the widest range of services available to match the needs of clients
- provision of sport, health and fitness facilities to members of the community
- provide residents with education, training and skills to secure employment or their own tenancies.

The Board of Trustees has complied with section 17 of the Charities Act 2011, and in setting a programme each year has had regard to both the Charity Commission's general guidance on public benefit and provision of services for the client population. The Board of Trustees always ensures that the services provided are in line with the charitable objects and aims of the Association.

The Board feels the aforementioned Strategic Report and principal activity support this conclusion.

## AUDITOR

In accordance with the Companies Act 2006 a resolution proposing the appointment of Forrester Boyd Chartered Accountants as Auditor will be put to the members.

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
(INCORPORATED) (THE)

MEMBERS OF THE BOARD'S REPORT (Incorporating STRATEGIC REPORT) *(continued)*

YEAR ENDED 31 MARCH 2021

## DIRECTORS' REPORT

## STATEMENT OF INTERNAL FINANCIAL CONTROL

The Board is responsible for maintaining a sound system of internal control which:

- focuses on the significant risks that threaten the Association's ability to meet its objectives; and
- provides reasonable assurance of the safeguarding of assets.

The Board is also responsible for reviewing the effectiveness of the system of internal control.

The internal control system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable. and not absolute, assurance against material misstatement or loss.

The process for identifying, evaluating and managing the significant risks faced by the Association is ongoing. This process has been in place for the year ended 31 March 2021 and up to the date of approval of the annual report and financial statements and is regularly reviewed by the Board.

The process which the Board has adopted in reviewing the effectiveness of the Association's system of internal control is reviewed through the Resource Committee. The key elements in exercising financial control include:

- Formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow monitoring of controls and restrict the unauthorised use of the Association's assets.
- The employment of suitably qualified staff to take responsibility for key areas of the business. This is supported by an annual appraisal system to maintain standards of performance.
- The preparation of forecasts and budgets which allow the Board and management to monitor the key business risks and financial objectives, and progress towards financial plans set for the year and the medium term; regular management accounts are prepared promptly, providing relevant, reliable and up-to-date financial and other information and significant variances from budgets are investigated as appropriate.
- All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through relevant sub-committees comprising Board members and others.
- The Resource Committee reviews reports from management and external auditors to provide reasonable assurance that control procedures are in place and are being followed. This includes a general review of the major risks facing the Association. The Resource Committee make regular reports to the Board
- Formal procedures have been established for instituting appropriate action to correct weaknesses identified from the above reports.

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
(INCORPORATED) (THE)

MEMBERS OF THE BOARD'S REPORT (incorporating STRATEGIC REPORT) *(continued)*

YEAR ENDED 31 MARCH 2021

**DIRECTORS' REPORT** *(continued)*
**STATEMENT OF INTERNAL FINANCIAL CONTROL** *(continued)*

**FRAUD**

It is the policy of the The Y to identify and promptly investigate any possibility of fraudulent or related dishonest activities against the organisation. The Y aims to promote an organisation culture which encourages the prevention of fraud by raising awareness of the need for high standards of personal conduct.

Any act of fraud ascertained upon investigation, or pursuant to a criminal conviction, or through written acknowledgment by the employee concerned, shall result in the appropriate disciplinary and legal actions against the employee.

Prevention of Fraud

Executives, managers and employees at all levels are responsible for exercising due diligence and control to prevent, detect and report acts of fraud. Those who fail to carry out these responsibilities will be subject to disciplinary action up to and including termination of employment.

Responsibility of Management

It is the responsibility of Executives and managers to be familiar with the types of improprieties that might occur in their area and be alert for any indication that improper activity, misappropriation or dishonest activity is or was in existence in his or her area and put in place controls to avoid such occurrences.

Responsibility of Employees

It is the responsibility of all employees to conduct their work schedule in such a way as to prevent fraud occurring in the workplace. Employees must also be alert to the possibilities for fraud and be on guard for any indications that improper or dishonest activity is taking place.

Reporting Fraud

It is the responsibility of all executives, managers and employees to report any suspicions of fraud without delay according to the procedure laid out below.

A person who suspects that fraudulent practice may be operating should, in the first instance, report the matter to his/her manager or immediate superior. Should it be inappropriate to make such a report to an immediate superior, the report should be made to that person's manager or directly to the Chief Executive.

Once a report of suspected fraud is made to supervisor/manager that person should report the suspicion to either the Chief Executive or Finance Director.

A Fraud Incident Report should be completed by the person reporting suspected fraud. The Finance Director will report any incidents to the Resource Committee. This policy is read in conjunction with the whistle blowing policy. The fraud policy is reviewed annually by the Finance Director.

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
(INCORPORATED) (THE)

MEMBERS OF THE BOARD'S REPORT (incorporating STRATEGIC REPORT) *(continued)*

YEAR ENDED 31 MARCH 2021

**DIRECTORS' REPORT** *(continued)*

**STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS**

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

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

The Members of the Board's Report which is prepared under the Charities Act 2011, which also contains all information required in a directors' report by the Companies Act 2006, and the incorporated Strategic Report prepared under the Companies Act 2006, were approved by the Board of Trustees on 7/9/21 and signed:

by order of the Members of the Board

MR P BROWN
Chief Executive

Date: 7/9/21

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION (INCORPORATED) (THE)

## Opinion

We have audited the financial statements of Leicester Young Men's Christian Association (Incorporated) (the 'parent company') and its subsidiary (the 'group') for the year ended 31 March 2021 which comprise the Consolidated Income and Expenditure Account and Statement of Comprehensive Income, Consolidated and Association Balance Sheets, Consolidated and Association Statements of Changes in Reserves, Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 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 parent company's affairs as at 31 March 2021 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been properly 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 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 board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

## Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

- the information given in the Members of the Board's Report (incorporating Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Members of the Board's Report (incorporating Strategic Report) has been prepared in accordance with applicable legal requirements.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION (INCORPORATED) (THE) (CONTINUED)

**Matters on which we are required to report by exception**
In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Members of the Board's Report (incorporating Strategic Report).

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

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

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

**Respective responsibilities of Trustees**
As explained more fully in the Statement of the Members of the Board's Responsibilities set out on page 18, the Trustees (who are also the directors of the 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 parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**
We have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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

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

- Discussions with management, including consideration of known or suspected instances of non-compliance held.
- Challenging assumptions and judgements made within significant accounting estimates and judgements such as depreciation, bad debt and voids.
- Identification of key laws and regulations central to the associations operations and review of compliance with such laws including a review of the Charities Commission website and the Housing and Regeneration Act 2008.
- Testing of journal entries and potential override of systems.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. The risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery collusion, omission or misrepresentation.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION (INCORPORATED) (THE) (CONTINUED)

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

**Use of our report**

This report is made solely to the 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

C Jensen

**Carrie Anne Jensen ACA (Senior Statutory Auditor)**
**For and on behalf of Forrester Boyd, Statutory Auditor**
Chartered Accountants
26 South Saint Mary's Gate
Grimsby
DN31 1LW

Date:
7th September 2021

## LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION (INCORPORATED) (THE)

### CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF COMPREHENSIVE INCOME

### YEAR ENDED 31 MARCH 2021

| | Note | Year ended 31 March 2021 £ | Year ended 31 March 2020 £ |
|---|---|---|---|
| **TURNOVER** | 3 | 3,674,604 | 3,601,341 |
| Operating costs | 3 | (3,574,978) | (3,520,864) |
| **OPERATING SURPLUS** | 3 | 99,626 | 80,477 |
| Share of joint venture surplus | | - | - |
| Interest receivable and similar income | 6 | 12,199 | 15,169 |
| Interest payable and similar charges | 7 | (18,229) | (22,381) |
| Change in fair value of investment properties | 12 | 264,328 | - |
| Change in fair value of investments | 13 | 68,561 | (56,966) |
| **SURPLUS FOR THE YEAR BEFORE TAX** | | 426,485 | 16,299 |
| Taxation | | - | - |
| **SURPLUS FOR THE YEAR AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR** | | 426,485 | 16,299 |

The results relate wholly to continuing activities.

The financial statements were approved by the board on 7/9/21

Mr T Moore (Treasurer)

K Hamylton Ms K Hamylton (Chair)

The annexed notes form part of these financial statements.

## LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION (INCORPORATED) (THE)

## CONSOLIDATED AND ASSOCIATION BALANCE SHEETS

### AS AT 31 MARCH 2021

| | | Group | | Association | |
|---|---|---|---|---|---|
| | | 2021 | 2020 | 2021 | 2020 |
| | | £ | £ | £ | £ |
| **FIXED ASSETS** | | | | | |
| Intangible assets | 10 | 2,444 | 4,884 | 2,444 | 4,884 |
| Housing properties | 11 | 3,618,825 | 3,891,842 | 3,618,825 | 3,891,842 |
| Other tangible assets | 11 | 325,881 | 336,346 | 311,299 | 334,528 |
| Investment properties | 12 | 1,570,000 | 1,305,672 | 1,570,000 | 1,305,672 |
| | | 5,517,150 | 5,538,744 | 5,502,568 | 5,536,926 |
| Other investments | 13 | 444,265 | 382,278 | 444,266 | 382,279 |
| | | 5,961,415 | 5,921,022 | 5,946,834 | 5,919,205 |
| **CURRENT ASSETS** | | | | | |
| Stocks | 14 | 1,050 | 1,653 | - | - |
| Debtors | 15 | 144,974 | 287,849 | 205,029 | 323,232 |
| Cash and cash equivalents | 23 | 1,022,406 | 636,981 | 1,013,416 | 623,277 |
| | | 1,168,430 | 926,483 | 1,218,445 | 946,509 |
| **CURRENT LIABILITIES** | | | | | |
| Creditors: Amounts falling due within one year | 16 | 927,776 | 838,106 | 929,534 | 833,968 |
| **NET CURRENT ASSETS /(LIABILITIES)** | | 240,654 | 88,377 | 288,911 | 112,541 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | 6,202,069 | 6,009,399 | 6,235,745 | 6,031,746 |
| Creditors: Amounts falling due after one year | 17 | 2,676,059 | 2,964,397 | 2,676,059 | 2,964,397 |
| Provisions for liabilities | 18 | 362,317 | 307,794 | 362,317 | 307,794 |
| **TOTAL NET ASSETS** | | 3,163,693 | 2,737,208 | 3,197,369 | 2,759,555 |
| **RESERVES** | | | | | |
| **UNRESTRICTED FUNDS** | | | | | |
| Designated & general reserves | 19 | 3,193,332 | 2,755,518 | 3,193,332 | 2,755,518 |
| Non-charitable trading reserves | 19 | (33,676) | (22,347) | - | - |
| Joint venture reserve | 19 | - | - | - | - |
| | | 3,159,656 | 2,733,171 | 3,193,332 | 2,755,518 |
| **RESTRICTED FUNDS** | 19 | 4,037 | 4,037 | 4,037 | 4,037 |
| **TOTAL RESERVES** | | 3,163,693 | 2,737,208 | 3,197,369 | 2,759,555 |

The Association's surplus is £437,814 (2020: £66,101).

These financial statements on pages 25 to 50 were approved by the board and authorised for issue on 7/9/21 and were signed on its behalf by:

**Mr T Moore**
**Treasurer**

**Ms K Hamylton**
**Chair**

Company Registration Number 00159933

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
(INCORPORATED) (THE)

CONSOLIDATED STATEMENT OF CHANGES IN RESERVES

YEAR ENDED 31 MARCH 2021

| | General reserves £ | Designated reserves £ | Fair value reserve £ | Sub total £ | Non-charitable trading reserves £ | Joint venture reserve £ | Total Unrestricted £ | Restricted funds £ | Total £ |
|---|---|---|---|---|---|---|---|---|---|
| **Balance at 1 April 2019** | 2,417,119 | 103,385 | 168,500 | 2,689,004 | (23,099) | 50,554 | 2,716,459 | 4,450 | 2,720,909 |
| Surplus/(Deficit) for the year | 163,509 | (136,774) | (56,966) | (30,231) | 752 | - | (29,479) | 45,778 | 16,299 |
| Transfers | (49,029) | 145,774 | - | 96,745 | - | (50,554) | 46,191 | (46,191) | - |
| **Balance at 31 March 2020** | 2,531,599 | 112,385 | 111,534 | 2,755,518 | (22,347) | - | 2,733,171 | 4,037 | 2,737,208 |
| Surplus/(Deficit) for the year | 300,837 | (138,781) | 332,889 | 494,945 | (11,329) | - | 483,616 | (57,131) | 426,485 |
| Transfers | (198,912) | 141,781 | - | (57,131) | - | - | (57,131) | 57,131 | - |
| **Balance at 31 March 2021** | 2,633,524 | 115,385 | 444,423 | 3,193,332 | (33,676) | - | 3,159,656 | 4,037 | 3,163,693 |

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
(INCORPORATED) (THE)

ASSOCIATION STATEMENT OF CHANGES IN RESERVES

YEAR ENDED 31 MARCH 2021

| | General reserves £ | Designated reserves £ | Fair value reserve £ | Total Unrestricted £ | Restricted funds £ | Total £ |
|---|---|---|---|---|---|---|
| **Balance at 1 April 2019** | 2,417,119 | 103,385 | 168,500 | 2,689,004 | 4,450 | 2,693,454 |
| Surplus/(Deficit) for the year | 214,063 | (136,774) | (56,966) | 20,323 | 45,778 | 66,101 |
| Transfers | (99,583) | 145,774 | - | 46,191 | (46,191) | - |
| **Balance at 31 March 2020** | 2,531,599 | 112,385 | 111,534 | 2,755,518 | 4,037 | 2,759,555 |
| Surplus/(Deficit) for the year | 300,837 | (138,781) | 332,869 | 494,945 | (57,131) | 437,814 |
| Transfers | (198,912) | 141,781 | - | (57,131) | 57,131 | - |
| **Balance at 31 March 2021** | 2,633,524 | 115,385 | 444,423 | 3,193,332 | 4,037 | 3,197,369 |

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION (INCORPORATED) (THE)

## CONSOLIDATED STATEMENT OF CASH FLOWS

## YEAR ENDED 31 MARCH 2021

| | Note | 2021 £ | 2020 £ |
|---|---|---|---|
| **OPERATING ACTIVITIES** | | | |
| Net cash generated from operations | 22 | 488,743 | (25,759) |
| **NET CASH GENERATED FROM OPERATING ACTIVITIES** | | 488,743 | (25,759) |
| **CASH FLOW FROM INVESTING ACTIVITIES** | | | |
| Interest and dividends received | | 12,199 | 15,169 |
| Payments to acquire tangible fixed assets | | (72,063) | (38,626) |
| Proceeds on disposal of Joint Venture | | - | 90,554 |
| **NET CASH USED IN INVESTING ACTIVITIES** | | (59,864) | 67,097 |
| **CASH FLOW FROM FINANCING ACTIVITIES** | | | |
| Payments to acquire fixed asset investments | | (101,305) | (53,645) |
| Receipts on sale of fixed asset investments | | 107,879 | 61,123 |
| Interest paid | | (18,229) | (22,381) |
| Repayment of borrowings | | (31,799) | (30,348) |
| **NET CASH (USED IN)/FROM FINANCING ACTIVITIES** | | (43,454) | (45,251) |
| **NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS** | | 385,425 | (3,913) |
| **CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR** | | 636,981 | 640,894 |
| **CASH AND CASH EQUIVALENTS AT END OF YEAR** | 23 | 1,022,406 | 636,981 |

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
(INCORPORATED) (THE)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 1. LEGAL STATUS AND PRINCIPAL ACCOUNTING POLICIES

The Company is a private company limited by guarantee and is an English registered social housing provider. Each member undertakes to contribute an amount not exceeding 1p in the event of the Association being wound up. There were 13 members during the year (2020:11 members)

The address of the Company's registered office and principal place of business is 7 East Street, Leicester, LE1 6EY.

The Company is a registered charity and a public benefit entity.

The principal activities are disclosed in the Members of the Board's Report.

The Company is incorporated under the Companies Act 2006, Charities Act 2011 and is a private Registered Provider of Social Housing (RP).

**Basis of Accounting**
These financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Housing SORP 2018 "Statement of Recommended Practice for Registered Housing Providers" and comply with the Accounting Direction for Private Registered Providers of Social Housing 2019, and under the historical cost convention, except that investments are held at fair value.

Monetary amounts in these financial statements are rounded to the nearest whole £1, except where otherwise indicated.

## 2. PRINCIPAL ACCOUNTING POLICIES

REDUCED DISCLOSURES
In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirement in the individual financial statements of Leicester Young Men's Christian Association.

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flows and related notes and disclosures.
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches; and details of hedges and hedging fair value changes recognised in income or expenditure and in other comprehensive income.
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the Company are included within these financial statements.

**Going Concern**
The Group and Company have prepared detailed budgets and cash flow forecasts for the period of a minimum of 12 months from the date of approval of these financial statements. To mitigate the impact of the COVID-19 crisis, the detailed budgets and cash flow forecasts have been subjected to a degree of sensitivity analysis for the same period. The commercial turnover accounts for circa. 8% of group turnover with minimum fixed cost re-allocation. It is assumed that the impact of COVID-19 on the main source of income for the Group and Company will be minimal. On that basis, the members of the Board are satisfied that it remains appropriate to prepare the financial statements on the going concern basis.

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
(INCORPORATED) (THE)

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2021

## 2. PRINCIPAL ACCOUNTING POLICIES (continued)

**Turnover**
Turnover represents rental income and service charges income receivable in the year net of rent and service charge losses from voids, Supporting People income, revenue grants from Local Authorities and Homes England, and other income.

**Supporting People**
Supporting People income and expenditure relating to services is accounted for on an accruals basis, matching income and expenditure, and disclosures are made in accordance with the relevant standards and legislation.

**Basis of Consolidation**
These financial statements include the financial statements of the Company and its subsidiary undertaking up to 31 March 2021. Under Section 408(3) of the Companies Act 2006 the Company is exempt from the requirements to present its own income and expenditure account.

The consolidated financial statements incorporate those of the Company and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). All financial statements are made up to 31 March 2021.

Investment in the subsidiary is stated at cost.

**Donations**
Donations received for the general purposes of the Company are included as unrestricted funds. Donations for activities restricted by the wishes of the donor are taken to 'restricted funds' where these wishes are legally binding on the Board.

**Restricted Reserves**
Restricted reserves are those reserves which are only expendable in accordance with the wishes of the funder or regulatory body. Expenditure cannot be directly set against restricted reserves, but is taken through the Income and Expenditure Account. A transfer from restricted reserves is then made as appropriate. By this method, expenditure, which meets the criteria, is charged to the fund, together with a fair allocation of management expenses.

**Designated Reserves**
Designated reserves are part of unrestricted reserves which have been earmarked by the Board for a particular purpose. Such designations may be reversed by future Board decisions. Expenditure cannot be directly set against designated reserves, but is taken through the Income and Expenditure Account. A transfer is then made from designated reserves as appropriate.

