

WORCESTERSHIRE YMCA LIMITED

England & Wales · Charity number 516872

Details

Other names	REDDITCH YOUNG MEN'S CHRISTIAN ASSOCIATION LIMITED, REDDITCH Y M C A
Status	Registered
Legal form	Charitable company
Company number	01944516
Registered	1985-10-16
Register	View on the Charity Commission register

Contact

Address Worcestershire Y M C A Ltd
Gordon Anstis House
Loxley Close
Redditch
B98 9JS

Phone 01527 61643

Email enquiries@ymcaworcestershire.org.uk

Website ymcaworcestershire.org.uk

Activities

Objects: THE OBJECTS FOR WHICH THE ASSOCIATION IS ESTABLISHED ARE (I) TO UNITE THOSE WHO, REGARDING JESUS CHRIST AS THEIR GOD AND SAVIOUR ACCORDING TO THE HOLY SCRIPTURES, DESIRE TO BE HIS DISCIPLES IN THEIR FAITH AND IN THEIR LIFE, AND TO ASSOCIATE THEIR EFFORTS FOR THE EXTENSION OF HIS KINGDOM. (II) TO LEAD YOUNG PEOPLE TO THE LORD JESUS CHRIST AND TO FULLNESS OF LIFE IN HIM. (III) TO PROVIDE OR ASSIST IN THE PROVISION IN THE INTERESTS OF SOCIAL WELFARE OF FACILITIES FOR RECREATION AND OTHER LEISURE TIME OCCUPATION FOR MEN AND WOMEN WITH THE OBJECT OF IMPROVING THEIR CONDITIONS OF LIFE.

Activities: Working from our own accommodation units, community centres, schools and prison, we provide a preschool nursery, management of children's centres, play workers in prison, schools work, youth work including the support of young people towards independent living, 'move on' accommodation and support for vulnerable adults.

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** General Charitable Purposes, Education/training, The Advancement Of Health Or Saving Of Lives, The Prevention Or Relief Of Poverty, Accommodation/housing, Religious Activities, Arts/culture/heritage/science, Amateur Sport, Economic/community Development/employment
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- Worcestershire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£4,560,794	£4,853,189	£2,954,660	130
2024-03-31	£3,945,451	£4,577,301	£3,354,805	128
2023-03-31	£4,548,341	£4,520,917	£4,528,299	140
2022-03-31	£4,161,694	£4,198,496	£4,298,637	143
2021-03-31	£4,436,322	£4,282,629	£4,335,439	143

Trustees

Name	Role	Appointed
Lindsay Sartori	Chair	2021-12-10
Harvinder Khatkar		2025-03-17
Melanie Braden		2023-07-17
Philip Norman Smiglarski		2024-03-18
Rev Gail Rogers		2023-07-17
Rev Michael Sermon		2023-11-20
Robert John Pearce		2024-12-09

WORCESTERSHIRE YMCA LIMITED

England & Wales - Charity number 516872

Accounts

Regulator of Social Housing registration number: LH3687
Company no. 01944516
Charity no. 516872

Worcestershire YMCA Limited
Report and Consolidated Audited
Financial Statements
31 March 2025

Worcestershire YMCA Limited

Reference and administrative details

For the year ended 31 March 2025

Regulator of Social Housing registration number	LH3687
Company number	01944516
Charity number	516872
Registered office and operational address	Gordon Anstis House Loxley Close Redditch B98 9JS
Board Members	Members of the Board are directors of the association and charitable company for the purposes of company law and trustees of the charity for the purposes of charity law. Lindsay Sartori Chair Melanie Braden Emma Cartwright Harvinder Khatkar Appointed 17 March 2025 Robert Pearce Appointed 9 December 2024 Rev Gail Rogers Rev Michael Sermon Philip Smiglarski
Company secretary	Dr Annette Daly
Senior management team	Dr Annette Daly Chief Executive Officer Corin Fletcher Head of Housing and Support Dominique Needles Head of HR Mick York Head of Operations (to include oversight of Finance function) (from 1 February 2025) – previously Head of Business Development Richard Deane Head of Finance (resigned 31 January 2025)
Bankers	Unity Trust Bank plc Nine Bridley Place Birmingham B1 2HB
Solicitors	MFG Solicitors LLP Adam House Birmingham Road Kidderminster Worcestershire DY10 2SH

Worcestershire YMCA Limited

Reference and administrative details

For the year ended 31 March 2025

Auditors

Godfrey Wilson Limited
Chartered accountants and statutory auditors
5th Floor Mariner House
62 Prince Street
Bristol
BS1 4QD

Worcestershire YMCA Limited

Board report

For the year ended 31 March 2025

The Board is pleased to present its report (incorporating the strategic report) and audited financial statements for the year ended 31 March 2025.

Constitution

The Association is a charitable company registered under section 2 of the Housing Act 1996 (number LH3687) and continues to be a registered charity. The Association is established as a registered social landlord with no share capital. The Association is a charitable company limited by guarantee with members required to contribute up to a maximum of £1 each, should there be a deficiency on winding up. The Association is governed by its Articles of Association. The terms Charity and Association are to be used interchangeably within this report.

Structure, governance and management

Organisational structure

Our Affiliation: The Association is part of the global YMCA movement, affiliated with the National Council of YMCAs in England and Wales, and through them, the World Council of YMCAs. We pay an affiliation fee to the National Council but receive no funds from either body.

Our Group Structure: The Association is the sole member and parent charity of Worcester YMCA, a charitable company limited by guarantee. As such, our maximum liability upon its winding up is £1. Worcester YMCA, which is not regulated by the Regulator of Social Housing (RSH), is the parent charity for two wholly-owned trading subsidiaries: First Class Nursery (Kidderminster) Limited and Little Treasures Limited.