**Intangible assets**
Intangible assets are recognised when future economic benefits are probable and the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised to income or expenditure on a straight-line basis over their useful lives, as follows: -

| | |
|---|---|
| Website costs | - over 5 years |

## 2. PRINCIPAL ACCOUNTING POLICIES (continued)

Amortisation is revised prospectively for any significant change in useful life or residual value.

On disposal, the difference between the net disposal proceeds and the carrying amount of the intangible asset is recognised in income or expenditure.

**Fixed Assets and Depreciation**
Tangible fixed assets, are stated at cost, less accumulated depreciation. Depreciation is charged on a straight line basis over the expected economic useful lives of the assets at the following annual rates:

| | | |
|---|---|---|
| Freehold buildings (non-housing) | - | over 25 years |
| Furniture, fixtures and fittings, IT equipment | - | over 3 to 10 years (dependent on the expected economic life) |
| Leasehold improvements | - | over 25 years or the life of the lease if less |
| Motor vehicles | - | over 3 years |
| Lifts | - | over 25 years |

Major components of housing properties have been accounted for and depreciated separately from the connected housing property at the following rates:

| | | |
|---|---|---|
| Structure | - | over 10 to 25 years |
| Kitchens and Bathrooms | - | over 5 years |
| Electrical equipment | - | over 3 years |
| Lifts | - | over 25 years |

Freehold land is not depreciated.

The useful economic lives of all tangible fixed assets are reviewed annually.

Housing properties are principally properties available for rent and are stated at cost less and provision for any impairment (representing a diminution in the recoverable service potential of the asset below its carrying value in the balance sheet) less depreciation. Cost includes the cost of acquiring land and buildings, development costs and expenditure incurred in the respect of improvements.

Development costs of properties are capitalised to the extent that they are directly attributable to bringing the properties into working condition for their intended use. Directly attributable costs include the labour costs of own employees (including development staff, in-house architects and surveyors) arising directly from the construction or acquisition of the property, and the incremental costs that would have been avoided only if the property had not been constructed.

**Impairment**
An assessment is made at each reporting date of whether there are indications that a fixed asset (including housing properties) may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Group estimates the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets net of any associated Social Housing Grant and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use of the asset based on its service potential, are recognised as impairment losses in the Income and Expenditure Account.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in income and expenditure. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

## 2. PRINCIPAL ACCOUNTING POLICIES (continued)

**Investment Properties**
Investment properties (including properties held under an operating lease) consist of commercial properties and properties not held for social benefit. These properties are initially measured at cost and subsequently measured at fair value whilst a reliable measure of fair value is available without undue cost or effort. Changes in fair value are recognised in income and expenditure.

The Companies Act 2006 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principle set out in FRS 102. The Board considers that, because investment properties are not held for consumption, but for their investment potential, to depreciate them would not give a true and fair view.

If this departure from the Companies Act 2006 had not been made in order to give a true and fair view, the profit for the financial year would have been reduced by depreciation. However, the amount of depreciation cannot reasonably be quantified because depreciation is only one of many factors reflected in the annual valuation and the amount relating to the depreciation of the property cannot be separately identified.

**Investments and investment income**
Investments are carried at fair value. Changes in fair value are included in the Income and Expenditure Account.

Investment income is accounted for in the period in which the Group is entitled to receipt.

**Stocks**
Stocks are included at the lower of cost and net realisable value.

**Taxation**
The Association has charitable status and is registered with the Charity Commission and is therefore exempt from paying Corporation Tax on charitable activities.

**Value Added Tax**
Irrecoverable VAT which can be attributed to a capital item or expenditure is added to the cost of the capital item or expenses where practicable and material.

**Employee Benefits**
The costs of short-term employee benefits are recognised as a liability and an expense.

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**Government Grants**
Government grants include grants receivable from Homes England, local authorities and other government bodies.

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met, and the grants will be received.

Government grants received for housing properties are recognised in income over the useful economic life of the structure of the asset and, where applicable, the individual components of the structure (excluding land) under the accruals model.

Government grants relating to revenue are recognised as income over the periods when the related costs are incurred once reasonable assurance has been gained that the Company will comply with the conditions and the funds will be received.

## 2. PRINCIPAL ACCOUNTING POLICES *(continued)*

**Other Grants**
Grants received from non-government sources are recognised using the performance model. Grants are recognised as income when the associated performance conditions are met.

**Leased Assets**
Rentals payable under operating leases are charged to the Income and Expenditure Account on a straight line basis over the lease term.

**Pension Costs**
*Defined benefit plans*
The Company participated in a multi-employer defined benefit plan for employees of YMCAs in England, Scotland and Wales which was closed to new members and accruals on 30 April 2007. Due to insufficient information, the plan's actuary has advised that it is not possible to separately identify the assets and liabilities relating to Leicester Young Men's Christian Association.

As described in note 18 Leicester Young Men's Christian Association has a contractual obligation to make pension deficit payments of £46,648 pa over the period to April 2029, accordingly this is shown as a liability in these accounts. In addition, Leicester Young Men's Christian Association is required to contribute £11,040 pa to the operating expenses of the Pension Plan and these costs are charged to the Statement of Comprehensive Income as made.

*Defined contribution plans*
The Group also operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the Group. The annual contributions payable are charged to the Income and Expenditure Account. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

**Financial instruments**
The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument and are offset only when the Group currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

***Financial assets***
*Debtors*

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a debtor constitutes a financing transaction, the debtor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in income or expenditure for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in income or expenditure.

## 2. PRINCIPAL ACCOUNTING POLICES *(continued)*

***Financial liabilities***

*Creditors*

Creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

*Derecognition of financial assets and liabilities*

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

**Provisions**

Provisions are recognised when the Group has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably.

**Critical accounting estimates and areas of judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

*Critical accounting estimates and assumptions*

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

*Pension Deficit Liability*

In calculating the value of the contractual liability (detailed in Note 18), a discount rate of 3% has been applied to the payments due in future years in order to determine their present value.

*Expected Economic Useful Life of Fixed Assets*

The useful economic life of fixed assets (detailed in Note 11) is a key accounting estimate.

*Investment Properties*

The valuation of the investment properties (detailed in Note 12) is reviewed annually by the Board to assess whether a there is a diminution in the carrying value of the assets. The percentage of 'mixed use' properties deemed as 'investment property' was calculated based on size of area as per the completed valuation survey by Innes England.

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
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NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2021

## 3. GROUP TURNOVER AND OPERATING SURPLUS/(DEFICIT)

| Year to 31 March 2021 | Turnover £ | Operating costs £ | Operating surplus/ (deficit) £ |
|---|---|---|---|
| Social Housing | 2,228,900 | (1,937,110) | 291,790 |
| Non Social Housing activities | 1,445,704 | (1,637,868) | (192,164) |
| Total | 3,674,604 | (3,574,978) | 99,626 |

| Year to 31 March 2020 | Turnover £ | Operating costs £ | Operating surplus/ (deficit) £ |
|---|---|---|---|
| Social Housing | 2,068,486 | (1,879,225) | 189,261 |
| Non Social Housing activities | 1,532,855 | (1,641,639) | (108,784) |
| Total | 3,601,341 | (3,520,864) | 80,477 |

Non-social housing turnover includes amounts of £250,686 (2020: £0) received under the Governments Covid Job Retention Scheme and the business rates relief scheme.

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
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NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2021

## 4. TURNOVER, COST OF SALES, OPERATING COSTS AND OPERATING SURPLUS

Particulars of Group income and expenditure from social housing lettings

| | General Housing 2021 £ | General Housing 2020 £ |
|---|---|---|
| TURNOVER FROM SOCIAL HOUSING LETTINGS | | |
| Rent receivable net of voids | 925,927 | 910,409 |
| Service charges receivable | 445,224 | 430,489 |
| NET RENTAL INCOME | 1,371,151 | 1,340,898 |
| Supporting people contract income | 428,630 | 408,219 |
| Other revenue grants | 170,379 | 59,984 |
| Grant amortisation | 258,740 | 259,385 |
| TURNOVER FROM SOCIAL HOUSING LETTINGS | 2,228,900 | 2,068,486 |
| EXPENDITURE ON SOCIAL HOUSING LETTINGS | | |
| Direct costs | 6,487 | 119 |
| Staffing | 1,023,851 | 984,929 |
| Administration | 175,053 | 163,050 |
| Depreciation and amortisation | 237,920 | 238,328 |
| Maintenance | 25,583 | 22,311 |
| Services | 43,829 | 46,427 |
| Service charge costs | 424,387 | 424,061 |
| OPERATING COSTS ON SOCIAL HOUSING LETTINGS | (1,937,110) | (1,879,225) |
| OPERATING SURPLUS ON SOCIAL HOUSING LETTINGS | 291,790 | 189,261 |
| Rent losses on voids | 41,862 | 56,534 |

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
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NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2021

## 5. OPERATING (DEFICIT)/SURPLUS

The operating surplus is stated after charging/(crediting):

| | Group 2021 £ | 2020 £ |
|---|---|---|
| Depreciation of housing properties | 296,857 | 296,874 |
| Depreciation of other tangible fixed assets | 58,688 | 55,851 |
| Amortisation of intangible fixed assets | 2,440 | 2,440 |
| Amortisation of grants | (258,740) | (259,385) |
| Auditor's remuneration (audit services) | 12,500 | 17,665 |
| Auditor's remuneration (non-audit work) | 1,000 | 1,150 |
| Operating lease rentals | 59,073 | 27,909 |
| Cost of stocks recognised as an expense | 98 | 32,375 |

**Expenditure on Supported Housing Letting Activities**

East Street 48 rooms (2020: 48 rooms).
Aylestone Centre 35 rooms (2020: 35 rooms)
20 Glenfield Road 5 rooms (2020: 5 rooms)
Franche Road 0 rooms (2020: 0 rooms)
39 Glenfield Road 5 rooms (2020: 5 rooms)
332 Aylestone Road 5 rooms (2020: 5 rooms)
17 Portland Road 5 rooms (2020: 5 rooms)

## 6. INTEREST RECEIVABLE AND SIMILAR INCOME

| | Group 2021 £ | 2020 £ |
|---|---|---|
| Interest on bank deposits | - | 248 |
| Income from listed investments | 12,199 | 14,921 |
| | 12,199 | 15,169 |

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NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2021

## 7. INTEREST PAYABLE AND SIMILAR CHARGES

| | Group 2021 £ | 2020 £ |
|---|---|---|
| YMCA pension notional finance charge (Note 18) | 9,234 | 10,246 |
| Interest on bank loan | 8,995 | 12,135 |
| | 18,229 | 22,381 |

## 8. DIRECTORS' EMOLUMENTS

The Directors are defined as the members of the Board, the Chief Executive and other senior executives. None of the members of the Board received any emoluments. Details of the Chief Executive's and other senior Executives' emoluments in respect of services to the Company are as follows:

| | 2021 £ | 2020 £ |
|---|---|---|
| Basic salary | 246,801 | 238,467 |
| Pension contributions | 12,790 | 12,827 |
| | 259,591 | 251,294 |

| | 2021 | 2020 |
|---|---|---|
| Number of Directors accruing benefits in the pension scheme | 4 | 4 |

Emoluments disclosed above include the following amounts paid to the highest paid director:

| | 2021 £ | 2020 £ |
|---|---|---|
| Emoluments for qualifying services | 107,260 | 107,385 |
| Pension contributions | 6,598 | 6,751 |

The Chief Executive is a member of the Company's pension scheme. He is an ordinary member of the pension scheme and no enhanced or special terms apply. The Company does not make any further contributions to an individual pension arrangement for the Chief Executive.

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NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2021

## 9. EMPLOYEE INFORMATION

| | 2021<br>No. | 2020<br>No. |
|---|---|---|
| Average number of persons (including part-time employees and the Chief Executive but excludes Casual Staff) employed during the year | 79 | 79 |
| Full time equivalent (40 hours per week) | 66 | 66 |

The Group also holds a bank of casual staff (sessional) who can be called on to cover short term unexpected absences. During the year the Group had 18 casual staff on its books (2020: 18).

| | 2021<br>£ | 2020<br>£ |
|---|---|---|
| **Staff costs (for the above persons)** | | |
| Wages and salaries | 1,898,856 | 1,760,241 |
| Social security costs | 155,031 | 144,005 |
| Other pension costs | 43,051 | 40,587 |
| | 2,096,938 | 1,944,833 |

There were two employees whose income exceeded £60,000 (2020: two) and one fell within the £100,001 - £110,000 bracket during the year (2020: one in the £90,001 - £100,000 bracket). The total compensation of employees who are considered to be the key management personnel of the Group was £288,703 (2020: £279,495).

There were no expenses reclaimed by Board members in 2021 or 2020.

## 10. INTANGIBLE FIXED ASSETS

| Group and Association | Website costs<br>£ |
|---|---|
| **Cost** | |
| At 1 April 2020 | 12,204 |
| Additions | - |
| At 31 March 2021 | 12,204 |
| **Amortisation** | |
| At 1 April 2020 | 7,320 |
| Charge for the year | 2,440 |
| At 31 March 2021 | 9,760 |
| **Net Book Value** | |
| At 31 March 2021 | 2,444 |
| At 31 March 2020 | 4,884 |

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
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NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2021

## 11. TANGIBLE FIXED ASSETS

| Group and Association | Social Housing Properties held for letting £ |
|---|---|
| **Cost** | |
| At 1 April 2020 | 7,462,444 |
| Properties acquired | - |
| Works to existing properties | 23,840 |
| Disposals – component write-off | - |
| At 31 March 2021 | 7,486,284 |
| **Depreciation** | |
| At 1 April 2020 | 3,570,602 |
| Charge for the year | 296,857 |
| Eliminated on disposals – component write-off | - |
| At 31 March 2021 | 3,867,459 |
| **Net Book Value** | |
| At 31 March 2021 | 3,618,825 |
| At 31 March 2020 | 3,891,842 |

In accordance with the accounting policy, included within Housing Properties (historical cost), the Group and Association have capitalised in the year £23,840 (2020: £14,122) of expenditure on works to existing properties. No capital expenditure has been included in the Income & Expenditure Account (2020: £nil).

| Depreciation charge for the year | 2021 £ | 2020 £ |
|---|---|---|
| Annual depreciation charge | 296,857 | 296,627 |
| Accelerated depreciation on component write off | - | 247 |
| | 296,857 | 296,874 |

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
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NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2021

11. TANGIBLE FIXED ASSETS *(continued)*

| Group | Freehold Land & Buildings £ | Furniture Fixtures & Fittings £ | Lift £ | TOTAL £ |
|---|---|---|---|---|
| **COST** | | | | |
| At 1 April 2020 | 918,914 | 507,939 | 299,936 | 1,726,789 |
| Additions | - | 48,223 | - | 48,223 |
| Disposals | - | - | - | - |
| At 31 March 2021 | 918,914 | 556,162 | 299,936 | 1,775,012 |
| **DEPRECIATION** | | | | |
| At 1 April 2020 | 751,481 | 359,755 | 279,207 | 1,390,443 |
| Charge for the year | 19,482 | 27,206 | 12,000 | 58,688 |
| Disposals | - | - | - | - |
| At 31 March 2021 | 770,963 | 386,961 | 291,207 | 1,449,131 |
| **NET BOOK VALUE** | | | | |
| At 31 March 2021 | 147,951 | 169,201 | 8,729 | 325,881 |
| At 31 March 2020 | 167,433 | 148,184 | 20,729 | 336,346 |

| Association | Freehold Land & Buildings £ | Furniture Fixtures & Fittings £ | Lift £ | TOTAL £ |
|---|---|---|---|---|
| **COST** | | | | |
| At 1 April 2020 | 918,914 | 495,825 | 299,936 | 1,714,675 |
| Additions | - | 34,223 | - | 34,223 |
| Disposals | - | - | - | - |
| At 31 March 2021 | 918,914 | 530,048 | 299,936 | 1,748,898 |
| **DEPRECIATION** | | | | |
| At 1 April 2020 | 751,481 | 349,459 | 279,207 | 1,380,147 |
| Charge for the year | 19,482 | 25,970 | 12,000 | 57,452 |
| Disposals | - | - | - | - |
| At 31 March 2021 | 770,963 | 375,429 | 291,207 | 1,437,599 |
| **NET BOOK VALUE** | | | | |
| At 31 March 2021 | 147,951 | 154,619 | 8,729 | 311,299 |
| At 31 March 2020 | 167,433 | 146,366 | 20,729 | 334,528 |

## 12. INVESTMENT PROPERTIES

| Group and Association | 2021<br>£ | 2020<br>£ |
|---|---|---|
| At 1 April | 1,305,672 | 1,305,672 |
| Increase in fair value | 264,328 | - |
| At 31 March | 1,570,000 | 1,305,672 |

Investment properties were valued as at 31 March 2021 by Innes England. The valuation of the group's properties was carried out in accordance with the Royal Institute of Chartered Surveyors ("RICS") Professional Standards UK January 2014 and with particular regard to Financial Reporting Standard 102 and the Social Housing Statement of Recommenced Practice. The increase in fair value of £264,328 for the investment properties as at 31 March 2021 was accepted by the Board of Trustees.

## 13. FIXED ASSET INVESTMENTS

**Association**

**Investment in subsidiary company**

The company owns the whole of the ordinary share capital (1 ordinary share of £1) of Y Leisure Limited. The company is incorporated in Great Britain and registered in England and Wales and has been established to carry on trading activities on the Association's behalf. Its registered office is set out on page 1.

Y Leisure Limited operates a bar for the use of patrons of the Association and members of the public. The company will gift aid any taxable profits to Leicester YMCA. A summary of its trading results is shown below:

| | 2021<br>£ | 2020<br>£ |
|---|---|---|
| **Profit and loss account** | | |
| Turnover | - | 63,601 |
| Cost of sales | (6,227) | (54,984) |
| Gross (loss)/profit | (6,227) | 8,617 |
| Administrative expenses | (5,102) | (7,865) |
| Profit/(Loss) on ordinary activities before and after tax and retained | (11,329) | 752 |
| **Capital and reserves** | (33,677) | (22,348) |

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NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2021

## 13. FIXED ASSET INVESTMENTS (continued)

| | 2021 £ | 2020 £ |
|---|---|---|
| **Group and Association** | | |
| **Other investments – listed at fair value** | | |
| At 1 April | 382,278 | 446,722 |
| Additions | 101,305 | 53,645 |
| Disposals | (107,879) | (61,123) |
| Realised gain on disposal | 7,700 | 1,625 |
| Unrealised gain/(deficit) | 60,861 | (58,591) |
| At 31 March | 444,265 | 382,278 |
| Historical cost | 377,216 | 382,092 |

## 14. STOCKS

| | Group | | Association | |
|---|---|---|---|---|
| | 2021 £ | 2020 £ | 2021 £ | 2020 £ |
| Goods for resale | 1,050 | 1,663 | - | - |

## 15. DEBTORS

| | Group | | Association | |
|---|---|---|---|---|
| | 2021 £ | 2020 £ | 2021 £ | 2020 £ |
| Housing debtors | 98,438 | 86,421 | 98,438 | 86,421 |
| Other trade debtors | 23,369 | 83,805 | 23,369 | 83,805 |
| Bad debt provision | (18,940) | (17,050) | (18,940) | (17,050) |
| Amount owed from subsidiary company | - | - | 60,055 | 36,139 |
| Other debtors | 350 | 2,264 | 350 | 1,508 |
| Prepayments & accrued income | 41,757 | 132,409 | 41,757 | 132,409 |
| | 144,974 | 287,849 | 205,029 | 323,232 |

Amounts written off housing debtors in the year amounted to £25,269 (2020: £3,732).

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION (INCORPORATED) (THE)

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2021

## 16. CREDITORS Amounts falling due within one year

| | Group | | Association | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Trade creditors | 325,690 | 151,576 | 325,690 | 150,418 |
| Bank loan | 30,930 | 31,861 | 30,930 | 31,861 |
| Taxation & Social Security | 40,316 | 39,288 | 43,220 | 37,453 |
| Accruals | 70,903 | 95,907 | 70,903 | 95,907 |
| Deferred income | 195,305 | 253,752 | 195,305 | 253,752 |
| Other creditors | 6,808 | 6,630 | 5,662 | 5,485 |
| Deferred capital grant (see note 17) | 257,824 | 259,092 | 257,824 | 259,092 |
| | 927,776 | 838,106 | 929,534 | 833,968 |

## 17. CREDITORS Amounts falling due after one year

| | Group | | Association | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Bank loan | 322,037 | 352,904 | 322,037 | 352,904 |
| Deferred capital grant | 2,354,022 | 2,611,493 | 2,354,022 | 2,611,493 |
| | 2,676,059 | 2,964,397 | 2,676,059 | 2,964,397 |

The bank loan is secured by a legal charge over 7 East Street Leicester, LE1 6EY.

| Deferred capital grant | Group and Association | |
|---|---|---|
| | 2021 | 2020 |
| | £ | £ |
| As at 1 April | 2,870,586 | 3,129,970 |
| Amortisation | (258,740) | (259,385) |
| As at 31 March | 2,611,846 | 2,870,585 |
| Less: due in less than one year | (257,824) | (259,092) |
| Due after more than one year | 2,354,022 | 2,611,493 |

| Bank Loan | Group and Association | |
|---|---|---|
| | 2021 | 2020 |
| | £ | £ |
| Amounts falling due by instalments after more than five years | 179,810 | 218,900 |

Repayment terms being monthly over a 15-year term at an interest rate of 2.48% p.a (2020: 1.90%). Loan terms to be reviewed after 10 years in February 2026.

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION (INCORPORATED) (THE)

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2021

## 18. PENSION PROVISION

**Group and Association**

| | YMCA Pension 2021 £ | 2020 £ |
|---|---|---|
| 1 April | 307,794 | 341,519 |
| Paid in the year | (45,290) | (43,971) |
| Unwinding of discount (Note 7) | 9,234 | 10,246 |
| Change in funding deficit arrangements | 90,579 | - |
| 31 March | 362,317 | 307,794 |

Leicester Young Men's Christian Association 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 Leicester Young Men's Christian Association and at the year-end these were invested in the Mercer Dynamic De-risking Solution, 40% matching portfolio and 60% in the growth portfolio and Schroder (property units only).

The most recent completed three year valuation was as at 1 May 2020. The assumptions used which have the most significant effect on the results of the valuation are those relating to the assumed rates of return on assets held before and after retirement of 2.59% and 1.09% respectively, the increase in pensions in payment of 2.99% (for RPI capped at 5% p.a.), and the average life expectancy from normal retirement age (of 65) for a current male pensioner of 22.0 years, female 24.4 years, and 23.7 years for a male pensioner, female 26.1 years, retiring in 20 years' time. The result of the valuation showed that the actuarial value of the assets was £146.1m, 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 showed that the YMCA Pension Plan had a deficit of £36 million. The Association has been advised that it will need to make monthly contributions of £3,887 from 1 May 2021. This amount is based on the current actuarial assumptions (as outlined above) and may vary in the future as a result of actual performance of the Pension Plan. The current recovery period is 8 years commencing 1st May 2021.

| | Repayable Within one year £ | One to two years £ | Two to five years £ | After five years £ | After more than one year £ | Total £ |
|---|---|---|---|---|---|---|
| As at 31 March 2021 | 45,290 | 45,290 | 135,868 | 135,869 | 317,027 | 362,317 |
| 31 March 2020 | 43,971 | 43,971 | 131,911 | 87,941 | 263,823 | 307,794 |

In addition, Leicester Young Men's Christian Association may have over time liabilities in the event of the non-payment by other participating YMCAs of their share of the YMCA Pension Plan's deficit. It is not possible currently to quantify the potential amount that Leicester Young Men's Christian Association may be called upon to pay in the future.

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
(INCORPORATED) (THE)

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2021

19. **RESERVES: movements in the year**

| Group | At 1 April 2020 £ | Income £ | Expenditure £ | Transfers £ | At 31 March 2021 £ |
|---|---|---|---|---|---|
| **Unrestricted funds:** | | | | | |
| General reserve | 2,531,599 | 3,053,823 | (2,752,986) | (198,912) | 2,633,524 |
| Non-charitable reserve | (22,347) | - | (11,329) | - | (33,676) |
| **Other reserves** | | | | | |
| Fair value | 111,534 | 332,889 | - | - | 444,423 |
| **Designated reserves** | | | | | |
| New opportunities fund | 4,385 | - | - | - | 4,385 |
| Property repair & replacement | 98,000 | - | (80,718) | 63,718 | 81,000 |
| Fixed assets | 10,000 | - | (58,063) | 78,063 | 30,000 |
| **Total unrestricted funds** | 2,733,171 | 3,386,712 | (2,903,096) | (57,131) | 3,159,656 |
| **Restricted funds:** | | | | | |
| Y – Support Project | - | 108,603 | (101,484) | (7,119) | - |
| Y – Support (Ralph Hale) | 314 | - | - | - | 314 |
| Cold Weather Cafe | 2,238 | - | - | - | 2,238 |
| NOF (sports equipment) | 1,485 | - | - | - | 1,485 |
| Heritage Lottery | - | 166,776 | (152,223) | (14,553) | - |
| Arts Council – Cultural Relief Fund | - | 104,007 | (80,795) | (23,212) | - |
| Henry Smith – Complex Needs | - | 10,826 | (10,826) | - | - |
| Paul Hamlyn Foundation | - | 21,745 | (21,200) | (545) | - |
| Leicestershire OPCC | - | 6,345 | (6,345) | - | - |
| DCS – BBC Children in Need | - | 23,493 | (23,493) | - | - |
| Safe & Sound – Homeless Link | | 38,321 | (37,241) | (1,080) | - |
| Big Lottery Regional Complex Needs | - | 152,864 | (256,504) | 103,640 | - |
| **Total restricted funds** | 4,037 | 632,980 | (690,111) | 57,131 | 4,037 |
| **TOTAL FUNDS** | 2,737,208 | 4,019,692 | (3,593,207) | - | 3,163,693 |

## 19. RESERVES: movements in the year *(continued)*

### Transfers

The transfer from restricted funds amounting to £57,131 to non-housing activities general reserve is to reflect a notional rental charge for the use of premises for the activities support by these restricted funds.

The Board members have reviewed the designated funds at the year-end which are separate to general reserves of the Group within the unrestricted funds. Accordingly, the appropriate transfers have been made to represent the decision made with respect to designated funds.

Restricted reserves relate to monies received, only to be expensed against the specific project that the monies were intended for. Below is a brief description of each restricted reserve;

- Y-Support Project – Local Authority grant for a day centre drop-in service for vulnerable and street homeless people. The Ralph Hale reserve was a donation to the project for equipment. The Cold Weather Café donation is for the provision of hot meals during the winter months.
- The New Opportunities Foundation (NOF) grant was used for the sports hall lighting which is now classed as investment property.
- Heritage Lottery – Grant funding for a 3 year project to engage vulnerable and disadvantaged young people to the arts and heritage sector.
- Arts Council (Cultural Relief Fund) – COVID relief grant to ensure that the theatre can re-open post national lockdown.
- Henry Smith – This grant funded the position of a Complex Needs support worker to work with the young residents.
- Paul Hamlyn Foundation – to develop a 'Youth Panel' to engage with the regional 'Shine' project.
- Leicestershire OPCC – to develop and research an educational scheme to combat knife crime and gang violence.
- DCS (BBC Children in Need) - Grant funding for a project to help disabled young people develop independent living skills.
- Safe & Sound (Homeless Link) – a pilot project offering accommodation and additional services to highly complex and vulnerable young females.
- Big Lottery (Regional Complex Needs) - Grant funding for a regional project (Shine) involving 6 other YMCAs to support the needs of highly complex residents.

## 20. CAPITAL COMMITMENTS

Capital expenditure approved by the Board of Directors amounted to:

| | Group | | Association | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Contracted | 10,000 | - | 10,000 | - |

## 21. COMMITMENTS UNDER OPERATING LEASES

The operating leases include a car for the Children's Home, Laundry equipment for the Aylestone site and new photocopying and printing equipment across the multi-sited organisation.
At 31 March 2021 the total future commitments under non-cancellable operating leases were as follows:

**Group and Association**

| | Other | |
|---|---|---|
| | **2021** | **2020** |
| | **£** | **£** |
| Within one year | 77,693 | 46,514 |
| Within 2 to 5 years | 276,672 | 160,265 |
| | 354,365 | 206,779 |

## 22. RECONCILIATION OF SURPLUS AFTER TAX TO NET CASH GENERATED FROM OPERATIONS

| | **2021** | **2020** |
|---|---|---|
| | **£** | **£** |
| Surplus for the year | 426,485 | 16,299 |
| Adjustments for: | | |
| Depreciation of tangible fixed assets | 355,545 | 352,478 |
| Amortisation of intangible fixed assets | 2,440 | 2,440 |
| Grant amortisation | (258,740) | (259,385) |
| Interest and dividends receivable | (12,199) | (15,169) |
| Interest payable | 18,229 | 22,381 |
| Accelerated depreciation | - | 247 |
| Fair value (gain)/deficit on investments | (68,561) | 56,966 |
| Fair value (gain)/deficit on investment properties | (264,328) | - |
| Operating cash flow before movements in working capital | 198,871 | 176,267 |
| Decrease in stocks | 603 | 3,629 |
| Decrease/(increase) in debtors | 142,875 | (213,050) |
| Increase in creditors | 91,871 | 41,130 |
| Increase/(decrease) in provisions | 54,523 | (33,725) |
| **Cash generated from operations** | 488,743 | (25,759) |

## 23. CASH AND CASH EQUIVALENTS

| | Group | | Association | |
|---|---|---|---|---|
| | **2021** | **2020** | **2021** | **2020** |
| | **£** | **£** | **£** | **£** |
| Cash and cash equivalents represent: | | | | |
| Cash at bank | 1,022,406 | 636,981 | 1,013,416 | 623,277 |

## 24. ANALYSIS OF CHANGES IN NET DEBT

| | At 1 April 2020 £ | Cash flows £ | Other non-cash changes £ | At 31 March 2021 £ |
|---|---|---|---|---|
| **Cash and cash equivalents** | | | | |
| Cash | 636,981 | 385,425 | - | 1,022,406 |
| | 636,981 | 385,425 | - | 1,022,406 |
| **Borrowings** | | | | |
| Bank loan | | | | |
| Debt due within 1 year | (31,861) | 931 | - | (30,930) |
| Debt due after 1 year | (352,904) | 30,867 | - | (322,037) |
| | (384,765) | 31,798 | - | (352,967) |
| **Total** | 252,216 | 417,223 | - | 669,439 |

## 25. RELATED PARTY TRANSACTIONS

None noted.

# LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION, (INCORPORATED) (THE)
# FINANCIAL STATEMENTS
# FOR THE YEAR ENDED
# 31 MARCH 2021

Company Registration No: 00159933
Charities Commission No. 213513
Regulator of Social Housing No. H2381

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
(INCORPORATED) (THE)

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

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# LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION (INCORPORATED) (THE)

## MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS

| | |
|---|---|
| **The members of the Board** | Mrs K Hamylton<br>Mr P Hawkins<br>Mr T Moore<br>Mr I Pearce<br>Mr C Bolas<br>Mr R Brannen<br>Ms E Hollis<br>Mrs R Tedstone-Woods<br>Ms E Ling<br>Ms C Clifton<br>Mr D Glover<br>Ms L Capell<br>Ms F Wong |
| **Company secretary** | Mr P Brown |
| **Registered office** | 7 East Street<br>Leicester<br>LE1 6EY |
| **Auditor** | Forrester Boyd Chartered Accountants<br>26 South Saint Mary's Gate<br>Grimsby<br>DN31 1LW |

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
(INCORPORATED) (THE)

## MEMBERS OF THE BOARD'S REPORT (incorporating STRATEGIC REPORT)

## YEAR ENDED 31 MARCH 2021

### INTRODUCTION

The Board have pleasure in presenting their annual report, together with the audited financial statements of the group for the year ended 31 March 2021. This report contains a Directors' Report as required by company law.

### REFERENCE AND ADMINISTRATIVE INFORMATION

**Registered name** Leicester Young Men's Christian Association (Incorporated) (The)

**Known as** Leicester YMCA (The Y)

**Charity registration number** 213513

**Company registration number** 00159933

**Regulator of Social Housing number** H2381

**Registered Office and main address** 7 East Street, Leicester. LE1 6EY

**Auditor** Forrester Boyd Chartered Accountants, 26 South Saint Mary's Gate, Grimsby, DN31 1LW

**Principal bankers** HSBC, 2-6 Gallowtree Gate, Leicester, LE1 1DA

**Investment advisors** Brewin Dolphin Limited, Waterfront House, 35 Station Street, Nottingham, NG2 3DQ

**Board and Committee Members**

The following persons have served The Y during the year –

Ms K Hamylton – Chair
Mr P Hawkins – Vice Chair
Mr T Moore - Treasurer
Ms J Bliss (retired 02/12/2020)
Mr C Bolas
Mr R Brannen
Mr M Cooney (retired 01/09/2020)
Ms E Hollis
Mrs R Tedstone-Woods
Ms E Ling (appointed 02/12/2020)
Ms C Clifton (appointed 02/12/2020)
Mr I Pearce (appointed 02/12/2020)
Mr D Glover (appointed 02/12/2020)
Ms L Capell (appointed 02/12/2020)
Ms F Wong (co-opted 02/12/2020)

The following directors retire by rotation and being eligible offer themselves for re-election:
Mr P Hawkins, Mr C Bolas and Mrs R Tedstone-Woods.

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
(INCORPORATED) (THE)

MEMBERS OF THE BOARD'S REPORT (incorporating STRATEGIC REPORT) *(continued)*

YEAR ENDED 31 MARCH 2021

**Qualifying third party indemnity insurance**

The Association has made qualifying third-party indemnity provisions for the benefit of its board members during the year. These provisions remain in force at the reporting date.

**Secretary**: Paul Brown

**Management Team (as at 31.3.21):**

| | |
|---|---|
| Paul Brown | Chief Executive |
| Tom Lin | Deputy Chief Executive/Finance Director |
| Anna Maudsley | Director of Accommodation, Care and Support |
| Joanna Fleetwood-Smith | Business Development Director |
| Lizzie Clark | Executive Assistant |
| Vicki Corbett | Purchasing and Procurement Officer |
| Andrea Deacon | HR Manager |
| Nuala Facey | Support Service Manager |
| Louise Potter | Principal Housing Officer |
| Emma Knight | Fundraising and Communications Manager |
| Michael Harris-Wakelam | Theatre & Events Manager |
| Sean Langley | Property & Maintenance Manager |
| Kate Beaumont | Y-Support Manager |
| Juliet Martin | Heritage Project Manager |
| Michelle Hill | Registered Manager (Children's Home) |
| Hannah Deignan | Regional Complex Needs Co-Ordinator |

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
(INCORPORATED) (THE)

MEMBERS OF THE BOARD'S REPORT (incorporating STRATEGIC REPORT) *(continued)*

YEAR ENDED 31 MARCH 2021

## STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Leicester YMCA (The Y) was founded in 1883. It is a charitable company limited by guarantee, incorporated in 1919 and registered as a charity in 1966. The Association was established under a Memorandum of Association which established the objects and powers of Association and is governed under its Articles of Association. In the event of the Association being wound up members are required to contribute an amount not exceeding £0.01 (one penny).

The Association is also a Registered Provider of Social Housing (RP). Therefore, the Association's Accounts must be prepared in accordance with Housing legislation and the Housing Statement of Recommended Practice (SORP) which overrides the requirements of the Charities SORP.

Recruitment and Appointment of Board Members

Board members are the directors of the Association and are also charity trustees for the purposes of charity law. Under the requirements of the Memorandum of Association and Articles of Association Board members are elected to serve on the Board. A proportion of Board members retire at every Annual General meeting (AGM) and are eligible for re-election.

Due to the nature of the Association, elected Board members must sign a form of commitment to the International YMCA's Paris Basis and to the British YMCA's Aims and purposes. This effectively means that elected Board members must be practising Christians. In addition, the Board may co-opt additional directors who are not practising Christians but support the Ethos Statement of The Y.

Recruitment of Board members is through advertising in appropriate media together with approaches to known interested individuals. Consideration is given to achieve a mix of skills amongst its Board members that will complement the individual departments within the Association.

Board Member Induction and Training

Potential new Board members are given an induction pack which provides information on the Association's services, its constitution and financial position, together with their legal obligations.

Potential Board members are then invited to meet existing Board members and subsequently the Management Team. The induction process is tailored to individual needs.

Organisational Structure

The Board meet quarterly and is responsible for overseeing the strategic direction and management of the Association. In addition, there is a Resource Committee (covering Finance, HR and Asset Management / Maintenance which meet quarterly).

The Chief Executive together with his Directorate and Management Team has day to day responsibility for the management and delivery of services.

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
(INCORPORATED) (THE)

MEMBERS OF THE BOARD'S REPORT (incorporating STRATEGIC REPORT) *(continued)*

YEAR ENDED 31 MARCH 2021

## STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Related Parties

The Association wholly owns Y Leisure Limited which consists of the trading activities of the charity. The principal activities of Y Leisure are the provision of a bar. The profits of Y Leisure are distributed via gift aid to The Y.

## STRATEGIC REPORT

Risk Management

The members of the Board have considered the risks faced by the Association and Group through a risk analysis exercise. Policy and procedural implementation have taken place and a critical analysis of the organisation's management structure completed.