Board Governance: The Association is governed by its volunteer Board of Trustee Directors. This Board oversees strategy and policy, approves annual budgets and accounts, and works in conjunction with senior executive staff who recommend strategy, policy, and manage operations. The Board holds four formal meetings annually for business review and strategic discussions, with additional meetings as needed. New Board members receive comprehensive induction, including Charity Commission guidance. Board attendance, interests, and skills are monitored and reviewed annually. We adhere to adopted Codes of Governance and Conduct and benefit from the YMCA movement's support, development, and benchmarking information.

The Board's role is to oversee, endorse, or challenge short and medium-term strategies proposed by senior executive staff. Our aim is to safeguard the Association's long-term interests and ensure its ethos and values are consistently maintained.

Operational Management: Day-to-day operations are managed by the senior management team, comprising the Chief Executive, Head of Housing and Support, Head of Operations, and Head of HR. This team attends Board meetings. Senior management salaries are set by the Board, considering benchmark information from the not-for-profit sector and the YMCA movement.

We ensure that those benefiting from our activities and key stakeholders are involved in the design, monitoring, and evaluation of our services. Clear access to both senior management and Board members is an integral part of our engagement process.

Worcestershire YMCA Limited

Board report

For the year ended 31 March 2025

Board Recruitment and Appointment: The Board comprises up to twelve elected members, each serving a three-year term and eligible for re-election for up to two additional terms. Co-opted members serve until the next Annual General Meeting (AGM), where they can stand for election. All Board members are elected from the Association's wider membership at the AGM, which is open to all men and women. All Board members affirm their commitment to the charity's Christian ethos. No external person or body can appoint Board members. Board members volunteer their time and receive no benefits, with any reclaimed expenses or payments detailed in the accounts.

Our Board aims for a composition primarily drawn from the community we serve, while simultaneously seeking diverse perspectives and experiences to effectively oversee the Association's operations. We recruit new members accordingly, ensuring potential directors understand the YMCA Movement's aims and purposes and commit to its responsibilities. The skills and experience of individual Board members are considered to ensure overall balance.

Board Induction and Training: New Board members receive a welcome pack containing Charity Commission and YMCA Movement literature, including the YMCA Code of Governance, Articles of Association, latest financial information, minutes, and key policies. Beyond the four scheduled meetings, additional sessions are held to discuss the Association's work and future direction.

As part of the YMCA Movement, Board members access its trustee development programme, training, support, and benchmarking information. The Board conducts periodic background and skills audits to identify future recruitment needs, and meeting attendance is regularly monitored.

As part of the YMCA Movement, Board members access its trustee development programme, training, support, and benchmarking information. The Board conducts periodic background and skills audits to identify future recruitment needs, and meeting attendance is regularly monitored.

The Association collaborates with compatible organisations, funders, and commissioners whose ethos and values align with ours.

Code of Governance: The Association's Board has adopted the National YMCA Code of Governance, based on the National Housing Federation Code of Governance. During the year, the Board conducted an assessment of compliance with the Governance and Financial Viability Standard and is satisfied that the Association fully complies.

Corporate Governance – internal financial control

The Board takes ultimate responsibility for ensuring the Association maintains a robust system of internal controls, tailored to our operating environment. These controls are designed to provide reasonable assurance regarding:

- The reliability of financial information, both internal and public;
- The proper maintenance of accounting records; and
- The safeguarding of assets against unauthorised use or disposal.

While no system can offer absolute assurance against misstatement or loss, the Board is responsible for establishing and maintaining effective internal financial controls. Key elements of our system include:

- Formal policies and procedures, with documented key systems and clear rules for delegated authorities, which enable control monitoring and restrict unauthorised asset use;
- Experienced and qualified staff managing important business functions;
- Annual appraisal procedures to uphold performance standards;

Worcestershire YMCA Limited

Board report

For the year ended 31 March 2025

- Forecasts and budgets that allow the Board and management to monitor key business risks, financial objectives, and progress against annual and medium-term financial plans;
- Prompt and regular management accounts providing relevant, reliable, and up-to-date financial and other information, with significant budget variances investigated as needed; and
- Formal authorisation procedures for all significant new initiatives, major commitments, and investment projects, involving Board members and other relevant parties.

The Board regularly reviews reports from both management and external auditors to gain reasonable assurance that control procedures are in place and being followed. We have also established formal procedures to promptly address and correct any weaknesses identified from these reports.

Strategic report

Principal risks and uncertainties and risk management

The Association maintains a risk register, based on the Charity Commission's template and covers governance, operational, financial, external and compliance risks. The Board receives and reviews regular reports from management including major risks facing the Association and action taken to reduce or mitigate the effects of those risks.

Governance Risks

- **Strategic Planning:** A clear strategic plan ensures the organisation has a focused direction.
- **Board Assessment:** The Board's skills and commitment are regularly assessed to ensure effective leadership.
- **Conflict of Interest Policies:** Strict policies on conflicts of interest and private benefit promote a culture of collective responsibility.
- **Regular Reporting:** Comprehensive reporting ensures Trustees have the necessary information for informed and effective oversight.
- **Alignment with Charitable Objects:** All work is consistently aligned with the organisation's charitable objectives.

Operational Risks

- **Safeguarding:** Rigorous safeguarding policies and mandatory training are in place to prioritise the safety of all individuals.
- **Business Continuity:** We have developed and tested business continuity and IT disaster recovery plans to ensure service continuity.
- **Property Management:** Proactive maintenance and regular compliance checks are conducted to manage our properties.
- **Workforce Management:** We use robust recruitment processes and provide continuous staff development to manage our workforce effectively.
- **Technology & Cybersecurity:** Our IT systems are secure, and we provide ongoing cybersecurity training to mitigate technology risks.

Financial Risks

- **Income Diversification:** We actively diversify our income streams to avoid over-reliance on a single source.
- **Reserve Policy:** We maintain a Free Reserves Policy to create a financial buffer against unexpected events.
- **Budgeting & Cost Control:** We use rigorous budgeting, including detailed cash flow projections and strict cost controls.
- **Financial Controls:** We have robust financial controls and proactive debt management to ensure accountability and accuracy.