### Key risks and uncertainties

The Association have considered the key risks and uncertainties it faces over the coming year and has identified these as;

1. Park House Children's Home fails to maintain an Ofsted standard of 'Good' therefore impacting on future occupancy and placement authority's confidence in the service.
2. Failure to recruit and maintain suitably qualified staff to manage and deliver residential care services
3. The outcome of the City Council tender process results in a lower number of commissioned beds than the organisations submission
4. A need to have an up to date and COVID aware business continuity policy and plan
5. Young people do not fully engage in the in the Skills Lab Training offer therefore not meeting our commitment to creating real employment opportunities in the theatre
6. Our commitment to refurbish the theatre is not realised due to a lack of successful funding applications
7. Theatre electrical infrastructure fails to be compliant resulting in the need for major investment
8. Failure to invest in the public areas within East Street therefore impacting on theatre audience experience
9. The potential need to reconfigure our housing provision pending the outcome of the City Councils tender exercise
10. Failure to mitigate risks as identified in the business risk register
11. Potential impact on all services if we have a third COVID-19 Lockdown
12. Shine 2 fails to be implemented across the 6 YMCAs who have expressed an interest in participating
13. Failure to meet NCVO and Enabling Environments standards
14. The organisation fails to retain complex needs workers due to lack of funding resulting in additional pressures impacting on young people's mental health
15. Lack of organisational expertise in digital marketing and fundraising
16. Day Centre Review results in closure of Y Advice Centre and HR consequences for staff.

## STRATEGIC REPORT (continued)

### Residential Children's Services

Park House is now in its third year of delivery, having received an Ofsted grading of GOOD in January 2020. This was a major success for the organisation as being graded as Good in our first year of trading reflected both the investment and our commitment to the work. Given the unprecedented year since our Ofsted assessment, it may be difficult to keep this grading, however every effort will be made to not only maintain the grading of Good but improve it to Outstanding.

The year also saw us maintain our positive relationship with Leicestershire County Council, Nottinghamshire County Council and Leicester City Council who have all placed young people in Park House.

### Theatre

The Theatre Feasibility Study version 2 enabled us to focus on three key areas of development, Lighting and electrical infrastructure, access and washroom facilities, however due to the pandemic, the theatre closed at the end of March 2020 and did not trade in the 20-21 financial year. We used this opportunity to develop three distinct marketing / funding proposals specifically aimed at; The City Mayor (Washroom facilities), Heritage Lottery (Access), Arts Council (lighting and electrical infrastructure).

Unfortunately, the impact on the arts sector with a level of uncertainty as to the future of live entertainment did not help our ask and alternative plans will need to be sought.

The theatre did however make a successful application to the Arts Council Cultural Recovery Fund which enabled the organisation to keep key theatre staff employed and bridge the gap between core costs and non-existent income.

### Housing

The Y has held the City Council framework agreement for young peoples' supported accommodation for 7 years. Over this period the contract has been extended three times and has now been further extended to September 2021. Not only is this additional extension a positive reflection on our continued good work, but it also allows us to have security of income for the next 6 months and also position ourselves for the potential retendering of services. Over the year the biggest challenge has been the fact that we were dealing with the pandemic and trying to educate the residents to appreciate social distancing and recognise contra to early government advice that Covid 19 could be contacted by anyone not just the elderly.

Additional key challenges were the increase in poor mental health of our residents and the lack of move on opportunities to both semi and independent living.

### Shine

The regional complex needs project (Shine) completed its initial 2 years of lottery funding and each of the 6 YMCA as part of the original agreement extended their Shine worker's contract for an additional 12 months. A success application to the Lottery and Paul Hamlyn Foundation COVID-19 Emergency Fund enabled us to invest in psychotherapy services and extend our complex needs provision. This specific funding enabled staff to gain additional skills and understanding in Trauma Informed Practice which better equipped them to address some of the increases in resident's mental wellbeing. Shine also started work alongside YMCA England and Wales to potentially roll out Shine across the movement.

### Sports Ground

LCFC relocated the majority of their footballing activities to their new training facility in Seagrave during the year which only left behind their women's team at Belvoir Drive. There has been no indication of their intentions in relation to their lease of the site and the main contract has 30 years left to run. It is no secret that given the opportunity we would wish to use the land for residential development but until we have clarity from the Club as to their long-term intentions we will put these plans on hold.

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
(INCORPORATED) (THE)

MEMBERS OF THE BOARD'S REPORT (incorporating STRATEGIC REPORT) *(continued)*

YEAR ENDED 31 MARCH 2021

STRATEGIC REPORT (continued)

**Fundraising**
As one can imagine, given the year we had fundraising was a major challenge. The pandemic completely wrote off any opportunity to generate funds through events and activities, therefore the team developed a strategy which focussed on corporate donations, individual giving, digital fundraising and sponsorship. The year also saw the marketing and fundraising team start the process of developing a philanthropy group and exploring legacies.

**Y Support Project**
Due to the governments 'Every Body In' Initiative the Dawn Centre was re profiled to be accommodation only and as such the day centre was relocated to an alternative shared temporary city centre location. Due to this the service operated on a reduced basis and access was limited to those most in need. However, the service continued to meet the needs of the most vulnerable ensuring that essential access to health and housing support, food and advice was maintained.

**UASC**
Similar to our supported housing contract, the UASC contract was extended until the end of September 2021 and will be recommissioned jointly by both Housing and Children and Young Peoples Services. Over the year, we continued to provide stability and security for very vulnerable young people who have had challenging experiences. One of our biggest challenges was to support newly accommodated young people during a pandemic, however staff managed to enable this to happen and we were fortunate in that there were no outbreaks of COVID amongst the young people we housed.

**Kick the Dust**
Our Heritage project benefitted from additional funding that enabled the recruitment of a fourth staff member and an extension of current staff contracts. This enabled the project to extend its reach into the County engaging with new and exciting partners. A particular highlight this year was the delivery of Heritage open days in our theatre, managed and designed by young people in partnership with the Documentary Media Centre, a photo competition which resulted in the photos being used to create a Calendar, and a young resident developing her photography skills to such an extent that the photos were used in The Y's Annual Report.

**Enabling Environment**
Our commitment to achieve the Enabling Environment Standard both internally and across the 6 YMCA's who are part of the Shine project is well underway. Working alongside the Royal College of Psychiatrists it is our intention to achieve this standard by the end of the 2021 calendar year. As such we have carried out staff surveys, set up buddying schemas and created opportunities for managers to meet and share practice in order to support synergy.

**Governance**
In 2020, the Trustees adopted the new Charity Code of Governance part of which was recognising the need to have more diverse Trustees. As such efforts will be made to increase the diversity of the Board by recruiting BAME Trustees who have the necessary skills and attributes to add value to our governance framework.

## STRATEGIC REPORT (continued)

### Multi-employer defined benefit pension scheme

Leicester YMCA recognises possible concern relating to its participation in a defined benefit pension scheme. Appropriate action has been taken: The scheme was closed to new members in 2007, and the link to final salary broken in 2011. Additional contributions continue to be made to reduce the deficit. As part of the YMCA federation, the multi-employer pension scheme is run by an independent Trustee board with employer representation through the Principal Employer, National Council of YMCAs. The pension scheme Trustee obtains an actuarial valuation every three years and we have considered the implications to the charity's finances from the latest available actuarial valuation. We have reviewed the charity's ability to continue to deliver its charitable objectives by ensuring budgets, forecasts and plans are available and include the impact of deficit repayments. The pension scheme Trustee included the impact of pension scheme deficit repayments in considering going concern status, reserves, and the risks and uncertainties that the charity face noted elsewhere in this Report.

Leicester YMCA benefits from the pension scheme Trustee and the Principal Employer seeking suitable specialist professional advice both to manage the scheme and in the continuing effort to explore ways of reducing the overall pension deficit. The notes to the Accounts include an accounting policy and further details in note 18.

### Project Funding

The year although COVID impacted, we achieved a number of successful funding bids to support our work including Arts Council, Homelessness Link, Paul Hamlyn Foundation, Haramead Trust, Voluntary Action Leicester, Lottery, Leicester City Council, Leicestershire County Council and the National Grid. These grants enabled us to provide much needed services during a challenging year which ensured our residents continued to be supported and empowered. The Arts Council funding ensured that the theatre was able to keep essential staff and cover fixed costs during extended closure.

## STRATEGIC REPORT - Looking Forward (21/22)

### Shine

Looking forward it is hoped that the Regional Complex Needs project Shine can be replicated across 6 other YMCA's in the region (Shine 2) and developed across the YMCA movement in partnership with YMCA England & Wales. As part of this we have been successful in being selected by Spring Impact as part of their Scale Accelerator Programme and to be allocated a consultant who will work alongside us to upscale Shine. This is due to start in July for a period of 6 months with the aim to provide the evidence to potential funders. We will also be working alongside Purple House to provide training and support across the 7 shine projects around Trauma, Reflective Practice and Action Learning Sets. Shine will also launch its toolkit website and look to organising a Shine Conference at the end of year 3.

### Safe & Sound / Mothers and Babies

The Safe & Sound project has evolved from providing accommodation and support to a group of vulnerable and complex young women to one that now supports them through outreach to maintain their independent tenancies, develop their parenting skills and have the support to function with their own community. This new dimension of the project will provide additional outreach for up to 6 months ensuring the young women do not feel isolated whilst making the transition to sustained independence.

The Mothers and Babies work will start in earnest in July with the appointment of a specialist parenting worker who will support our new mothers through a supportive space where they can meet with their peers and collectively develop their parenting skills in order to give their child the best possible start in life.

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
(INCORPORATED) (THE)

MEMBERS OF THE BOARD'S REPORT (incorporating STRATEGIC REPORT) *(continued)*

YEAR ENDED 31 MARCH 2021

**STRATEGIC REPORT - Looking Forward (21/22)(continued)**

**Housing**

Our housing provision continues to deliver high quality accommodation and support to young people across 6 sites. With the City Council planning to re-tender their supported housing services for young people, the next 6 months will be a challenging course to navigate. However, we are confident that our submission will be of the highest quality and regardless of the outcome we will continue to ensure we have high quality accommodation for vulnerable young people. There may be a need to increase our age range from 16-25 to 16-30 and offer more direct access to our services, this will be considered once we are aware of the outcome of the commissioning exercise.

Our work with unaccompanied asylum-seeking children will be relocated to our Aylestone site should we be successful with the commission, this will then bring Portland Road back into our move-on portfolio.

**Kick the Dust**

There has been a conscious effort this year to engage with more Heritage projects based in the County which has proved successful. Looking forward there is a need to look at 'what next' once funding ends later this year. The project team have proved that given the right level of resources staff can support young people to engage and this underlines our commitment to both the work and approach. We will endeavour to seek out additional funding to support the continuance of this highly valued project.

**IT & GDPR**

Having invested heavily in IT we now need to ensure we are GDPR compliant as such we have included GDPR as a specific responsibility in the Procurement and Compliance Officer Job Description who will lead on this essential area of work over the coming year. As part of this, current staff will be offered training in both GDPR and Cyber Security, all new staff will have this as part of their induction and working alongside our IT provider we will ensure systems and processes are in place to enable us to be compliant and meet our legal obligations.

**Theatre**

After 15 months of closure the theatre reopened in June 2021 albeit with a much-reduced capacity and the implementation of Covid 19 protocols. During the closure a decision was made to refurbish the bar and implement new terminal payment processes. This investment will enable the theatre to generate additional income from the much-extended bar, table ordering and contactless payments. Additionally, this investment alongside minor upgrade to lighting will move us in the right direction in our overall plan to implement the theatre feasibility study should funds become available. We also have plans-a-foot to train residents in theatre lighting and sound, front of house and stage management. The pandemic did not help in our plans to implement a major fundraising initiative to refurbish the theatre, however we plan to continue to explore funding opportunities that will support New Lighting, Access and Wash Room facilities.

**Park House Residential Children's Home**

We will explore options to open a second children's home building on the success of Park House. This potential development will be resource intensive and there will need to be careful thought in relation to location. However, we are not starting from scratch and have the essential documentation already developed. A second home will not only enable us to provide additional essential services but also enable economies of scale and support our commitment to move away from a reliance on grants and contracts to become more self-financing.

## STRATEGIC REPORT (continued)

### Fundraising

This year (Covid allowing) as well as the team looking at fundraising events and activities to generate much needed income, they will also be focusing on legacies and regular giving. This will be developed alongside Remember a Charity Week and The Big Give. The team will also be exploring the potential of developing a donor networking event where we can show our appreciation for their support, and share how their donation has contributed to our work.

### Business Development

The business development department will lead on the funding portfolio for the theatre, the education curriculum and the enabling environments awards. There will also be a need to explore new funding pots to support our core work around housing and complex needs.

### Vision

Our vision is for every young person to have a safe place to call home and the support they need to create lasting changes in their lives.

### Mission

To be the leading provider of supported accommodation for young people within the East Midlands, transforming young lives through skills, arts, health, advice and care.

### Values

**Support**

- Every young person should have a safe place to live.

**Empower**

- Every young person is entitled to a chance to improve their lives.

**Enrich**

- Every young person should be entitled to a range of inspiring opportunities.
- To be a community organisation that has Christian values at our core.

### Strategic Measures

We will achieve this by:

1. Investing in our buildings, ensuring they are safe, accessible and fit for purpose whilst challenging the general perception of 'supported accommodation'.

2. Being an organisation that has the needs and aspirations of young people at its core.

3. Being a Learning Organisation that is committed to encouraging sharing of information and knowledge, whilst asking challenging questions that will ensure continual reflection and regeneration.

4. Consistently evaluating what we do, how we do it and the impact on the lives and aspirations of our communities.

5. Keeping abreast of the political, economic, social, technological and environmental agenda, ensuring a flexible approach to services in a complex and dynamic environment.

6. Being an organisation that supports the added value and benefits of cultural activities and engagement.

7. Ensuring sustainability through income generation of unrestricted funds.

8. Investing in our people, ensuring they have the necessary skills, knowledge and attitudes, to deliver high quality services.

9. Creating an environment that enables children to grow and thrive.

10. Maintaining and working within clear and prudent financial guidelines.

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
(INCORPORATED) (THE)

MEMBERS OF THE BOARD'S REPORT (incorporating STRATEGIC REPORT) *(continued)*

YEAR ENDED 31 MARCH 2021

**STRATEGIC REPORT (continued)**

**ACTIVITIES**

The Y is a multi-faceted Association and Group and operates in the following fields:

**Housing**

The Y provides supported housing for 103 young single homeless people 85 of which is part of Leicester City Councils' commissioned service. The accommodation is split over five sites; East Street (48 bed spaces) and Aylestone (35 bed spaces) providing accommodation to young people aged 16 – 25.

In addition, we have 3 move-on properties providing a total of 15 beds, a 5-bed house accommodating Unaccompanied Asylum-Seeking Children, and an additional property providing residential child care services.

The Housing department works in a holistic way and sees the provision of accommodation as just one element of its role. Other elements include help with claiming benefit, support in accessing community care grants, basic personal hygiene, education, informal counselling, problem solving, accessing appropriate medical support and empowering the young person to move on to semi/independent living.

Many of the young people that live within The Y come from 'difficult' backgrounds, some have recently left care or prison, and others have been in abusive relationships, have special educational needs, suffer from low self-esteem or find themselves isolated from friends and family due to society's expectations and their inability to meet those expectations. For these young people it is essential that the staff form no judgements but work with them on a basis of mutual trust and respect, empowering them to gain the skills necessary to live, work and communicate with others.

**The Y Support Project**

The Y Support Project (YSP) is a direct access day centre for homeless and vulnerably housed people based in Leicester. The centre provides access to information and advice on housing, benefits advice and access to primary healthcare. In addition, the centre provides practical support with free food and drink, showers, clothing, toiletries and laundry.

**Community Arts**

The Y Theatre is the oldest theatre within Leicester. Opened in 1900 the theatre is the one aspect of our core business that makes The Y truly different from most other YMCAs. The Y Theatre offers a varied programme of live music, comedy, performance and community events. Also, on offer are active art and educational workshops aimed at supporting and encouraging the local community, particularly young people to enjoy their creativity and build confidence and develop communication skills.

**Fundraising**

Whilst the fundraising team were not able to deliver any events or community fundraising during 2020 – 21, the income level has been maintained through digital campaigns and continuing strong relationships with corporate supporters. Significant donations were received from Highcross, Pukka Pies, Beauty with a Purpose, Stocks Taylor Benson and Rock Kitchen Harris, the latter two also offering pro bono design support. The two key digital campaigns were "Save Our Theatre" in July 2020 and "Y Skills Matter" hosted through The Big Give Christmas Challenge platform in December.

The Y is committed to adhering to the Code of Fundraising Practice and new GDPR regulations throughout the whole fundraising process. The organisation takes any complaints seriously and does not advocate intrusive, persistent or the application of any undue pressure to donate. This is made clear to all commercial partners, volunteers and new members of the fundraising team. There were no fundraising complaints in the year.

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
(INCORPORATED) (THE)

MEMBERS OF THE BOARD'S REPORT (incorporating STRATEGIC REPORT) *(continued)*

YEAR ENDED 31 MARCH 2021

STRATEGIC REPORT (continued)

**Environmental Footprint**

As part of our commitment to reducing our environmental footprint we are actively assessing our utility usage, and aim to work with Leicester city council via their sustainability agenda to identify innovative practices to reduce our carbon footprint.

**Shop Rental**

The Y has seven shop units in the East Street Property all of which are let on leases. In addition, The Y leases land on Belvoir Drive to three telecommunication companies for the siting of communication towers.

**General**

The Y has core departments of Human Resources, Operations, Finance and Fundraising, Marketing and Communications.

The Human Resources department is responsible for all aspects of HR training and development within the organisation. This year we have enrolled all senior staff on the NSPCC Safer Recruitment Training, Trustees have carried out on line Safeguarding training, 3 managers are completing the ILM Level 5 in management. Looking forward, we have invested in Hays online training and as such have access to a range of training courses via their portal. We are also committed to delivering training on Diversity, Equality, Inclusion and Unconscious Bias to all staff. Additionally, we will formally launch our Domestic Abuse Policy and ensure all staff are trained to understand the signs of domestic abuse and where to go in the organisation for support.

The Operations Department is responsible for all aspects of asset management, maintenance and health and safety. As part of the Operation department's targets, reduced energy consumption, increased recycling and maintenance planning are an essential part of their overall contribution to business efficiency.

The Finance department is responsible for the overall financial management of income and expenditure as well as the management and implementation of the company's financial procedures. Its approach ensures that the needs of all departments, the organisation as a whole and our funders are met.

The organisation has a comprehensive fraud policy which is managed by the Deputy Chief Executive/ Finance Director.

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
(INCORPORATED) (THE)

MEMBERS OF THE BOARD'S REPORT (Incorporating STRATEGIC REPORT) *(continued)*

YEAR ENDED 31 MARCH 2021

## STRATEGIC REPORT (continued)

### Financial Review

The Y has incurred a consolidated surplus of £162,157 (2020: surplus £16,299), which includes a deficit from Y Leisure of £11,239 (2020: surplus £752).