Worcestershire YMCA Limited

Board report

For the year ended 31 March 2025

- **Lending Covenant Monitoring:** We regularly communicate and monitor lending covenants to maintain strong relationships with financial stakeholders.

Environmental and External Risks

- **Continuous Monitoring:** We continuously monitor economic and policy trends to anticipate and respond to external challenges.
- **Financial Resilience:** We strengthen our financial resilience through income diversification and by maintaining financial reserves.
- **Flexible Service Delivery:** We have developed flexible service delivery models to adapt to changing needs and circumstances.
- **Property Resilience:** We invest in property resilience and emergency preparedness to protect our assets.
- **Stakeholder Engagement:** We engage in ongoing stakeholder engagement and advocacy to help us navigate the external environment.

Compliance Risks

- **Legal Framework:** We maintain a comprehensive legal register and regularly review our policies to ensure they remain current and compliant.
- **Oversight and Monitoring:** The Board and senior leadership provide continuous oversight and monitoring to ensure compliance is upheld.
- **Expertise:** We use external legal experts when necessary to ensure we have access to specialised legal advice.
- **Training and Procedures:** We have implemented rigorous procedures and provide targeted training in key areas, including safeguarding, data protection (UK GDPR), and employment law.
- **Statutory Submissions:** We ensure the timely submission of all statutory returns to meet our legal obligations.

Financial review

Reserves

The Board is confident that the Association and Group holds sufficient assets to meet its obligations as they arise. As of March 31, 2025, the Group's net current assets are £452,635 (2024: £984,406), and net assets and total reserves are £2,954,660 (2024: £3,354,805) including restricted reserves of £23,212 (2024: £nil). The decrease in the Group's general funds is primarily due to an operational deficit in the year under review.

As a non-profit organisation, the Association and Group do not trade for profit. However, we aim for income to exceed expenditure annually, ensuring a safety margin for unforeseen circumstances. Our Articles of Association prevent the distribution of reserves; instead, they are applied directly to further our charitable aims and objectives, including the provision of social housing.

To manage long-term financial stability, the Association has an asset management plan. This plan anticipates major building maintenance and likely costs over the next 15 years, with long-term housing stock maintenance and improvement needs regularly reviewed by the Board.

The Board has reviewed and reaffirmed its reserves policy. Our aim is to maintain reserves sufficient to fund at least two months of total Group expenditure, equating to £808,865. This provision is designed to cover a material decline in incoming resources, with at least half of this amount held in cash. We will regularly review this policy, considering the dynamic financial, regulatory, and competitive environment in which we operate.

Worcestershire YMCA Limited

Board report

For the year ended 31 March 2025

Traditionally, free reserves are calculated by deducting restricted reserves, fixed assets, and investments from net assets. Using this method, our Group free reserves amount to a deficit of £4,053,599. However, given our status as a Registered Provider, we adjust this calculation for long-term liabilities like bank loans secured against housing properties (£1,576,216) and government grant creditors reflecting social housing grants (£2,845,585). By this adjusted calculation, our Group free reserves are £368,202 (2024: £879,258). This adjusted figure means our free reserves do not meet our policy target of £808,865, resulting in a shortfall of £440,663. Free reserves have been built up from operating surpluses in past years. We plan to build upon our free reserves to support business continuity in the face of potential risks and to meet our policy target in the coming period.

Pension deficit

As detailed in note 23 of the financial statements, Worcestershire YMCA Limited and Worcester YMCA participate in a contributory defined benefit pension plan for employees of YMCAs in England, Scotland, and Wales. As of 31 March 2025, the pension deficit for the Association was £74,421 (2024: £109,499), and for the Group, it was £93,194 (2024: £137,121), as shown on the balance sheet.

We acknowledge the potential concerns regarding our participation in this defined benefit scheme and have taken appropriate action. The scheme was closed to new members in 2007, and the link to final salary was broken in 2011. We continue to make additional contributions to reduce the deficit. As part of the YMCA federation, this multi-employer scheme is overseen by an independent board of trustees, with employer representation through the Principal Employer, the National Council of YMCAs.

The pension scheme trustees conduct an actuarial valuation every three years. We have carefully considered the implications of the latest valuation on the Association's finances. Our budgets, forecasts, and plans consistently include the impact of deficit repayments, ensuring our ability to continue delivering our charitable objectives. The Board explicitly considered the impact of these pension scheme deficit repayments when assessing our going concern status, reserves, and the various risks and uncertainties noted elsewhere in this report.

Worcestershire YMCA Limited benefits from the expertise of the pension scheme trustees and the Principal Employer, who seek specialist professional advice to manage the scheme and explore ways to reduce the overall pension deficit. Further details are provided in note 23 of the financial statements and accounting policy 1(s).

The valuation as of 1 May 2023, showed a YMCA Pension Plan deficit of £9.1 million. Consequently, Worcestershire YMCA Limited and Worcester YMCA were advised to make annual contributions of £38,224 and £9,642, respectively, from 1 May 2023, with no uplift in subsequent years. At 31 March 2025, the current recovery period is three years commencing 1 May 2024.

Fundraising

Fundraising plays an increasingly important role in enabling us to achieve our charitable objectives and deliver vital services. We are committed to ensuring that all our fundraising activities are conducted to the highest ethical and professional standards, in full compliance with all relevant legislation and best practice guidelines.

Worcestershire YMCA Limited

Board report

For the year ended 31 March 2025

Our approach to fundraising is underpinned by the following principles:

1. **Legal Compliance:** We adhere strictly to all applicable laws and regulations governing fundraising in the United Kingdom. This includes, but is not limited to, the Charities Act 2011 (and its amendments, such as the Charities (Protection and Social Investment) Act 2016), data protection legislation (including GDPR and the Data Protection Act 2018), and any specific licensing requirements for activities such as street collections, house-to-house collections, lotteries, and raffles.
2. While our fundraising activities currently fall below the threshold requiring mandatory registration with the Fundraising Regulator, we are fully committed to applying and upholding the standards set out in the Code of Fundraising Practice. This code mandates that our fundraising activities are:
 - **Legal:** Operating within the bounds of the law;
 - **Open:** Transparent about our processes and willing to provide information;
 - **Honest:** Acting with integrity and not misleading the public about our cause or how donations will be used; and
 - **Respectful:** Treating all members of the public, particularly those who may be vulnerable, fairly and with respect, avoiding undue pressure or unreasonably persistent approaches.
3. **Charity Commission Requirements:** We ensure that all funds raised are used exclusively for our stated charitable purposes. We comply with Charity Commission guidance on fundraising, including:
 - **Responsible Management of Funds:** Ensuring safe and secure handling of donations and that fundraising costs are proportionate;
 - **Clear Appeal Wording:** All appeals clearly state the identity of our charity, the purpose for which funds are being raised, and how they will be used. Where applicable, we clearly outline what will happen to any surplus funds or if insufficient funds are raised for a specific appeal;
 - **Transparency and Accountability:** We provide comprehensive information on our fundraising activities, demonstrating where money comes from and how it is expended. We have robust procedures for dealing with complaints, ensuring they are accessible and handled promptly and sensitively; and
 - **Due Diligence:** We undertake appropriate due diligence on all significant donations and partnerships to protect the charity's reputation and ensure funds are ethically sourced.
4. **Best Practice and Ethical Conduct:** Beyond regulatory requirements, we strive for excellence in fundraising by:
 - **Supporter Care:** Building and maintaining positive, respectful relationships with our supporters, ensuring they have a positive experience when engaging with us;
 - **Protection of Vulnerable People:** Taking all reasonable steps to treat potential donors fairly, particularly those in vulnerable circumstances, and ensuring that donations are not accepted where an individual lacks the capacity to make an informed decision;
 - **Training and Oversight:** Ensuring that all staff and volunteers involved in fundraising are adequately trained and understand their responsibilities regarding ethical conduct and compliance. We regularly review our fundraising practices to identify areas for improvement; and
 - **Risk Management:** Proactively identifying and managing any reputational, financial, or operational risks associated with our fundraising activities.

Worcestershire YMCA Limited

Board report

For the year ended 31 March 2025

Employment of disabled persons

The Association operates an equal opportunities employment policy and is committed to be Disability Confident. Employers will be positive about their abilities. Employers who use the symbol make five commitments to action, relating to recruitment, communication of vacancies, offering interviews, anticipating reasonable adjustments and supporting people who become disabled.

The Objects of the Association are:

To advance the Christian faith, including by:

- a) promoting a Christian environment and motivated by the life, example and teaching of Jesus Christ, where people of faith and people of none can work together for the transformation of communities;
- b) enabling people of all ages and in particular young people, to flourish through experiencing and responding to the love of God demonstrated by the life, example and teaching of Jesus Christ;
- c) providing or assisting in the provision in the interests of social welfare of facilities for recreation and other leisure time occupation for men and women with the object of improving their conditions of life;
- d) To provide or assist in the provision of education for people of all ages and in particular young people, with the object of developing their physical, mental or spiritual capacities;
- e) To relieve or assist in the relief of people of all ages and in particular young people, who are in conditions of need, hardship, or distress by reason of their social, physical, emotional, spiritual or economic circumstances; and
- f) To provide residential accommodation, including Social Housing, for people of all ages and in particular young people, who are in need, hardship, or distress by reason of their social, physical, emotional, spiritual or economic circumstances.

Our aims mean we work with others to deliver activities through which all young people can be offered the opportunity to develop in body, mind and spirit so they have hope of experiencing life in all its fullness.

Our Strategic Goals

Strengthen our organisation's people, culture, and resources

In the past year, we have made significant strides in fortifying the foundation of our organisation. We've focused on investing in our staff through comprehensive training and professional development programs, ensuring they have the skills and support needed to excel.

Build a financially stable and sustainable organisation

Through prudent financial management, diversification of our income streams, and securing new funding opportunities, we have begun the journey of improving our fiscal position. This stability is crucial, as it allows us to continue our vital work without interruption and to plan for future growth and development. Our focus remains on long-term sustainability, ensuring we can serve our community for years to come.

Increase the quality and quantity of our housing offer

Meeting the growing demand for safe and affordable housing remains a top priority. We are working to increase the number of housing units we provide and to enhance their quality through targeted refurbishment and maintenance projects.

Worcestershire YMCA Limited

Board report

For the year ended 31 March 2025

Enhance and grow the support work we do in line with our social purpose and community needs

Our support services are at the heart of our social purpose. We are expanding our support programs, tailoring them to meet the evolving needs of our community. By collaborating with local partners and listening to the voices of those we serve, we are enhanced the reach and effectiveness of our support work, creating a more significant and lasting impact.

Cultivate a strong brand identity for YMCA Worcestershire, enhancing its visibility and reputation

Building a strong and recognisable brand for YMCA Worcestershire is key to increasing our impact and reaching more people in need. We have actively worked to enhance our visibility through strategic communications, community engagement events, and digital outreach. By clearly articulating our mission and sharing the stories of those we support, we are reinforcing our reputation as a trusted and vital community asset.

Strategic Planning and Governance

The strategic plan for the medium and short term will ensure that the Association's core objects are pursued and its purpose fulfilled, within the framework established by the Board. The Board will continue to retain the right of veto, offering an additional perspective as non-executives and providing a check and balance for the plan before its approval. This strategic framework and these plans will together form our business plan.

Sustainability and Focus

For 2026, a broader spread of income generation will remain a priority for long-term sustainability. We will continue to be responsive to commissioning opportunities that arise from social policy, as the public sector remains a large market. Our plan will remain beneficiary-focused, taking into account our current capacity and capability rather than putting our capabilities first.