During 2020/21 The Y received the following large contracts and grants;

| | |
|---|---|
| Leicester City Council Supporting People | £428,630 |
| Leicester City Council Homelessness | £60,487 |
| Leicester Health | £36,228 |
| BBC Children In Need Grant | £18,632 |
| Heritage Lottery Fund | £173,054 |
| Big Lottery – Regional Complex Needs (£37,457 held for future expenditure) | £149,243 |
| Arts Council – COVID grant | £104,007 |
| Paul Hamlyn Charity | £50,000 |
| Homeless Link COVID grant | £40,759 |
| Leicestershire OPCC | £19,261 |

As will be seen from the Reserves policy statement, The Y still needs to maintain its reserves by achieving a surplus of income over expenditure to ensure that it would meet its liabilities if all contracts ceased. The Board considers that The Y is in a healthy financial situation, with two maturing housing initiatives (Children's Home and Unaccompanied Asylum-Seeking Children) that will increase our self-generating income stream. Coupled with the continuation of our robust approach to procurement and gains in efficiency via our IT investment, The Y will aim to generate a surplus to fulfil its commitments.

### Reserves Policy

The Y requires an appropriate level of reserves in order to operate effectively. The level is set with regard to our aims, needs and objectives and the risks we face. These are sudden cessation or non-renewal of contracts and grants, delay in receipt of funding, and future essential maintenance of properties. The Board of Trustees is of the opinion that reserves in the order of £576,000 are necessary. Free reserves representing unrestricted funds that are not represented by fixed assets used in the Charity's operations were £823,622 at 31 March 2021 – this is calculated before taking into account of the pension deficit funding liability of £362,317, now included in the financial statements under FRS102, which is actually payable over a further 8 years at a monthly rate of £3,887. This policy will be reviewed annually.

### Investment Policy

The Board has delegated to independent investment advisors (page 2) the power to invest funds surplus to requirements in stocks and shares quoted on the London Stock Exchange. Such investments are to provide a combination of income and capital growth. The Resource Committee receive half-yearly reports and review the performance with the advisors. Investment performance for the year is in line with the target set in the investment policy.

## STRATEGIC REPORT (continued)

### The Y Value for Money (VFM) Policy

#### 1. Policy Statement

The Y's Mission Statement, Strategic Objectives, Values and Service Delivery are underpinned by a commitment to value for money.

This policy presents our intentions on what we spend and how we deploy our staff and resources directly with the core values and the service standards we deliver. The Y's performance achievements and customer satisfaction are key elements of this policy. Our strategic objectives are:

- To provide high quality support and accommodation that empowers young people to achieve sustainable independence.
- To support young people to develop skills through access to arts education, employment, training and sports.
- To be a community resource that fully reflects the needs of local people, through the provision of community activities, advice information and advocacy.
- To be fully accessible, promote diversity and challenge discrimination in all its forms.
- To develop good quality partnerships that support service design and delivery and are cost effective.
- To be a proactive organisation that takes measured risks in order to keep abreast of changing needs.

#### 2. Value for Money demonstrable expectations

The Regulator of Social Housing (RSH)'s framework for social housing has a specific Value for Money standard. The standard requires that:

- Registered providers articulate and deliver a comprehensive and strategic approach to achieving VFM in meeting organisational objectives.
- Trustees maintain a robust assessment of the performance of all their assets and resources. This will take into account the interest of and commitment to stakeholders. This information should be available to stakeholders in a transparent and accessible format.

This means managing resources economically, efficiently and effectively to provide quality service and homes and planning for and delivering ongoing improvements for value for money.

The Board of Trustees meet on a quarterly basis in conjunction with the Resource Committee. The agenda items that will incorporate VFM considerations will be appropriately deliberated and their costs and benefits considered. This includes the generation of any potential returns commensurate to the risk involved.

**STRATEGIC REPORT (continued)**

**2. Value for Money demonstrable expectations (continued)**

The Y regularly reviews our contracts for services throughout the organisation and maintains a robust approach to the procurement of goods and services. During 2020/21 The Y's purchase and procurement officer continued to support the organisations' various departments in providing a number of quotes and identifying the most suitable supplier for various single project work throughout the financial year.

It is difficult to assess The Y's performance against its peers within the region as each YMCA is very different. However, the lottery funded Regional Complex Needs project has enabled The Y to measure its understanding and approach to working with complex young people against 6 other YMCAs within the region. This has achieved a degree of benchmarking as described below.

**Benchmarking**

It is now a requirement to carry out a competitive benchmarking exercise as part of the trustee's annual report. As part of this process trustees have identified 6 regional YMCAs (Birmingham, Burton on Trent, Sutton Coldfield, North Staffordshire, Wellington and District and Lincolnshire). who could be seen as competitors within the Central Region. Each of these YMCAs are delivering a range of similar services to Leicester, all have some form of social housing, community development, sport and support services.

In carrying out the benchmarking exercise the area to be measured is, Working and Engaging Complex Needs young people, work which has been the subject of lottery funding to each of the above YMCAs co-ordinated and managed by Leicester.

Having carried out a desktop exercise it is clear that if one used the following measures:

- Knowledge and Understanding
- Experience
- Training
- Governance
- Staff skills & awareness

Leicester would be in a position to demonstrate that as part of a benchmarking exercise it would be more than able to show a competitive edge in relation to our work with this challenging group and as such set the standard that others would strive to meet.

Within the organisation, the employee appraisal system includes regular performance reviews that include KPIs at an individual and departmental level. This enables the managers of The Y to assess and measure the delivery of the strategic objectives of the organisation.

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
(INCORPORATED) (THE)

MEMBERS OF THE BOARD'S REPORT (incorporating STRATEGIC REPORT) *(continued)*

YEAR ENDED 31 MARCH 2021

STRATEGIC REPORT *(continued)*

**2. Value for Money demonstrable expectations (continued)**

Regulatory reporting on VFM is required by the Regulator of Social Housing from April 2018 and Registered Providers must publish the required evidence in the statutory accounts annually. The required VFM metrics are presented below.

| Regulator of Social Housing Metrics 2021 | | 2020-21 | 2019-20 |
|---|---|---|---|
| Metric 1 (Efficiency) | Reinvestment %<br>(Investment in properties, existing & new, as a % of the value of total properties held) | 0% | 0% |
| Metric 2 (Effectiveness) | New supply delivered %<br>(No. of new social and non-social housing units, acquired or developed in the year as a proportion of total social and non-social housing units owned at period end. ) | | |
| Calc A | For social housing units | 0% | 0% |
| Calc B | For non-social housing units | 0% | 3% |
| Metric 3 (Efficiency) | Gearing % | 5% | 5% |
| Metric 4 (Efficiency) | EBITDA MRI interest cover % | 2082% | 1457% |
| Metric 5 (Economy) | Headline social housing cost per unit | £13,641 | £12,958 |
| Metric 6 (Efficiency) | Operating Margin % | | |
| Calc A | Operating Margin (social housing only) % | 14% | 9% |
| Calc B | Operating Margin (overall) % | 3% | 2% |
| Metric 7 (Efficiency) | Return on Capital Employed (ROCE) % | 2% | 1% |

**Commentary**

There was a minimum of reinvestment in social housing property but equated to less than 1%. No new units have been acquired. Gearing levels have remained the same as the previous year. Interest cover has remains significantly high due to an increased operating surplus for the year. The social housing cost per unit has increased by 5% on the previous year due to additional COVID safety expenditure. The increase in operating surplus has generated a 5% increase on the social housing operating margin and a 1% increase on the overall operating margin compared with the previous year. The group's return on capital employed has increased by 1% from the prior year.

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
(INCORPORATED) (THE)

MEMBERS OF THE BOARD'S REPORT (incorporating STRATEGIC REPORT) *(continued)*

YEAR ENDED 31 MARCH 2021

STRATEGIC REPORT *(continued)*

3. **Key Strategic Objectives**

The Y will implement a programme to review expenditure and enable scrutiny of initiatives with a view to achieving a minimum of 5% saving year on year for the next four years. These objectives include:

- **Promotion** – embedding of VFM principles within the culture of the organisation.
- **People** – encouraging economic awareness amongst staff and VFM principles within all business operations.
- **Procurement** – creation, maintenance and promotion of economic, efficient and effective purchasing principles and continuous review of contracts and services.
- **Recycling** – to minimise waste and recycle as much as possible
- **Partnerships** – communicate our commitment to VFM and encourage these principles amongst our partners.
- **Improvement** – improving the efficiency of how we support and deliver our services.
- **Green** – implement a programme of energy efficiency, water conservation and waste minimisation across the organisation.

PLANS FOR FUTURE PERIODS

The Association plans to continue its activities as outlined above. In addition, significant activities to be undertaken during the year are as follows:

1. To fully maintain or improve our Ofsted inspection rating of good
2. To explore the development of an additional residential care through presentations to the Board and the development of a business case
3. To appoint our own in-house Responsible Individual and move away from using a consultant
4. In Partnership with Spring Impact explore the upscaling of the Shine Project across the region.
5. To Achieve the Enabling Environments & NCVO Standards
6. Implement training for all staff and Trustees on Equality, Diversity Inclusion and Unconscious Bias
7. To fully engage in the regional BLM implementation plan
8. To appoint Trustees who lead on Equality, Diversity and Safeguarding
9. To adopt the National Brand.
10. To ensure we meet the new standards for regulated provision for 16+
11. Continue to have reduced rents in at least one of our Move-on properties in order to support working young people
12. To bring Iris Watson House back on line for semi-independent living for young people
13. Explore the development of single gender housing provision
14. Explore the potential to increase our age range to 30, subject to the outcome of the City Council tender exercise
15. Carry out investigation into the refurbishment of our wash room facilities at East Street
16. To explore individual legacies as part of our fundraising strategy
17. Implement a capital investment strategy recognising major capital works and its impact on organisational budgets and cash flow
18. To look at funding opportunities in order to continue our work around complex needs
19. For Co-Production to become fundamental to our work with young people and create opportunities for young people to engage in governance
20. To increase the diversity of the Board
21. To assess our environmental footprint and develop plans to reduce the same.

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
(INCORPORATED) (THE)

MEMBERS OF THE BOARD'S REPORT (incorporating STRATEGIC REPORT) *(continued)*

YEAR ENDED 31 MARCH 2021

## STATEMENT OF THE MEMBERS OF THE BOARD'S RESPONSIBILITIES

The Board is responsible for preparing the Members of the Board's Report, including Directors' Report and Strategic Report, and financial statements in accordance with applicable law and regulations.

Company and Registered Social Housing legislation require the Board to prepare financial statements for each financial year. Under that law the Board have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice. Under that law the Board must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and surplus and deficit of the group for that period. In preparing these financial statements the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice (SORP) Accounting by Registered Housing Providers 2019, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and group will continue in operation.

The Board is responsible for keeping adequate accounting records, that are sufficient to show and explain the company's and group's transactions and disclose with reasonable accuracy at any time the financial position of the company and group and enable them to ensure that the financial statements comply with Companies Act 2006, the Housing and Regeneration Act 2008 and the accounting requirements of the Accounting Direction for private registered providers of social housing 2019. The Board is also responsible for safeguarding the assets of the company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## RSH GOVERNANCE & FINANCIAL VIABILITY STANDARD

The Board recognises and confirms the compliance with the Regulator of Social Housing's Governance & Financial Viability Standard. The Y has also retained its continued qualification as a Homes England Investment partner for future housing programmes.

## PUBLIC BENEFIT

The Board of Trustees has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing Association aims and objectives and in planning future activities.

The focus of our work is:

- the provision of supported housing to vulnerable young homeless people
- facilitating our resources to offer a varied programme of community and educational events
- working in partnership with other agencies to secure the widest range of services available to match the needs of clients
- provision of sport, health and fitness facilities to members of the community
- provide residents with education, training and skills to secure employment or their own tenancies.

The Board of Trustees has complied with section 17 of the Charities Act 2011, and in setting a programme each year has had regard to both the Charity Commission's general guidance on public benefit and provision of services for the client population. The Board of Trustees always ensures that the services provided are in line with the charitable objects and aims of the Association.

The Board feels the aforementioned Strategic Report and principal activity support this conclusion.

## AUDITOR

In accordance with the Companies Act 2006 a resolution proposing the appointment of Forrester Boyd Chartered Accountants as Auditor will be put to the members.

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
(INCORPORATED) (THE)

MEMBERS OF THE BOARD'S REPORT (Incorporating STRATEGIC REPORT) *(continued)*

YEAR ENDED 31 MARCH 2021

## DIRECTORS' REPORT

## STATEMENT OF INTERNAL FINANCIAL CONTROL

The Board is responsible for maintaining a sound system of internal control which:

- focuses on the significant risks that threaten the Association's ability to meet its objectives; and
- provides reasonable assurance of the safeguarding of assets.

The Board is also responsible for reviewing the effectiveness of the system of internal control.

The internal control system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable. and not absolute, assurance against material misstatement or loss.

The process for identifying, evaluating and managing the significant risks faced by the Association is ongoing. This process has been in place for the year ended 31 March 2021 and up to the date of approval of the annual report and financial statements and is regularly reviewed by the Board.

The process which the Board has adopted in reviewing the effectiveness of the Association's system of internal control is reviewed through the Resource Committee. The key elements in exercising financial control include:

- Formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow monitoring of controls and restrict the unauthorised use of the Association's assets.
- The employment of suitably qualified staff to take responsibility for key areas of the business. This is supported by an annual appraisal system to maintain standards of performance.
- The preparation of forecasts and budgets which allow the Board and management to monitor the key business risks and financial objectives, and progress towards financial plans set for the year and the medium term; regular management accounts are prepared promptly, providing relevant, reliable and up-to-date financial and other information and significant variances from budgets are investigated as appropriate.
- All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through relevant sub-committees comprising Board members and others.
- The Resource Committee reviews reports from management and external auditors to provide reasonable assurance that control procedures are in place and are being followed. This includes a general review of the major risks facing the Association. The Resource Committee make regular reports to the Board
- Formal procedures have been established for instituting appropriate action to correct weaknesses identified from the above reports.

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
(INCORPORATED) (THE)

MEMBERS OF THE BOARD'S REPORT (incorporating STRATEGIC REPORT) *(continued)*

YEAR ENDED 31 MARCH 2021

**DIRECTORS' REPORT** *(continued)*
**STATEMENT OF INTERNAL FINANCIAL CONTROL** *(continued)*

**FRAUD**

It is the policy of the The Y to identify and promptly investigate any possibility of fraudulent or related dishonest activities against the organisation. The Y aims to promote an organisation culture which encourages the prevention of fraud by raising awareness of the need for high standards of personal conduct.

Any act of fraud ascertained upon investigation, or pursuant to a criminal conviction, or through written acknowledgment by the employee concerned, shall result in the appropriate disciplinary and legal actions against the employee.

Prevention of Fraud

Executives, managers and employees at all levels are responsible for exercising due diligence and control to prevent, detect and report acts of fraud. Those who fail to carry out these responsibilities will be subject to disciplinary action up to and including termination of employment.

Responsibility of Management

It is the responsibility of Executives and managers to be familiar with the types of improprieties that might occur in their area and be alert for any indication that improper activity, misappropriation or dishonest activity is or was in existence in his or her area and put in place controls to avoid such occurrences.

Responsibility of Employees

It is the responsibility of all employees to conduct their work schedule in such a way as to prevent fraud occurring in the workplace. Employees must also be alert to the possibilities for fraud and be on guard for any indications that improper or dishonest activity is taking place.

Reporting Fraud

It is the responsibility of all executives, managers and employees to report any suspicions of fraud without delay according to the procedure laid out below.

A person who suspects that fraudulent practice may be operating should, in the first instance, report the matter to his/her manager or immediate superior. Should it be inappropriate to make such a report to an immediate superior, the report should be made to that person's manager or directly to the Chief Executive.

Once a report of suspected fraud is made to supervisor/manager that person should report the suspicion to either the Chief Executive or Finance Director.

A Fraud Incident Report should be completed by the person reporting suspected fraud. The Finance Director will report any incidents to the Resource Committee. This policy is read in conjunction with the whistle blowing policy. The fraud policy is reviewed annually by the Finance Director.

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
(INCORPORATED) (THE)

MEMBERS OF THE BOARD'S REPORT (incorporating STRATEGIC REPORT) *(continued)*

YEAR ENDED 31 MARCH 2021

**DIRECTORS' REPORT** *(continued)*

**STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS**

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

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

The Members of the Board's Report which is prepared under the Charities Act 2011, which also contains all information required in a directors' report by the Companies Act 2006, and the incorporated Strategic Report prepared under the Companies Act 2006, were approved by the Board of Trustees on 7/9/21 and signed:

by order of the Members of the Board

MR P BROWN
Chief Executive

Date: 7/9/21

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION (INCORPORATED) (THE)

## Opinion

We have audited the financial statements of Leicester Young Men's Christian Association (Incorporated) (the 'parent company') and its subsidiary (the 'group') for the year ended 31 March 2021 which comprise the Consolidated Income and Expenditure Account and Statement of Comprehensive Income, Consolidated and Association Balance Sheets, Consolidated and Association Statements of Changes in Reserves, Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 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 parent company's affairs as at 31 March 2021 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been properly 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 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 board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

## Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

- the information given in the Members of the Board's Report (incorporating Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Members of the Board's Report (incorporating Strategic Report) has been prepared in accordance with applicable legal requirements.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION (INCORPORATED) (THE) (CONTINUED)

**Matters on which we are required to report by exception**
In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Members of the Board's Report (incorporating Strategic Report).

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

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

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

**Respective responsibilities of Trustees**
As explained more fully in the Statement of the Members of the Board's Responsibilities set out on page 18, the Trustees (who are also the directors of the 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 parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**
We have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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

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

- Discussions with management, including consideration of known or suspected instances of non-compliance held.
- Challenging assumptions and judgements made within significant accounting estimates and judgements such as depreciation, bad debt and voids.
- Identification of key laws and regulations central to the associations operations and review of compliance with such laws including a review of the Charities Commission website and the Housing and Regeneration Act 2008.
- Testing of journal entries and potential override of systems.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. The risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery collusion, omission or misrepresentation.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION (INCORPORATED) (THE) (CONTINUED)

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

**Use of our report**

This report is made solely to the 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

C Jensen

**Carrie Anne Jensen ACA (Senior Statutory Auditor)**
**For and on behalf of Forrester Boyd, Statutory Auditor**
Chartered Accountants
26 South Saint Mary's Gate
Grimsby
DN31 1LW

Date:
7th September 2021

## LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION (INCORPORATED) (THE)

### CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF COMPREHENSIVE INCOME

### YEAR ENDED 31 MARCH 2021

| | Note | Year ended 31 March 2021 £ | Year ended 31 March 2020 £ |
|---|---|---|---|
| **TURNOVER** | 3 | 3,674,604 | 3,601,341 |
| Operating costs | 3 | (3,574,978) | (3,520,864) |
| **OPERATING SURPLUS** | 3 | 99,626 | 80,477 |
| Share of joint venture surplus | | - | - |
| Interest receivable and similar income | 6 | 12,199 | 15,169 |
| Interest payable and similar charges | 7 | (18,229) | (22,381) |
| Change in fair value of investment properties | 12 | 264,328 | - |
| Change in fair value of investments | 13 | 68,561 | (56,966) |
| **SURPLUS FOR THE YEAR BEFORE TAX** | | 426,485 | 16,299 |
| Taxation | | - | - |
| **SURPLUS FOR THE YEAR AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR** | | 426,485 | 16,299 |

The results relate wholly to continuing activities.