Measuring Success

We will measure the success of our 2025 strategy through a clear and continuous process:

- **Annual Planning:** Prior to the commencement of the financial year, plans will be produced as part of our budgetary cycle and submitted to the Board for approval by the beginning of the year;
- **In-Year Monitoring:** Throughout the year, the senior management team will meet regularly to monitor performance in both financial and non-financial terms. Progress will be reported and variances will be explained to the Board;
- **Annual Review:** An annual review will be conducted by the Board and senior management. An Annual General Meeting will also be held, and a report presented by the Board and senior management to members; and
- **Partner Reviews:** Throughout the year, periodic reviews will be conducted with partner organisations, including commissioning bodies.

Planned Activities

We will continue to operate from our accommodation units, community centre, nurseries, and prison. We will provide a range of services, including preschool nurseries, play workers in prison, school work, youth work, and support for young people towards independent living, 'move on' accommodation, and support for vulnerable adults.

Worcestershire YMCA Limited

Board report

For the year ended 31 March 2025

The three most significant charitable activities contributing to the achievement of our objectives in 2025 are projected to be:

- Residential Accommodation & Facilities Management;
- Children and Youth services; and
- Family Services.

During the year, income from the Association's own activities increased from £2,778,248 to £2,931,065 and the effect of the addition of the Worcester YMCA group generated a consolidated income (turnover and interest receivable) of £4,560,794 (2024: £3,945,451) for the year. The additional income from Worcester YMCA was from non-regulated housing and housing related support and income from two trading subsidiaries operating in the nursery sector.

The main trends underlying performance and development and affecting the future are continued public sector funding pressure, rental debts, changes to nursery government funding model and the need to ensure a more commercial approach to some areas of delivery as well as the rising cost of living.

Further analysis of the income and expenditure on operations can be found in notes 2 to 7 of the financial statements.

Nurseries

During the past year, we operated four nurseries within the Worcestershire YMCA Limited group. Whilst one of our Kidderminster nursery closed due to its lease ending, our remaining three nurseries in Redditch, Kidderminster, and Worcester continue to provide high-quality early years education. All our nurseries are Ofsted-regulated and proudly rated 'Good'.

These settings consistently enhance our provision across the group and contribute significantly to diversifying our income.

Our nurseries are guided by a curriculum statement of intent that provides a clear framework for our educational programs. This framework outlines the knowledge and skills children gain at each stage, evolving into a structured and narrative approach over time. In line with our Association's objectives, our curriculum enables children to live life to its fullest by offering stimulating learning experiences rooted in our values. We focus on developing children's spiritual, social, moral, and cultural understanding through a holistic curriculum that fosters lifelong learning. Our learning environments are designed to build upon children's prior experiences and are tailored to the diverse needs of the families we support, consistently following government guidance for the education sector.

HMP Hewell Rainbow Project

Our HMP Hewell Family Support Project, known as the Rainbow Project, is a vital initiative dedicated to mitigating the profound impact of parental imprisonment on children and families in Redditch and the surrounding areas. Recognising that having a parent in prison can significantly affect a child's education, mental health, and social well-being, this project provides crucial support designed to maintain and strengthen family bonds during a challenging period.

We deliver comprehensive parenting programmes for inmates of HMP Hewell, offering a range of courses aimed at improving parent-child relationships. These programmes equip incarcerated parents with the skills and understanding necessary to nurture their children's development despite the circumstances.

Worcestershire YMCA Limited

Board report

For the year ended 31 March 2025

A cornerstone of our work is facilitating Family Days at HMP Hewell. These events provide a relaxed and enjoyable environment for children to visit their fathers, fostering a sense of "normality" amidst the prison setting. With dedicated play workers and engaging activities, Family Days enable quality time, helping to preserve the crucial parent-child connection.

Beyond the prison walls, we offer support to families through various adult education and family time initiatives. Our aim is to support families holistically, reducing isolation and aiding in the complex process of reintegration upon a parent's release. We also work to raise awareness and provide training to staff in schools and nurseries, equipping them to identify and support children affected by imprisonment.

The Rainbow Project embodies our commitment to supporting the most vulnerable members of our community, ensuring that children maintain connections with their parents and that families receive the vital support needed to navigate the challenges of imprisonment and build a more stable future.

Youth Work

Our comprehensive youth work provides safe spaces, meaningful engagement, and tailored support for young individuals.

Our Youth Clubs offer vibrant, supervised environments where young people can socialise, learn new skills, and participate in diverse activities from sports to creative arts. These clubs foster a sense of belonging, encouraging personal growth and positive peer relationships under the guidance of our dedicated youth workers.

For more individualised support, our Mentoring Programme pairs young people with trained adult mentors. These trusted relationships provide guidance on academic progress, career aspirations, and personal challenges, helping young individuals to set goals and unlock their potential.

Our Holiday Activities and Food (HAF) Summer Clubs are crucial in combating holiday hunger and isolation. These programmes provide free, engaging activities and nutritious meals for eligible young people during school holidays, ensuring they have access to stimulating experiences that support their physical and mental well-being.

Together, these initiatives form the cornerstone of our youth work, reflecting our deep commitment to nurturing the next generation and building a stronger community.

Community Centres

Willow Trees Community Centre stands as a vibrant hub at the heart of our community in Redditch, providing a diverse range of essential services and activities designed to meet the varying needs of local residents, from young children to older adults. The centre offers a welcoming and inclusive environment where individuals and families can access support, learn new skills, socialise, and improve their overall well-being. From engaging early years programmes, including baby and toddler classes that foster development and provide crucial parental support, to adult learning opportunities such as IT courses, and health and fitness sessions, the centre actively promotes lifelong learning and healthy living. We also host vital social groups, specifically designed to combat social isolation and build strong community connections. The income generated through flexible room hire for meetings, conferences, and private events is directly reinvested into the centre, ensuring the continued provision and enhancement of these invaluable community services.

Worcestershire YMCA Limited

Board report

For the year ended 31 March 2025

Housing and Support

Our Housing and Support service remains a cornerstone of the work we deliver across Worcestershire, providing essential accommodation and comprehensive support to individuals in need. We currently manage 207 accommodation units, 84 of which are dedicated supported accommodation units.

We are pleased to report a significant achievement in the past year, with our supported housing contracts being successfully recommissioned in Q4, leading to an increased level of provision commencing April 2025. This expansion reflects the recognised value and impact of our services within the county.

We work collaboratively with a diverse range of partners to unlock opportunities for all our residents. This includes crucial support in employment and training, guidance on benefit maximisation, and practical courses in financial management. We also provide vital awareness and training in substance misuse, mental, physical, and sexual health and well-being. We actively encourage our residents to engage in other YMCA Worcestershire activities, fostering a sense of community and broader personal development. Our success is evident in the number of residents we have successfully helped to move on to more independent living arrangements, often within our own non-supported accommodation.

Value for Money (VFM)

On 1 April 2018, the Regulator of Social Housing (RSH) revised its regulatory approach to Value for Money (VFM). The objectives of this change were to:

- Continue driving VFM improvements within the social housing sector;
- Ensure a strategic approach to VFM is embedded within business operations;
- Encourage investment in existing homes and new housing supply; and
- Enhance the consistency, comparability, and transparency of VFM reporting.

Regulatory Metrics

RSH Metric	Restated	
	2025	2024
1. Reinvestment %	-	-
2a. New supply (social housing units) %	-	-
2b. New supply (non-social housing units) %	-	-
3. Gearing %	25%	16%
4. EBIDTA MRI interest cover %	(426)%	(311)%
5. Headline social housing cost per unit £	£8,503	£9,060
6a. Operating margin (social housing lettings only) %	30%	17%
6b. Operating margin (overall) %	(20)%	(27)%
7. Return on Capital Employed %	(8)%	(9)%

The comparative figures for 2024 for metrics 5 and 6a have been restated to reflect the revised basis for determining social housing operating costs, as detailed in note 3.

Worcestershire YMCA Limited

Board report

For the year ended 31 March 2025

Commentary on regulatory metrics

As a small, specialist charitable housing association, our organisation has a diverse range of activities. Our consolidated results include both regulated and non-regulated housing activities. This diversity makes direct comparisons and benchmarking with other housing associations and charitable housing associations difficult. We are, however, aiming to develop benchmarking with similar providers.

Analysis of Key Performance Indicators

1. Reinvestment %: There were no additions to social housing fixed assets during the year. We instead focused on a program of ongoing repair and upkeep, with the costs expensed as they were incurred;
2. New Supply (Social & Non-Social Housing Units) %: We did not add any new social or non-social housing units during the year;
3. Gearing %: This represents our net debt to lenders as a percentage of the total value of our housing properties. Our current gearing level is low, which provides us with the capacity to borrow more if needed. The increase in the percentage is due to a higher amount being owed to the trading subsidiaries within the group;
4. EBITDA MRI Interest Cover %: This metric compares our surplus or deficit to the interest payable. The negative percentage has increased compared to the previous year, due to a decline in EBITDA and a decrease in interest payable.
5. Headline Social Cost per Unit: This is calculated by dividing total social housing costs by the total number of units owned and managed. The decrease in cost per unit this year is due to a reduction in maintenance and premises costs allocated to a similar number of units;
- 6a. Operating Margin (Social Housing Lettings) %: Our operating margin from social housing lettings, which is the operating surplus from lettings divided by the turnover from lettings, has increased primarily due to cost savings in maintenance and premises expenses.
- 6b. Operating Margin (Overall) %: The improvement in this overall operating margin, which is the operating surplus or deficit divided by turnover, reflects the reduced operating loss incurred during the year; and
7. Return on Capital Employed %: This metric compares the overall operating surplus or deficit to our total assets minus current liabilities, and has remained relatively constant during the year.

Public benefit

We are committed to ensuring that our activities consistently deliver clear and demonstrable public benefit, aligning with the Charity Commission's general guidance. When reviewing our aims and objectives and planning future activities, we have carefully considered how our work directly contributes to our core mission.

Our work primarily benefits communities, particularly young people, within the County of Worcestershire. We achieve this by working directly with parents, children, and young people themselves. Our diverse activities encompass:

- Affordable, flexible childcare, supporting families and early childhood development;
- Engaging with school-age children both within and outside of school settings throughout the year;
- Providing formal and informal education opportunities for young people and adults;
- Offering leisure activities, including those focused on health and well-being;
- Delivering support towards independent living for vulnerable individuals;
- Engaging in crucial preventative work and providing support within the prison system for offenders and their families; and
- We offer affordable residential accommodation, as a registered provider of social housing.

Worcestershire YMCA Limited

Board report

For the year ended 31 March 2025

We recognise the paramount importance of responding to community needs and allowing these needs to influence our development. We continuously consult with participants, potential participants, and partner organisations through various channels, including formal surveys, one-to-one sessions, and informal meetings. We are committed to continuous service improvement, actively responding to feedback and complaints. Informal comments are addressed by relevant management, while formal issues are handled in accordance with our service delivery policies and procedures and reported to the Board. Furthermore, our services are regularly reviewed against current best practices and guidelines issued by regulatory and similar bodies, ensuring we maintain the highest standards of provision for public benefit.

Plans for future periods

Looking ahead, we are committed to building upon our established successes and further expanding our impact across Worcestershire, particularly in response to the evolving needs of our communities and the current national financial landscape. Our strategic planning for future periods is focused on strengthening existing provisions and exploring new opportunities for growth and deeper engagement.