The financial statements were approved by the board on 7/9/21

Mr T Moore (Treasurer)

K Hamylton Ms K Hamylton (Chair)

The annexed notes form part of these financial statements.

## LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION (INCORPORATED) (THE)

## CONSOLIDATED AND ASSOCIATION BALANCE SHEETS

### AS AT 31 MARCH 2021

| | | Group | | Association | |
|---|---|---|---|---|---|
| | | 2021 | 2020 | 2021 | 2020 |
| | | £ | £ | £ | £ |
| **FIXED ASSETS** | | | | | |
| Intangible assets | 10 | 2,444 | 4,884 | 2,444 | 4,884 |
| Housing properties | 11 | 3,618,825 | 3,891,842 | 3,618,825 | 3,891,842 |
| Other tangible assets | 11 | 325,881 | 336,346 | 311,299 | 334,528 |
| Investment properties | 12 | 1,570,000 | 1,305,672 | 1,570,000 | 1,305,672 |
| | | 5,517,150 | 5,538,744 | 5,502,568 | 5,536,926 |
| Other investments | 13 | 444,265 | 382,278 | 444,266 | 382,279 |
| | | 5,961,415 | 5,921,022 | 5,946,834 | 5,919,205 |
| **CURRENT ASSETS** | | | | | |
| Stocks | 14 | 1,050 | 1,653 | - | - |
| Debtors | 15 | 144,974 | 287,849 | 205,029 | 323,232 |
| Cash and cash equivalents | 23 | 1,022,406 | 636,981 | 1,013,416 | 623,277 |
| | | 1,168,430 | 926,483 | 1,218,445 | 946,509 |
| **CURRENT LIABILITIES** | | | | | |
| Creditors: Amounts falling due within one year | 16 | 927,776 | 838,106 | 929,534 | 833,968 |
| **NET CURRENT ASSETS /(LIABILITIES)** | | 240,654 | 88,377 | 288,911 | 112,541 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | 6,202,069 | 6,009,399 | 6,235,745 | 6,031,746 |
| Creditors: Amounts falling due after one year | 17 | 2,676,059 | 2,964,397 | 2,676,059 | 2,964,397 |
| Provisions for liabilities | 18 | 362,317 | 307,794 | 362,317 | 307,794 |
| **TOTAL NET ASSETS** | | 3,163,693 | 2,737,208 | 3,197,369 | 2,759,555 |
| **RESERVES** | | | | | |
| **UNRESTRICTED FUNDS** | | | | | |
| Designated & general reserves | 19 | 3,193,332 | 2,755,518 | 3,193,332 | 2,755,518 |
| Non-charitable trading reserves | 19 | (33,676) | (22,347) | - | - |
| Joint venture reserve | 19 | - | - | - | - |
| | | 3,159,656 | 2,733,171 | 3,193,332 | 2,755,518 |
| **RESTRICTED FUNDS** | 19 | 4,037 | 4,037 | 4,037 | 4,037 |
| **TOTAL RESERVES** | | 3,163,693 | 2,737,208 | 3,197,369 | 2,759,555 |

The Association's surplus is £437,814 (2020: £66,101).

These financial statements on pages 25 to 50 were approved by the board and authorised for issue on 7/9/21 and were signed on its behalf by:

**Mr T Moore**
**Treasurer**

**Ms K Hamylton**
**Chair**

Company Registration Number 00159933

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
(INCORPORATED) (THE)

CONSOLIDATED STATEMENT OF CHANGES IN RESERVES

YEAR ENDED 31 MARCH 2021

| | General reserves £ | Designated reserves £ | Fair value reserve £ | Sub total £ | Non-charitable trading reserves £ | Joint venture reserve £ | Total Unrestricted £ | Restricted funds £ | Total £ |
|---|---|---|---|---|---|---|---|---|---|
| **Balance at 1 April 2019** | 2,417,119 | 103,385 | 168,500 | 2,689,004 | (23,099) | 50,554 | 2,716,459 | 4,450 | 2,720,909 |
| Surplus/(Deficit) for the year | 163,509 | (136,774) | (56,966) | (30,231) | 752 | - | (29,479) | 45,778 | 16,299 |
| Transfers | (49,029) | 145,774 | - | 96,745 | - | (50,554) | 46,191 | (46,191) | - |
| **Balance at 31 March 2020** | 2,531,599 | 112,385 | 111,534 | 2,755,518 | (22,347) | - | 2,733,171 | 4,037 | 2,737,208 |
| Surplus/(Deficit) for the year | 300,837 | (138,781) | 332,889 | 494,945 | (11,329) | - | 483,616 | (57,131) | 426,485 |
| Transfers | (198,912) | 141,781 | - | (57,131) | - | - | (57,131) | 57,131 | - |
| **Balance at 31 March 2021** | 2,633,524 | 115,385 | 444,423 | 3,193,332 | (33,676) | - | 3,159,656 | 4,037 | 3,163,693 |

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
(INCORPORATED) (THE)

ASSOCIATION STATEMENT OF CHANGES IN RESERVES

YEAR ENDED 31 MARCH 2021

| | General reserves £ | Designated reserves £ | Fair value reserve £ | Total Unrestricted £ | Restricted funds £ | Total £ |
|---|---|---|---|---|---|---|
| **Balance at 1 April 2019** | 2,417,119 | 103,385 | 168,500 | 2,689,004 | 4,450 | 2,693,454 |
| Surplus/(Deficit) for the year | 214,063 | (136,774) | (56,966) | 20,323 | 45,778 | 66,101 |
| Transfers | (99,583) | 145,774 | - | 46,191 | (46,191) | - |
| **Balance at 31 March 2020** | 2,531,599 | 112,385 | 111,534 | 2,755,518 | 4,037 | 2,759,555 |
| Surplus/(Deficit) for the year | 300,837 | (138,781) | 332,869 | 494,945 | (57,131) | 437,814 |
| Transfers | (198,912) | 141,781 | - | (57,131) | 57,131 | - |
| **Balance at 31 March 2021** | 2,633,524 | 115,385 | 444,423 | 3,193,332 | 4,037 | 3,197,369 |

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION (INCORPORATED) (THE)

## CONSOLIDATED STATEMENT OF CASH FLOWS

## YEAR ENDED 31 MARCH 2021

| | Note | 2021 £ | 2020 £ |
|---|---|---|---|
| **OPERATING ACTIVITIES** | | | |
| Net cash generated from operations | 22 | 488,743 | (25,759) |
| **NET CASH GENERATED FROM OPERATING ACTIVITIES** | | 488,743 | (25,759) |
| **CASH FLOW FROM INVESTING ACTIVITIES** | | | |
| Interest and dividends received | | 12,199 | 15,169 |
| Payments to acquire tangible fixed assets | | (72,063) | (38,626) |
| Proceeds on disposal of Joint Venture | | - | 90,554 |
| **NET CASH USED IN INVESTING ACTIVITIES** | | (59,864) | 67,097 |
| **CASH FLOW FROM FINANCING ACTIVITIES** | | | |
| Payments to acquire fixed asset investments | | (101,305) | (53,645) |
| Receipts on sale of fixed asset investments | | 107,879 | 61,123 |
| Interest paid | | (18,229) | (22,381) |
| Repayment of borrowings | | (31,799) | (30,348) |
| **NET CASH (USED IN)/FROM FINANCING ACTIVITIES** | | (43,454) | (45,251) |
| **NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS** | | 385,425 | (3,913) |
| **CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR** | | 636,981 | 640,894 |
| **CASH AND CASH EQUIVALENTS AT END OF YEAR** | 23 | 1,022,406 | 636,981 |

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
(INCORPORATED) (THE)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

## 1. LEGAL STATUS AND PRINCIPAL ACCOUNTING POLICIES

The Company is a private company limited by guarantee and is an English registered social housing provider. Each member undertakes to contribute an amount not exceeding 1p in the event of the Association being wound up. There were 13 members during the year (2020:11 members)

The address of the Company's registered office and principal place of business is 7 East Street, Leicester, LE1 6EY.

The Company is a registered charity and a public benefit entity.

The principal activities are disclosed in the Members of the Board's Report.

The Company is incorporated under the Companies Act 2006, Charities Act 2011 and is a private Registered Provider of Social Housing (RP).

**Basis of Accounting**
These financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Housing SORP 2018 "Statement of Recommended Practice for Registered Housing Providers" and comply with the Accounting Direction for Private Registered Providers of Social Housing 2019, and under the historical cost convention, except that investments are held at fair value.

Monetary amounts in these financial statements are rounded to the nearest whole £1, except where otherwise indicated.

## 2. PRINCIPAL ACCOUNTING POLICIES

REDUCED DISCLOSURES
In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirement in the individual financial statements of Leicester Young Men's Christian Association.

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flows and related notes and disclosures.
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches; and details of hedges and hedging fair value changes recognised in income or expenditure and in other comprehensive income.
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the Company are included within these financial statements.

**Going Concern**
The Group and Company have prepared detailed budgets and cash flow forecasts for the period of a minimum of 12 months from the date of approval of these financial statements. To mitigate the impact of the COVID-19 crisis, the detailed budgets and cash flow forecasts have been subjected to a degree of sensitivity analysis for the same period. The commercial turnover accounts for circa. 8% of group turnover with minimum fixed cost re-allocation. It is assumed that the impact of COVID-19 on the main source of income for the Group and Company will be minimal. On that basis, the members of the Board are satisfied that it remains appropriate to prepare the financial statements on the going concern basis.

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
(INCORPORATED) (THE)

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2021

## 2. PRINCIPAL ACCOUNTING POLICIES (continued)

**Turnover**
Turnover represents rental income and service charges income receivable in the year net of rent and service charge losses from voids, Supporting People income, revenue grants from Local Authorities and Homes England, and other income.

**Supporting People**
Supporting People income and expenditure relating to services is accounted for on an accruals basis, matching income and expenditure, and disclosures are made in accordance with the relevant standards and legislation.

**Basis of Consolidation**
These financial statements include the financial statements of the Company and its subsidiary undertaking up to 31 March 2021. Under Section 408(3) of the Companies Act 2006 the Company is exempt from the requirements to present its own income and expenditure account.

The consolidated financial statements incorporate those of the Company and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). All financial statements are made up to 31 March 2021.

Investment in the subsidiary is stated at cost.

**Donations**
Donations received for the general purposes of the Company are included as unrestricted funds. Donations for activities restricted by the wishes of the donor are taken to 'restricted funds' where these wishes are legally binding on the Board.

**Restricted Reserves**
Restricted reserves are those reserves which are only expendable in accordance with the wishes of the funder or regulatory body. Expenditure cannot be directly set against restricted reserves, but is taken through the Income and Expenditure Account. A transfer from restricted reserves is then made as appropriate. By this method, expenditure, which meets the criteria, is charged to the fund, together with a fair allocation of management expenses.

**Designated Reserves**
Designated reserves are part of unrestricted reserves which have been earmarked by the Board for a particular purpose. Such designations may be reversed by future Board decisions. Expenditure cannot be directly set against designated reserves, but is taken through the Income and Expenditure Account. A transfer is then made from designated reserves as appropriate.

**Intangible assets**
Intangible assets are recognised when future economic benefits are probable and the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised to income or expenditure on a straight-line basis over their useful lives, as follows: -

| | |
|---|---|
| Website costs | - over 5 years |

## 2. PRINCIPAL ACCOUNTING POLICIES (continued)

Amortisation is revised prospectively for any significant change in useful life or residual value.

On disposal, the difference between the net disposal proceeds and the carrying amount of the intangible asset is recognised in income or expenditure.

**Fixed Assets and Depreciation**
Tangible fixed assets, are stated at cost, less accumulated depreciation. Depreciation is charged on a straight line basis over the expected economic useful lives of the assets at the following annual rates:

| | | |
|---|---|---|
| Freehold buildings (non-housing) | - | over 25 years |
| Furniture, fixtures and fittings, IT equipment | - | over 3 to 10 years (dependent on the expected economic life) |
| Leasehold improvements | - | over 25 years or the life of the lease if less |
| Motor vehicles | - | over 3 years |
| Lifts | - | over 25 years |

Major components of housing properties have been accounted for and depreciated separately from the connected housing property at the following rates:

| | | |
|---|---|---|
| Structure | - | over 10 to 25 years |
| Kitchens and Bathrooms | - | over 5 years |
| Electrical equipment | - | over 3 years |
| Lifts | - | over 25 years |

Freehold land is not depreciated.

The useful economic lives of all tangible fixed assets are reviewed annually.

Housing properties are principally properties available for rent and are stated at cost less and provision for any impairment (representing a diminution in the recoverable service potential of the asset below its carrying value in the balance sheet) less depreciation. Cost includes the cost of acquiring land and buildings, development costs and expenditure incurred in the respect of improvements.

Development costs of properties are capitalised to the extent that they are directly attributable to bringing the properties into working condition for their intended use. Directly attributable costs include the labour costs of own employees (including development staff, in-house architects and surveyors) arising directly from the construction or acquisition of the property, and the incremental costs that would have been avoided only if the property had not been constructed.

**Impairment**
An assessment is made at each reporting date of whether there are indications that a fixed asset (including housing properties) may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Group estimates the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets net of any associated Social Housing Grant and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use of the asset based on its service potential, are recognised as impairment losses in the Income and Expenditure Account.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in income and expenditure. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

## 2. PRINCIPAL ACCOUNTING POLICIES (continued)

**Investment Properties**
Investment properties (including properties held under an operating lease) consist of commercial properties and properties not held for social benefit. These properties are initially measured at cost and subsequently measured at fair value whilst a reliable measure of fair value is available without undue cost or effort. Changes in fair value are recognised in income and expenditure.

The Companies Act 2006 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principle set out in FRS 102. The Board considers that, because investment properties are not held for consumption, but for their investment potential, to depreciate them would not give a true and fair view.

If this departure from the Companies Act 2006 had not been made in order to give a true and fair view, the profit for the financial year would have been reduced by depreciation. However, the amount of depreciation cannot reasonably be quantified because depreciation is only one of many factors reflected in the annual valuation and the amount relating to the depreciation of the property cannot be separately identified.

**Investments and investment income**
Investments are carried at fair value. Changes in fair value are included in the Income and Expenditure Account.

Investment income is accounted for in the period in which the Group is entitled to receipt.

**Stocks**
Stocks are included at the lower of cost and net realisable value.

**Taxation**
The Association has charitable status and is registered with the Charity Commission and is therefore exempt from paying Corporation Tax on charitable activities.

**Value Added Tax**
Irrecoverable VAT which can be attributed to a capital item or expenditure is added to the cost of the capital item or expenses where practicable and material.

**Employee Benefits**
The costs of short-term employee benefits are recognised as a liability and an expense.

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**Government Grants**
Government grants include grants receivable from Homes England, local authorities and other government bodies.

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met, and the grants will be received.

Government grants received for housing properties are recognised in income over the useful economic life of the structure of the asset and, where applicable, the individual components of the structure (excluding land) under the accruals model.

Government grants relating to revenue are recognised as income over the periods when the related costs are incurred once reasonable assurance has been gained that the Company will comply with the conditions and the funds will be received.

## 2. PRINCIPAL ACCOUNTING POLICES *(continued)*

**Other Grants**
Grants received from non-government sources are recognised using the performance model. Grants are recognised as income when the associated performance conditions are met.

**Leased Assets**
Rentals payable under operating leases are charged to the Income and Expenditure Account on a straight line basis over the lease term.

**Pension Costs**
*Defined benefit plans*
The Company participated in a multi-employer defined benefit plan for employees of YMCAs in England, Scotland and Wales which was closed to new members and accruals on 30 April 2007. Due to insufficient information, the plan's actuary has advised that it is not possible to separately identify the assets and liabilities relating to Leicester Young Men's Christian Association.

As described in note 18 Leicester Young Men's Christian Association has a contractual obligation to make pension deficit payments of £46,648 pa over the period to April 2029, accordingly this is shown as a liability in these accounts. In addition, Leicester Young Men's Christian Association is required to contribute £11,040 pa to the operating expenses of the Pension Plan and these costs are charged to the Statement of Comprehensive Income as made.

*Defined contribution plans*
The Group also operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the Group. The annual contributions payable are charged to the Income and Expenditure Account. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

**Financial instruments**
The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument and are offset only when the Group currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

***Financial assets***
*Debtors*

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a debtor constitutes a financing transaction, the debtor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in income or expenditure for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in income or expenditure.

## 2. PRINCIPAL ACCOUNTING POLICES *(continued)*

***Financial liabilities***

*Creditors*

Creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

*Derecognition of financial assets and liabilities*

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

**Provisions**

Provisions are recognised when the Group has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably.

**Critical accounting estimates and areas of judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

*Critical accounting estimates and assumptions*

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

*Pension Deficit Liability*

In calculating the value of the contractual liability (detailed in Note 18), a discount rate of 3% has been applied to the payments due in future years in order to determine their present value.

*Expected Economic Useful Life of Fixed Assets*

The useful economic life of fixed assets (detailed in Note 11) is a key accounting estimate.

*Investment Properties*

The valuation of the investment properties (detailed in Note 12) is reviewed annually by the Board to assess whether a there is a diminution in the carrying value of the assets. The percentage of 'mixed use' properties deemed as 'investment property' was calculated based on size of area as per the completed valuation survey by Innes England.

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
(INCORPORATED) (THE)

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2021

## 3. GROUP TURNOVER AND OPERATING SURPLUS/(DEFICIT)

| Year to 31 March 2021 | Turnover £ | Operating costs £ | Operating surplus/ (deficit) £ |
|---|---|---|---|
| Social Housing | 2,228,900 | (1,937,110) | 291,790 |
| Non Social Housing activities | 1,445,704 | (1,637,868) | (192,164) |
| Total | 3,674,604 | (3,574,978) | 99,626 |

| Year to 31 March 2020 | Turnover £ | Operating costs £ | Operating surplus/ (deficit) £ |
|---|---|---|---|
| Social Housing | 2,068,486 | (1,879,225) | 189,261 |
| Non Social Housing activities | 1,532,855 | (1,641,639) | (108,784) |
| Total | 3,601,341 | (3,520,864) | 80,477 |

Non-social housing turnover includes amounts of £250,686 (2020: £0) received under the Governments Covid Job Retention Scheme and the business rates relief scheme.

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
(INCORPORATED) (THE)
NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2021

## 4. TURNOVER, COST OF SALES, OPERATING COSTS AND OPERATING SURPLUS

Particulars of Group income and expenditure from social housing lettings

| | General Housing 2021 £ | General Housing 2020 £ |
|---|---|---|
| TURNOVER FROM SOCIAL HOUSING LETTINGS | | |
| Rent receivable net of voids | 925,927 | 910,409 |
| Service charges receivable | 445,224 | 430,489 |
| NET RENTAL INCOME | 1,371,151 | 1,340,898 |
| Supporting people contract income | 428,630 | 408,219 |
| Other revenue grants | 170,379 | 59,984 |
| Grant amortisation | 258,740 | 259,385 |
| TURNOVER FROM SOCIAL HOUSING LETTINGS | 2,228,900 | 2,068,486 |
| EXPENDITURE ON SOCIAL HOUSING LETTINGS | | |
| Direct costs | 6,487 | 119 |
| Staffing | 1,023,851 | 984,929 |
| Administration | 175,053 | 163,050 |
| Depreciation and amortisation | 237,920 | 238,328 |
| Maintenance | 25,583 | 22,311 |
| Services | 43,829 | 46,427 |
| Service charge costs | 424,387 | 424,061 |
| OPERATING COSTS ON SOCIAL HOUSING LETTINGS | (1,937,110) | (1,879,225) |
| OPERATING SURPLUS ON SOCIAL HOUSING LETTINGS | 291,790 | 189,261 |
| Rent losses on voids | 41,862 | 56,534 |

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
(INCORPORATED) (THE)

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2021

## 5. OPERATING (DEFICIT)/SURPLUS

The operating surplus is stated after charging/(crediting):

| | Group 2021 £ | 2020 £ |
|---|---|---|
| Depreciation of housing properties | 296,857 | 296,874 |
| Depreciation of other tangible fixed assets | 58,688 | 55,851 |
| Amortisation of intangible fixed assets | 2,440 | 2,440 |
| Amortisation of grants | (258,740) | (259,385) |
| Auditor's remuneration (audit services) | 12,500 | 17,665 |
| Auditor's remuneration (non-audit work) | 1,000 | 1,150 |
| Operating lease rentals | 59,073 | 27,909 |
| Cost of stocks recognised as an expense | 98 | 32,375 |

**Expenditure on Supported Housing Letting Activities**

East Street 48 rooms (2020: 48 rooms).
Aylestone Centre 35 rooms (2020: 35 rooms)
20 Glenfield Road 5 rooms (2020: 5 rooms)
Franche Road 0 rooms (2020: 0 rooms)
39 Glenfield Road 5 rooms (2020: 5 rooms)
332 Aylestone Road 5 rooms (2020: 5 rooms)
17 Portland Road 5 rooms (2020: 5 rooms)

## 6. INTEREST RECEIVABLE AND SIMILAR INCOME

| | Group 2021 £ | 2020 £ |
|---|---|---|
| Interest on bank deposits | - | 248 |
| Income from listed investments | 12,199 | 14,921 |
| | 12,199 | 15,169 |

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
(INCORPORATED) (THE)

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2021

## 7. INTEREST PAYABLE AND SIMILAR CHARGES

| | Group 2021 £ | 2020 £ |
|---|---|---|
| YMCA pension notional finance charge (Note 18) | 9,234 | 10,246 |
| Interest on bank loan | 8,995 | 12,135 |
| | 18,229 | 22,381 |

## 8. DIRECTORS' EMOLUMENTS

The Directors are defined as the members of the Board, the Chief Executive and other senior executives. None of the members of the Board received any emoluments. Details of the Chief Executive's and other senior Executives' emoluments in respect of services to the Company are as follows:

| | 2021 £ | 2020 £ |
|---|---|---|
| Basic salary | 246,801 | 238,467 |
| Pension contributions | 12,790 | 12,827 |
| | 259,591 | 251,294 |

| | 2021 | 2020 |
|---|---|---|
| Number of Directors accruing benefits in the pension scheme | 4 | 4 |

Emoluments disclosed above include the following amounts paid to the highest paid director:

| | 2021 £ | 2020 £ |
|---|---|---|
| Emoluments for qualifying services | 107,260 | 107,385 |
| Pension contributions | 6,598 | 6,751 |

The Chief Executive is a member of the Company's pension scheme. He is an ordinary member of the pension scheme and no enhanced or special terms apply. The Company does not make any further contributions to an individual pension arrangement for the Chief Executive.

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
(INCORPORATED) (THE)

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2021

## 9. EMPLOYEE INFORMATION

| | 2021<br>No. | 2020<br>No. |
|---|---|---|
| Average number of persons (including part-time employees and the Chief Executive but excludes Casual Staff) employed during the year | 79 | 79 |
| Full time equivalent (40 hours per week) | 66 | 66 |

The Group also holds a bank of casual staff (sessional) who can be called on to cover short term unexpected absences. During the year the Group had 18 casual staff on its books (2020: 18).

| | 2021<br>£ | 2020<br>£ |
|---|---|---|
| **Staff costs (for the above persons)** | | |
| Wages and salaries | 1,898,856 | 1,760,241 |
| Social security costs | 155,031 | 144,005 |
| Other pension costs | 43,051 | 40,587 |
| | 2,096,938 | 1,944,833 |

There were two employees whose income exceeded £60,000 (2020: two) and one fell within the £100,001 - £110,000 bracket during the year (2020: one in the £90,001 - £100,000 bracket). The total compensation of employees who are considered to be the key management personnel of the Group was £288,703 (2020: £279,495).

There were no expenses reclaimed by Board members in 2021 or 2020.

## 10. INTANGIBLE FIXED ASSETS

| Group and Association | Website costs<br>£ |
|---|---|
| **Cost** | |
| At 1 April 2020 | 12,204 |
| Additions | - |
| At 31 March 2021 | 12,204 |
| **Amortisation** | |
| At 1 April 2020 | 7,320 |
| Charge for the year | 2,440 |
| At 31 March 2021 | 9,760 |
| **Net Book Value** | |
| At 31 March 2021 | 2,444 |
| At 31 March 2020 | 4,884 |

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
(INCORPORATED) (THE)

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2021

## 11. TANGIBLE FIXED ASSETS

| Group and Association | Social Housing Properties held for letting £ |
|---|---|
| **Cost** | |
| At 1 April 2020 | 7,462,444 |
| Properties acquired | - |
| Works to existing properties | 23,840 |
| Disposals – component write-off | - |
| At 31 March 2021 | 7,486,284 |
| **Depreciation** | |
| At 1 April 2020 | 3,570,602 |
| Charge for the year | 296,857 |
| Eliminated on disposals – component write-off | - |
| At 31 March 2021 | 3,867,459 |
| **Net Book Value** | |
| At 31 March 2021 | 3,618,825 |
| At 31 March 2020 | 3,891,842 |

In accordance with the accounting policy, included within Housing Properties (historical cost), the Group and Association have capitalised in the year £23,840 (2020: £14,122) of expenditure on works to existing properties. No capital expenditure has been included in the Income & Expenditure Account (2020: £nil).

| Depreciation charge for the year | 2021 £ | 2020 £ |
|---|---|---|
| Annual depreciation charge | 296,857 | 296,627 |
| Accelerated depreciation on component write off | - | 247 |
| | 296,857 | 296,874 |

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
(INCORPORATED) (THE)

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2021

11. TANGIBLE FIXED ASSETS *(continued)*

| Group | Freehold Land & Buildings £ | Furniture Fixtures & Fittings £ | Lift £ | TOTAL £ |
|---|---|---|---|---|
| **COST** | | | | |
| At 1 April 2020 | 918,914 | 507,939 | 299,936 | 1,726,789 |
| Additions | - | 48,223 | - | 48,223 |
| Disposals | - | - | - | - |
| At 31 March 2021 | 918,914 | 556,162 | 299,936 | 1,775,012 |
| **DEPRECIATION** | | | | |
| At 1 April 2020 | 751,481 | 359,755 | 279,207 | 1,390,443 |
| Charge for the year | 19,482 | 27,206 | 12,000 | 58,688 |
| Disposals | - | - | - | - |
| At 31 March 2021 | 770,963 | 386,961 | 291,207 | 1,449,131 |
| **NET BOOK VALUE** | | | | |
| At 31 March 2021 | 147,951 | 169,201 | 8,729 | 325,881 |
| At 31 March 2020 | 167,433 | 148,184 | 20,729 | 336,346 |

| Association | Freehold Land & Buildings £ | Furniture Fixtures & Fittings £ | Lift £ | TOTAL £ |
|---|---|---|---|---|
| **COST** | | | | |
| At 1 April 2020 | 918,914 | 495,825 | 299,936 | 1,714,675 |
| Additions | - | 34,223 | - | 34,223 |
| Disposals | - | - | - | - |
| At 31 March 2021 | 918,914 | 530,048 | 299,936 | 1,748,898 |
| **DEPRECIATION** | | | | |
| At 1 April 2020 | 751,481 | 349,459 | 279,207 | 1,380,147 |
| Charge for the year | 19,482 | 25,970 | 12,000 | 57,452 |
| Disposals | - | - | - | - |
| At 31 March 2021 | 770,963 | 375,429 | 291,207 | 1,437,599 |
| **NET BOOK VALUE** | | | | |
| At 31 March 2021 | 147,951 | 154,619 | 8,729 | 311,299 |
| At 31 March 2020 | 167,433 | 146,366 | 20,729 | 334,528 |

## 12. INVESTMENT PROPERTIES

| Group and Association | 2021<br>£ | 2020<br>£ |
|---|---|---|
| At 1 April | 1,305,672 | 1,305,672 |
| Increase in fair value | 264,328 | - |
| At 31 March | 1,570,000 | 1,305,672 |

Investment properties were valued as at 31 March 2021 by Innes England. The valuation of the group's properties was carried out in accordance with the Royal Institute of Chartered Surveyors ("RICS") Professional Standards UK January 2014 and with particular regard to Financial Reporting Standard 102 and the Social Housing Statement of Recommenced Practice. The increase in fair value of £264,328 for the investment properties as at 31 March 2021 was accepted by the Board of Trustees.

## 13. FIXED ASSET INVESTMENTS

**Association**

**Investment in subsidiary company**

The company owns the whole of the ordinary share capital (1 ordinary share of £1) of Y Leisure Limited. The company is incorporated in Great Britain and registered in England and Wales and has been established to carry on trading activities on the Association's behalf. Its registered office is set out on page 1.

Y Leisure Limited operates a bar for the use of patrons of the Association and members of the public. The company will gift aid any taxable profits to Leicester YMCA. A summary of its trading results is shown below:

| | 2021<br>£ | 2020<br>£ |
|---|---|---|
| **Profit and loss account** | | |
| Turnover | - | 63,601 |
| Cost of sales | (6,227) | (54,984) |
| Gross (loss)/profit | (6,227) | 8,617 |
| Administrative expenses | (5,102) | (7,865) |
| Profit/(Loss) on ordinary activities before and after tax and retained | (11,329) | 752 |
| **Capital and reserves** | (33,677) | (22,348) |

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION (INCORPORATED) (THE)

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2021

## 13. FIXED ASSET INVESTMENTS (continued)

| | 2021 £ | 2020 £ |
|---|---|---|
| **Group and Association** | | |
| **Other investments – listed at fair value** | | |
| At 1 April | 382,278 | 446,722 |
| Additions | 101,305 | 53,645 |
| Disposals | (107,879) | (61,123) |
| Realised gain on disposal | 7,700 | 1,625 |
| Unrealised gain/(deficit) | 60,861 | (58,591) |
| At 31 March | 444,265 | 382,278 |
| Historical cost | 377,216 | 382,092 |

## 14. STOCKS

| | Group | | Association | |
|---|---|---|---|---|
| | 2021 £ | 2020 £ | 2021 £ | 2020 £ |
| Goods for resale | 1,050 | 1,663 | - | - |

## 15. DEBTORS

| | Group | | Association | |
|---|---|---|---|---|
| | 2021 £ | 2020 £ | 2021 £ | 2020 £ |
| Housing debtors | 98,438 | 86,421 | 98,438 | 86,421 |
| Other trade debtors | 23,369 | 83,805 | 23,369 | 83,805 |
| Bad debt provision | (18,940) | (17,050) | (18,940) | (17,050) |
| Amount owed from subsidiary company | - | - | 60,055 | 36,139 |
| Other debtors | 350 | 2,264 | 350 | 1,508 |
| Prepayments & accrued income | 41,757 | 132,409 | 41,757 | 132,409 |
| | 144,974 | 287,849 | 205,029 | 323,232 |

Amounts written off housing debtors in the year amounted to £25,269 (2020: £3,732).

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION (INCORPORATED) (THE)

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2021

## 16. CREDITORS Amounts falling due within one year

| | Group | | Association | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Trade creditors | 325,690 | 151,576 | 325,690 | 150,418 |
| Bank loan | 30,930 | 31,861 | 30,930 | 31,861 |
| Taxation & Social Security | 40,316 | 39,288 | 43,220 | 37,453 |
| Accruals | 70,903 | 95,907 | 70,903 | 95,907 |
| Deferred income | 195,305 | 253,752 | 195,305 | 253,752 |
| Other creditors | 6,808 | 6,630 | 5,662 | 5,485 |
| Deferred capital grant (see note 17) | 257,824 | 259,092 | 257,824 | 259,092 |
| | 927,776 | 838,106 | 929,534 | 833,968 |

## 17. CREDITORS Amounts falling due after one year

| | Group | | Association | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Bank loan | 322,037 | 352,904 | 322,037 | 352,904 |
| Deferred capital grant | 2,354,022 | 2,611,493 | 2,354,022 | 2,611,493 |
| | 2,676,059 | 2,964,397 | 2,676,059 | 2,964,397 |

The bank loan is secured by a legal charge over 7 East Street Leicester, LE1 6EY.

| Deferred capital grant | Group and Association | |
|---|---|---|
| | 2021 | 2020 |
| | £ | £ |
| As at 1 April | 2,870,586 | 3,129,970 |
| Amortisation | (258,740) | (259,385) |
| As at 31 March | 2,611,846 | 2,870,585 |
| Less: due in less than one year | (257,824) | (259,092) |
| Due after more than one year | 2,354,022 | 2,611,493 |

| Bank Loan | Group and Association | |
|---|---|---|
| | 2021 | 2020 |
| | £ | £ |
| Amounts falling due by instalments after more than five years | 179,810 | 218,900 |

Repayment terms being monthly over a 15-year term at an interest rate of 2.48% p.a (2020: 1.90%). Loan terms to be reviewed after 10 years in February 2026.

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION (INCORPORATED) (THE)

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2021

## 18. PENSION PROVISION

**Group and Association**

| | YMCA Pension 2021 £ | 2020 £ |
|---|---|---|
| 1 April | 307,794 | 341,519 |
| Paid in the year | (45,290) | (43,971) |
| Unwinding of discount (Note 7) | 9,234 | 10,246 |
| Change in funding deficit arrangements | 90,579 | - |
| 31 March | 362,317 | 307,794 |

Leicester Young Men's Christian Association 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 Leicester Young Men's Christian Association and at the year-end these were invested in the Mercer Dynamic De-risking Solution, 40% matching portfolio and 60% in the growth portfolio and Schroder (property units only).

The most recent completed three year valuation was as at 1 May 2020. The assumptions used which have the most significant effect on the results of the valuation are those relating to the assumed rates of return on assets held before and after retirement of 2.59% and 1.09% respectively, the increase in pensions in payment of 2.99% (for RPI capped at 5% p.a.), and the average life expectancy from normal retirement age (of 65) for a current male pensioner of 22.0 years, female 24.4 years, and 23.7 years for a male pensioner, female 26.1 years, retiring in 20 years' time. The result of the valuation showed that the actuarial value of the assets was £146.1m, 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 showed that the YMCA Pension Plan had a deficit of £36 million. The Association has been advised that it will need to make monthly contributions of £3,887 from 1 May 2021. This amount is based on the current actuarial assumptions (as outlined above) and may vary in the future as a result of actual performance of the Pension Plan. The current recovery period is 8 years commencing 1st May 2021.

| | Repayable Within one year £ | One to two years £ | Two to five years £ | After five years £ | After more than one year £ | Total £ |
|---|---|---|---|---|---|---|
| As at 31 March 2021 | 45,290 | 45,290 | 135,868 | 135,869 | 317,027 | 362,317 |
| 31 March 2020 | 43,971 | 43,971 | 131,911 | 87,941 | 263,823 | 307,794 |

In addition, Leicester Young Men's Christian Association may have over time liabilities in the event of the non-payment by other participating YMCAs of their share of the YMCA Pension Plan's deficit. It is not possible currently to quantify the potential amount that Leicester Young Men's Christian Association may be called upon to pay in the future.

LEICESTER YOUNG MEN'S CHRISTIAN ASSOCIATION
(INCORPORATED) (THE)

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2021

19. **RESERVES: movements in the year**

| Group | At 1 April 2020 £ | Income £ | Expenditure £ | Transfers £ | At 31 March 2021 £ |
|---|---|---|---|---|---|
| **Unrestricted funds:** | | | | | |
| General reserve | 2,531,599 | 3,053,823 | (2,752,986) | (198,912) | 2,633,524 |
| Non-charitable reserve | (22,347) | - | (11,329) | - | (33,676) |
| **Other reserves** | | | | | |
| Fair value | 111,534 | 332,889 | - | - | 444,423 |
| **Designated reserves** | | | | | |
| New opportunities fund | 4,385 | - | - | - | 4,385 |
| Property repair & replacement | 98,000 | - | (80,718) | 63,718 | 81,000 |
| Fixed assets | 10,000 | - | (58,063) | 78,063 | 30,000 |
| **Total unrestricted funds** | 2,733,171 | 3,386,712 | (2,903,096) | (57,131) | 3,159,656 |
| **Restricted funds:** | | | | | |
| Y – Support Project | - | 108,603 | (101,484) | (7,119) | - |
| Y – Support (Ralph Hale) | 314 | - | - | - | 314 |
| Cold Weather Cafe | 2,238 | - | - | - | 2,238 |
| NOF (sports equipment) | 1,485 | - | - | - | 1,485 |
| Heritage Lottery | - | 166,776 | (152,223) | (14,553) | - |
| Arts Council – Cultural Relief Fund | - | 104,007 | (80,795) | (23,212) | - |
| Henry Smith – Complex Needs | - | 10,826 | (10,826) | - | - |
| Paul Hamlyn Foundation | - | 21,745 | (21,200) | (545) | - |
| Leicestershire OPCC | - | 6,345 | (6,345) | - | - |
| DCS – BBC Children in Need | - | 23,493 | (23,493) | - | - |
| Safe & Sound – Homeless Link | | 38,321 | (37,241) | (1,080) | - |
| Big Lottery Regional Complex Needs | - | 152,864 | (256,504) | 103,640 | - |
| **Total restricted funds** | 4,037 | 632,980 | (690,111) | 57,131 | 4,037 |
| **TOTAL FUNDS** | 2,737,208 | 4,019,692 | (3,593,207) | - | 3,163,693 |

## 19. RESERVES: movements in the year *(continued)*

### Transfers

The transfer from restricted funds amounting to £57,131 to non-housing activities general reserve is to reflect a notional rental charge for the use of premises for the activities support by these restricted funds.

The Board members have reviewed the designated funds at the year-end which are separate to general reserves of the Group within the unrestricted funds. Accordingly, the appropriate transfers have been made to represent the decision made with respect to designated funds.