Key areas of focus for the upcoming periods include:

- **Growing our Housing and Support Services:** Building on the successful recommissioning of our supported housing contracts, we aim to further increase our capacity to provide safe, affordable accommodation and comprehensive support services. This includes exploring opportunities to acquire and develop additional units and enhancing the range of support offered to residents to promote independent living and positive outcomes;
- **Enhancing Youth Development Programmes:** We will continue to invest in and refine our youth work, including our Youth Clubs, Mentoring Programme, and HAF Summer Clubs. Our focus will be on ensuring these programmes remain relevant, accessible, and impactful, fostering resilience, life skills, and positive pathways for young people. We are committed to actively listening to young voices to shape our future offerings;
- **Developing Willow Trees Community Centre:** We plan to maximise the potential of Willow Trees Community Centre as a vibrant hub for the Redditch community. This includes continuing to diversify the services offered, ensuring they meet identified community needs, and exploring further opportunities for facility utilisation and income generation to ensure its long-term sustainability;
- **Strengthening Family Support at HMP Hewell:** The Rainbow Project will continue its vital work with inmates and their families. We will seek to expand the reach and depth of our parenting programmes and family days, and enhance the support provided to families outside the prison to aid in reintegration and reduce the intergenerational impact of imprisonment;
- **Diversifying Income and Partnerships:** In recognition of the ongoing economic challenges, a key strategic priority is to further diversify our income streams. This includes exploring new fundraising avenues, social enterprise opportunities, and strengthening our collaborations with local authorities, businesses, and other charitable organisations to create mutually beneficial partnerships that amplify our collective impact; and
- **Continuous Improvement and Responsiveness:** We are dedicated to maintaining high standards across all our services. This involves continuous review of our practices against best practice guidelines, actively seeking and responding to feedback from beneficiaries and partners, and adapting our services to address emerging community needs effectively and efficiently.

Worcestershire YMCA Limited

Board report

For the year ended 31 March 2025

Statement of responsibilities of the board

The board (who are also directors of the Association for the purposes of company law) are responsible for preparing the board report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

The Companies Act 2006 and registered social housing legislation requires the board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association and of the incoming resources and application of resources, including the income and expenditure, of the Association for that period. In preparing these financial statements, the board is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Housing Statement of Recommended Practice (SORP);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Board is also responsible for maintaining proper accounting records. These records must accurately disclose the financial position of both the Association and the group at all times. They must also ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008, and the Accounting Direction for private registered providers of social housing in England 2022. Additionally, the Board is responsible for safeguarding the assets of the charity and the group, which includes taking reasonable steps to prevent and detect fraud and other irregularities.

As far as the Board is aware:

- there is no relevant audit information of which the association's auditors are unaware; and
- the board has taken all steps that it ought to have taken to make itself aware of any relevant audit information and to establish that the auditors are aware of that information.

Finally, the Board is responsible for the maintenance and integrity of the corporate and financial information published on the Association's website. It's important to note that legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from that in other jurisdictions.

Auditors

Godfrey Wilson Limited were re-appointed as auditors to the group and parent association and have expressed their willingness to continue in that capacity.

Approved by the board on 26 September 2025 and signed on its behalf by



Lindsay Sartori - chair and board member



Michael Sermon - board member

Independent auditors' report

To the members of

Worcestershire YMCA Limited

Opinion

We have audited the financial statements of Worcestershire YMCA Limited (the 'parent association') and its subsidiary (the 'group') for the year ended 31 March 2025 which comprise the consolidated statement of comprehensive income, consolidated and parent association balance sheets, consolidated statement of changes in reserves, consolidated statement of cash flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and the Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and parent association's affairs as at 31 March 2025 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for registered providers of social housing in England 2022.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent 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 board are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent auditors' report

To the members of

Worcestershire YMCA Limited

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the board report, which includes the directors' report and strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the board report (incorporating the 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 parent association and their environment obtained in the course of the audit, we have not identified material misstatements in the board report (incorporating the 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 association, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent association financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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

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

Responsibilities of the board

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

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

Independent auditors' report

To the members of

Worcestershire YMCA Limited

Our responsibilities for the audit of the financial statements

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

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

(1) We obtained an understanding of the legal and regulatory framework that the group and parent association operates in, and assessed the risk of non-compliance with applicable laws and regulations. Throughout the audit, we remained alert to possible indications of non-compliance.

(2) We reviewed the group and parent association's policies and procedures in relation to:

- Identifying, evaluating and complying with laws and regulations, and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risk of fraud, and whether they were aware of any actual, suspected or alleged fraud; and
- Designing and implementing internal controls to mitigate the risk of non-compliance with laws and regulations, including fraud.

(3) We inspected the minutes of board meetings.

(4) We enquired about any non-routine communication with regulators and reviewed any reports made to them.

(5) We reviewed the financial statement disclosures and assessed their compliance with applicable laws and regulations.

(6) We performed analytical procedures to identify any unusual or unexpected transactions or balances that may indicate a risk of material fraud or error.

(7) We assessed the risk of fraud through management override of controls and carried out procedures to address this risk. Our procedures included:

- Testing the appropriateness of journal entries;
- Assessing judgements and accounting estimates for potential bias;
- Reviewing related party transactions; and
- Testing transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. Irregularities that arise due to fraud can be even harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Independent auditors' report

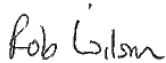
To the members of

Worcestershire YMCA Limited

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

Use of our report

This report is made solely to the association's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the association's members as a body, for our audit work, for this report, or for the opinions we have formed.



Date: 26 September 2025

Robert Wilson FCA
(Senior Statutory Auditor)

For and on behalf of:

GODFREY WILSON LIMITED

Chartered accountants and statutory auditors
5th Floor Mariner House
62 Prince Street
Bristol
BS1 4QD

Worcestershire YMCA Limited

Consolidated statement of comprehensive income *(incorporating an income and expenditure account)*

For the year ended 31 March 2025

		2025	2024
		Total	Total
		£	£
Turnover	2	4,560,770	3,945,450
Operating expenditure	5	<u>(4,853,189)</u>	<u>(4,577,701)</u>
Operating deficit	7	<u>(292,419)</u>	<u>(632,251)</u>
Interest receivable and other income		24	1
Interest and financing costs	6	<u>(103,197)</u>	<u>(130,938)</u>
Deficit for the year before taxation		<u>(395,592)</u>	<u>(763,188)</u>
Taxation	10	<u>(4,553)</u>	<u>400</u>
Total comprehensive expenditure		<u>(400,145)</u>	<u>(762,788)</u>

The consolidated financial statements relate to wholly continuing operations.