Restricted reserves relate to monies received, only to be expensed against the specific project that the monies were intended for. Below is a brief description of each restricted reserve;

- Y-Support Project – Local Authority grant for a day centre drop-in service for vulnerable and street homeless people. The Ralph Hale reserve was a donation to the project for equipment. The Cold Weather Café donation is for the provision of hot meals during the winter months.
- The New Opportunities Foundation (NOF) grant was used for the sports hall lighting which is now classed as investment property.
- Heritage Lottery – Grant funding for a 3 year project to engage vulnerable and disadvantaged young people to the arts and heritage sector.
- Arts Council (Cultural Relief Fund) – COVID relief grant to ensure that the theatre can re-open post national lockdown.
- Henry Smith – This grant funded the position of a Complex Needs support worker to work with the young residents.
- Paul Hamlyn Foundation – to develop a 'Youth Panel' to engage with the regional 'Shine' project.
- Leicestershire OPCC – to develop and research an educational scheme to combat knife crime and gang violence.
- DCS (BBC Children in Need) - Grant funding for a project to help disabled young people develop independent living skills.
- Safe & Sound (Homeless Link) – a pilot project offering accommodation and additional services to highly complex and vulnerable young females.
- Big Lottery (Regional Complex Needs) - Grant funding for a regional project (Shine) involving 6 other YMCAs to support the needs of highly complex residents.

## 20. CAPITAL COMMITMENTS

Capital expenditure approved by the Board of Directors amounted to:

| | Group | | Association | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Contracted | 10,000 | - | 10,000 | - |

## 21. COMMITMENTS UNDER OPERATING LEASES

The operating leases include a car for the Children's Home, Laundry equipment for the Aylestone site and new photocopying and printing equipment across the multi-sited organisation.
At 31 March 2021 the total future commitments under non-cancellable operating leases were as follows:

**Group and Association**

| | Other | |
|---|---|---|
| | **2021** | **2020** |
| | **£** | **£** |
| Within one year | 77,693 | 46,514 |
| Within 2 to 5 years | 276,672 | 160,265 |
| | 354,365 | 206,779 |

## 22. RECONCILIATION OF SURPLUS AFTER TAX TO NET CASH GENERATED FROM OPERATIONS

| | **2021** | **2020** |
|---|---|---|
| | **£** | **£** |
| Surplus for the year | 426,485 | 16,299 |
| Adjustments for: | | |
| Depreciation of tangible fixed assets | 355,545 | 352,478 |
| Amortisation of intangible fixed assets | 2,440 | 2,440 |
| Grant amortisation | (258,740) | (259,385) |
| Interest and dividends receivable | (12,199) | (15,169) |
| Interest payable | 18,229 | 22,381 |
| Accelerated depreciation | - | 247 |
| Fair value (gain)/deficit on investments | (68,561) | 56,966 |
| Fair value (gain)/deficit on investment properties | (264,328) | - |
| Operating cash flow before movements in working capital | 198,871 | 176,267 |
| Decrease in stocks | 603 | 3,629 |
| Decrease/(increase) in debtors | 142,875 | (213,050) |
| Increase in creditors | 91,871 | 41,130 |
| Increase/(decrease) in provisions | 54,523 | (33,725) |
| **Cash generated from operations** | 488,743 | (25,759) |

## 23. CASH AND CASH EQUIVALENTS

| | Group | | Association | |
|---|---|---|---|---|
| | **2021** | **2020** | **2021** | **2020** |
| | **£** | **£** | **£** | **£** |
| Cash and cash equivalents represent: | | | | |
| Cash at bank | 1,022,406 | 636,981 | 1,013,416 | 623,277 |

## 24. ANALYSIS OF CHANGES IN NET DEBT

| | At 1 April 2020 £ | Cash flows £ | Other non-cash changes £ | At 31 March 2021 £ |
|---|---|---|---|---|
| **Cash and cash equivalents** | | | | |
| Cash | 636,981 | 385,425 | - | 1,022,406 |
| | 636,981 | 385,425 | - | 1,022,406 |
| **Borrowings** | | | | |
| Bank loan | | | | |
| Debt due within 1 year | (31,861) | 931 | - | (30,930) |
| Debt due after 1 year | (352,904) | 30,867 | - | (322,037) |
| | (384,765) | 31,798 | - | (352,967) |
| **Total** | 252,216 | 417,223 | - | 669,439 |

## 25. RELATED PARTY TRANSACTIONS

None noted.

Forrester Boyd
Chartered Accountants




# Audit Report Encompassing the Management Letter, Systems Findings and Other Audit Matters

**Prepared by:** C Jensen

**Carrie Jensen ACA**
**(Senior Statutory Auditor)**
**Of Forrester Boyd**

Forrester Boyd
Chartered Accountants

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# 1. Audit introduction and general comments

The audit was completed successfully and without any problems.

We found your team helpful and not evasive in any way, which allowed us to obtain information freely and easily.

It is also worth noting that our audit work is only conducted on a sample basis, so is unable to guarantee that all errors are found. As it is completed on a test basis, you may feel that certain areas, such as review of specific controls, especially in connection with wages, tax and VAT obtain a further review.

# 2. Key audit areas

| Key Audit Areas | Our Approach |
|---|---|
| Income recognition | Review the controls over how rent income is received and entered into the accounting system.<br><br>Agree material amounts of contract and grant income to source documentation<br><br>Agree dividend income to investment manager reports. |
| Completeness and accuracy of payroll | As payroll is a key cost in the accounts a proof in total will be completed, agreeing the wages per the payroll provider back to the accounts. We will also test controls surrounding authorisation of payroll and ensure deductions surrounding PAYE and NI are made correctly.<br><br>We also agree salaries of individuals to HR records to ensure they are being paid at the correct rates. |
| Investments | As investments are the largest balance sheet item, this figure will be agreed to Brewin Dolphin reports. |
| Statement of Financial Activities and fund allocations | We will review the major classification of income and expenditure to confirm they are consistent with expectations and to consider whether explanations are reasonable.<br><br>We will review the allocation of funds in the statement of financial activities and ensure that this appears appropriate and in line with our expectations. |

# 3. Overview of the year

## Income

| | 2021<br>£ | 2020<br>£ |
|---|---|---|
| Turnover | 3,674,604 | 3,601,341 |

Total income excluding investments has increased in the year by 2%.

Income from Social Housing Lettings

| | 2021<br>£ | 2020<br>£ |
|---|---|---|
| Rent receivable net of voids | 925,927 | 910,409 |
| Service charges receivable | 445,224 | 430,489 |
| Supporting People grant | 428,630 | 408,219 |
| Other revenue grants | 170,379 | 59,984 |
| Grant amortisation | 258,740 | 259,385 |
| | 2,228,900 | 2,068,486 |

Housing income has increased slightly this year owing largely to the increase in the rate available per room but also increased occupancy rates during Covid-19. These income steams have been proven in total, by reviewing contracts, and by matching rent charges against occupancy rates.

The above rent receivables does not include income for Y Home, which can be seen in non-social housing activities below

The average occupancy rates across all of the social housing sites during the year were around 97%.

Income from Non Social Housing Activities:

| | 2021<br>£ | 2020<br>£ |
|---|---|---|
| Y Home income | 476,159 | 348,256 |
| Donations and fundraising | 103,703 | 64,438 |
| Project and grant income | 534,351 | 608,154 |
| Leicester City FC pitch hire | 55,313 | 55,313 |
| Other rental income | 79,228 | 116,655 |
| Theatre programme income | 952 | 104,369 |
| Big issue | 79 | 44,424 |
| Other income | 195,919 | 37,091 |
| Y Leisure | - | 63,601 |
| Investment return | - | 90,554 |
| | 1,445,704 | 1,532,855 |

Y Home income has increased this year due to young people staying with the organisation for longer during Covid-19.

The biggest contribution to the increase in donations relates to £25k received from a former trustees estate. £6.5k has also been received from the High Cross Centre. The remaining increase can be attributed to the organisation adapting during Covid-19 and holding electronic campaigns.

Project and grant income has decreased this year due to £103k relating to the Big Lottery grant having to be derecognised as this had previously been over allocated during the life of the grant. Despite Covid the organisation has continued to be able to deliver it's services.

Leicester City FC pitch hire has been received in line with rental agreements.

Shop rental income is as expected with 171 Granby Street having no tenant and 167 Granby Street only being occupied for 9 months in the year. Other hire income has fallen due to the pandemic.

Theatre programme income has significantly reduced due to the theatre not opening because of the Covid-19 pandemic.

Big issue income has significantly reduced due to sellers not being able to purchase the magazines from the organisation reception area because of social distancing measures.

Other income increases relate to CJRS claims and Arts Council Cultural Relief funding.

Y Leisure Ltd has been unable to trade this year and has therefore not generated any income.

The investment return relates to the dissolution of the joint venture in July 2019.

## Expenditure

Wages costs this year have increased by 7.8% to £2,096,938 (2020: £1,944,833), which makes up 59% (2020: 55%) of all expenditure. Average pay per FTE has risen by 7.87% to £28,771 (2020: 26,670) which can be attributed to the amount of additional hours which have had to be worked by contracted and sessional staff to cover isolating staff.

A proof in total between the accounts and the payroll records has been completed, and no issues were raised.

The other expenditure is much smaller in nature. Detailed below is the expenditure over £25k and those with movement which we feel is worthy of note:

| | 2021<br>£ | 2020<br>£ |
|---|---|---|
| Repairs and maintenance | 101,800 | 128,165 |
| Theatre programme expenditure | 6,364 | 51,409 |
| Heating & lighting | 64,683 | 72,337 |
| IT costs | 47,793 | 41,970 |
| Stationary | 51,834 | 37,687 |
| Legal & professional | 35,034 | 33,402 |
| Project costs | 526,324 | 451,153 |

Looking at the major movements we can make the following comments:

- Repairs and maintenance have fallen due to clients staying with the organisation longer than they normally would due to the ongoing pandemic. This has meant the maintenance team have been unable to gain access to client rooms and carry out any needed works.
- Theatre programme expenditure has fallen in line with income. This again relates to the Covid-19 pandemic with costs reducing due to the theatre not being able to open.

- Heating and lighting can vary each year dependant on the client usage. It is also worth noting that East Street has a combined power and heat unit which recycles heat to generate electricity. These units do however break down quite often and it is not always feasible to have them immediately repaired. The last repair took place at the start of 2020/21 and therefore savings were made during the first part of the year. As the theatre has also not been operating, savings have been made from the lighting note being used.
- IT costs have remained fairly consistent and mainly relate to the support service received. There has been a slight inflationary rise but also additional costs have been incurred in order for the organisation to run digital campaigns.
- Stationary cost increased can be attributed to higher photocopying usage during the pandemic and higher costs per copy. It is hoped that the price per print can be renegotiated in 2022.
- Legal and professional fees have remained consistent this year and include one off works for an asbestos survey at circa £5k, a survey on the theatre at circa £5k and a £6k share of the VAT tribunal legal costs.
- Despite Covid-19 it is pleasing to see the organisation has been adaptive and still been able to carry out projects to its service users.

## Balance Sheet

**Intangible fixed assets (note 10)** £2,444 (2020: £4,884)

The intangible fixed assets relate to capitalised website costs which are being amortised over 5 years.

**Tangible fixed assets (note 11)** £3,944,706 (2020: £4,228,188)

The main reason for the decrease in fixed assets is due to depreciation outweighing the additions. Additions in the year include further remodelling and fixtures for the social housing properties totalling £24k, Wifi hardware and installation costing £17k, a lighting desk of £6k, ticket scanners totalling £3k and an Ipad sign in application costing £2k.

**Investment properties (note 12)** £1,570,000 (2020: £1,305,672)

Investment properties have been revalued in the year by Innes England which has resulted in an increase in fair value of £264,328.

**Investments (note 13)** £444,265 (2020: £382,278)

There has been a increase in investments due to a gain in market value at the year-end of £69k. This is mainly due to securities recovering following the global Covid-19 pandemic, which occurred in tandem with the 2020 year-end.

**Stock (note 14)** £1,050 (2020: £1,653)

Stock relates to the theatre bar stock held at the year end. The valuation is in line with expectations as the bar had not operated throughout 2020/21.

**Debtors (note 15)** £144,974 (2020: £287,849)

Debtors are made up of trade debtors and prepaid expenditure. The main reason for the decrease relates to prepaid expenditure reducing by £90k. Of this movement £65k relates to photocopying costs. Debtors due from commercial customers have also reduced by £61k which is in line with expectations as hire facilities and the theatre have not been fully operational during the year due to Covid-19.

**Cash at bank and in hand (note 23)** £1,022,406 (2020: £636,981)

Cash funds have grown with the surplus generated, however this can fluctuate depending on the working capital position. As noted below amounts owed to suppliers are £175k higher this year, which has increased the cash position further.

**Creditors due within one year (note 16)** £927,776 (2020: £838,106)

Creditors due in one year include trade creditors, accrued costs, the tax owed in relation to your payroll and other creditors. These figures have been confirmed to back up information and do not indicate there are any material errors. The increase mainly relates to a £175k rise in amounts owed to suppliers at the year end. This can fluctuate each year depending on what works are being carried out around the year-end.

We have also completed cut off work to ensure that all creditors are included in the accounts and no material problems have been encountered.

**Creditors due over one year (note 17)** £2,676,059 (2020: £2,964,397)

This balance relates to the bank loan of £322k and deferred capital grants. Amounts are released equally over the life of the assets to which the capital grants relate.

**Pension liability (note 18)** £362,317 (2020: £307,794)

This balance represents the amount due in relation to pension deficit payments for the YMCA multi-employer defined benefit scheme.

# 4. Formal matters to be reported

In accordance with our normal practice we are writing to draw your attention to various matters which arose during the course of our audit of the charity accounts for the period ended 31st March 2021.

### a) *Expected modifications to the auditors' report*

There are no expected modifications to the auditors' report.

### b) *Unadjusted misstatements*

A schedule is included at section 8 of all the unadjusted misstatements determined during the course of our audit, except for those considered to be clearly trifling. As confirmed in your letter of representation to us, you believe that these adjustments are not material and therefore no amendments to the financial statements are required.

You have confirmed in the Letter of Representation that any amounts below £2,000 are trivial and do not need reporting to you.

### c) *Material weaknesses in the accounting and internal control systems*

As you are aware from our letter of engagement, our audit procedures were directed towards testing the accounting systems in operation upon which we have based our assessment of the accounts.

Section 6 of this report includes specific audit points and also contains details of actual and potential weaknesses identified during the course of our audit and our recommendations for improvements. It is not meant to be a full and accurate reflection of all weaknesses that may be present in your system.

In making our recommendations, we have considered the size of the charity and the number of staff you employ. We shall be glad if you will let us know what steps have been taken in connection with the above.

### d) *Qualitative aspects of the entity's accounting practices and financial reporting*

We have no comments to make concerning the qualitative aspects of the charity’s accounting practices and financial reporting.

### *e) Identification of Fraud*

We are pleased to report that our audit has not found any instances of fraud.

### *f) Compliance with key laws and regulations*

Our audit is required to consider and assess the charity's compliance with central laws and regulations, and consider the existence of breaches that could lead to a fundamental event, such as excessive fines that have a material impact on the financial statements, that threaten the going concern status of the entity, or legislation that could lead to the forced closure of operations.

Our work has not identified any instances of material breach, and the charity appears to have devoted sufficient resources, experience, skills and training to all key regulatory aspects of its affairs.

We are happy to offer any assistance necessary to ensure that this is the case.

### g) Other information connected with the financial statements

Auditors are required to read any other information issued with audited financial statements, such as an annual review, web site announcement or trustees' report, and determine if such reports are materially consistent with the financial statements or our knowledge obtained in the audit, or otherwise appear to be materially misstated.

You have chosen to make limited public comment on the financial statements, other than by way of the trustees' report and strategic report. We are pleased to report that the trustees' reports and strategic report is consistent with the financial statements.

### h) Other matters required by Auditing Standards to be communicated

There are no other formal matters to be reported to you and the other details included within the report are above and beyond our requirements to report.

### i) Other relevant matters relating to the audit

There are no other matters which we wish to draw to your attention.

# 5. Specific audit and control points

Following our recent audit visit, we have set out below the key observations of a systems and internal control nature that have arisen from the audit work undertaken.

The points are raised to assist the management team in strengthening and formalising the internal control environment, something which is essential and often overlooked in a small charity environment.

These issues raised are not intended as, nor should they be construed as, criticism of management or individual persons. They are intended to be of assistance in establishing an appropriate system of internal control.

Our audit focuses only on those aspects of internal control that are material to the production of accurate financial statements and safeguarding assets of the charity, and therefore is not exhaustive.

We only give consideration to peripheral areas if they directly support other systems of internal control or provide compensating controls to an area with potential weaknesses.

Where matters of efficiency come to our attention, we shall of course report these to you. However, the audit should not be relied upon to identify all matters of duplication or inefficiency in the allocation of responsibilities or the processing of transactions.

As for specific items identified on the audit, they are presented in the following grid.

Please also consider the key which assists in assessing the significance of any issue.

**Key**


Key concern - Action required immediately.


Moderate concern - Action believed to be required.


Minor concern - Action believed to be required, but not considered a significant issue.


No concern - Action not required but the suggested improvement should be considered.

| Points noted | Suggested improvement | Benefit of control | Action and comments by the charity, including timescale for action |
|---|---|---|---|
| There is currently no formal purchase order system in place. | We suggest purchase orders are raised and authorised prior to expenditure being committed to. These can then be matched off to invoices on receipt. | This will help reduce the risk of unauthorised expenditure and provide an audit trail of goods which were originally ordered and what has actually been received. | Duly noted. A 100% implementation of a purchase order authorisation system is not deemed practical or time efficient. Although it is recognised that a degree of implementation would be beneficial to reduce the risk of unauthorised expenditure. Management will review the required process by Dec. 2021. |

## Summary and conclusion

It is pleasing to report that our audit work has not identified any fundamental weaknesses in internal control systems, nor have we found any evidence of fraud.

We shall be pleased to discuss or advise on any of the above matters as required.

# 6. Surplus reconciliation and adjustments made

We have not been required to make any adjustments to the financial statements.

# 7. Unadjusted misstatements

Detailed below are the non-trivial misstatements found during the audit.

| | Impact on Surplus £ | Impact on Balance sheet £ |
|---|---|---|
| **Potential audit adjustments from 2020** | | |
| Recognition of DCS grant | (7,910) | |
| Estimated holiday pay accrual | 25,000 | |
| Purchase testing misstatement | 5,494 | |
| **Potential audit adjustments for 2021** | | |
| Overstated rental income | (11,620) | (11,620) |
| Overstated audit accrual | 22,542 | 22,542 |
| Estimated holiday pay accrual | (68,268) | (68,268) |
| Net unadjusted misstatements | (34,762) | (57,346) |

You have confirmed in your letter of representation to us that:

a) £2,000 is deemed to be trivial and any adjustment under this amount does not need to be reported on
b) The above items do not require adjustment, as they are individually and in total not material.