The consolidated financial statements were approved by the Board on 26 September 2025



Lindsay Sartori - chair and board member



Michael Sermon - board member

Worcestershire YMCA Limited

Consolidated balance sheets

As at 31 March 2025

	Note	The group 2025 £	The group 2024 £	The association 2025 £	The association 2024 £
Fixed assets					
Housing properties	11	6,860,205	6,821,721	5,670,147	5,740,639
Other tangible assets	12	124,152	154,751	122,513	152,752
Intangible fixed assets	13	-	19,466	-	-
Investments	14	690	690	-	-
		<u>6,985,047</u>	<u>6,996,628</u>	<u>5,792,660</u>	<u>5,893,391</u>
Current assets					
Debtors	17	433,519	409,305	310,964	306,480
Cash at bank and in hand		747,519	1,296,019	200,426	172,606
		1,181,038	1,705,324	511,390	479,086
Liabilities					
Creditors: amounts falling due within 1 year	18	(728,403)	(720,918)	(1,146,944)	(600,268)
Net current assets / (liabilities)		<u>452,635</u>	<u>984,406</u>	<u>(635,554)</u>	<u>(121,182)</u>
Total assets less current liabilities		7,437,682	7,981,034	5,157,106	5,772,209
Creditors: amounts falling due after more than 1 year	20	(4,389,828)	(4,489,108)	(3,673,807)	(3,750,110)
Defined benefit pension provision	23	(93,194)	(137,121)	(74,421)	(109,499)
Net assets		<u>2,954,660</u>	<u>3,354,805</u>	<u>1,408,878</u>	<u>1,912,600</u>
Reserves					
Restricted reserve	22	23,212	-	23,212	-
Income and expenditure reserve		2,931,448	3,354,805	1,385,666	1,912,600
Total reserves		<u>2,954,660</u>	<u>3,354,805</u>	<u>1,408,878</u>	<u>1,912,600</u>

Approved by the board on 26 September 2025 and signed on its behalf by



Lindsay Sartori - chair and board member



Michael Sermon - board member

Worcestershire YMCA Limited

Consolidated statement of changes in reserves

As at 31 March 2025

	Restricted reserve £	Income and expenditure reserve £	Total £
Balance at 31 March 2023	-	4,117,593	4,117,593
Deficit from statement of comprehensive income	-	(762,788)	(762,788)
Balance at 31 March 2024	-	3,354,805	3,354,805
Deficit from statement of comprehensive income	-	(400,145)	(400,145)
Transfer between reserves	23,212	(23,212)	-
Balance at 31 March 2025	23,212	2,931,448	2,954,660

Worcestershire YMCA Limited

Consolidated statement of cash flows

For the year ended 31 March 2025

	2025	2024
	£	£
Cash used in operating activities:		
Total comprehensive income	(400,145)	(762,788)
Adjustments for:		
Depreciation charges	138,678	133,992
Amortisation charges	19,466	209,236
Loan interest paid	103,197	130,938
Interest received	(24)	-
Loss on the disposal of fixed assets	257	7
Increase in debtors	(24,214)	(37,097)
Decrease in creditors	(91,795)	(125,793)
Decrease in provision	(43,927)	(226,071)
Net cash used in operating activities	<u>(298,507)</u>	<u>(677,576)</u>
Cash flows from investing activities:		
Proceeds from sale of fixed assets	14,738	-
Purchase of tangible fixed assets	(161,558)	(52,939)
Interest received	24	-
Net cash used in investing activities	<u>(146,796)</u>	<u>(52,939)</u>
Cash flows from financing activities:		
Loan interest paid	(103,197)	(130,938)
Net cash used in financing activities	<u>(103,197)</u>	<u>(130,938)</u>
Decrease in cash and cash equivalents in the year	(548,500)	(861,453)
Cash and cash equivalents at the beginning of the year	<u>1,296,019</u>	<u>2,157,472</u>
Cash and cash equivalents at the end of the year	<u><u>747,519</u></u>	<u><u>1,296,019</u></u>

Analysis of net changes in debt are given in note 24.

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2025

1. Accounting policies

a) Basis of preparation and general information

Worcester YMCA a charitable company limited by guarantee registered in England and Wales and private registered provider of social housing in the United Kingdom. The registered office address is Gordon Anstis House, Loxley Close, Redditch, B98 9JS. The nature of the association's operations and activities are detailed in the Board Report.

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2018, and with the Accounting Direction for private registered providers of social housing in England 2022. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008 and the Companies Act 2006.

Worcestershire YMCA Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

b) Group accounts

These financial statements consolidate the results of the association and its wholly-owned (controlled) subsidiary on a line by line basis. Transactions and balances between the association and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the association's balance sheet. A separate statement of financial activities, or income and expenditure account, for the association itself is not presented because the association has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

c) Going concern basis of accounting

The accounts have been prepared on the assumption that the association is able to continue as a going concern, which the trustees consider appropriate having regard to the current level of unrestricted reserves. There are no material uncertainties about the association's ability to continue as a going concern.

d) Turnover and other income

Turnover is measured at the fair value of the consideration received or receivable net of VAT and trade discounts.

Turnover represents rental and service charges income receivable in the year net of rent and service charge losses from voids, revenue grants from the government (local authorities) and the Homes England and income from community services.

Government grants received towards housing properties and other capital projects are recognised at the fair value of the asset received or receivable. Where the assets are accounted for using the cost model then the government grant is accounted for using the accruals model. The difference between the fair value of the asset and the consideration is recognised as a liability and amortised over the useful economic life of the asset. This amortisation is recognised within turnover. Where the assets are accounted for using the valuation model then the government grant is accounted for using the performance model so that turnover is taken once the performance conditions have been met.

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2025

1. Accounting policies (continued)

d) Turnover and other income (continued)

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

Income from other income streams is recognised when the association has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income received in advance of provision of a specified service or the period to which it relates, is deferred until criteria for income recognition are met.

e) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the association has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the association of the item, is probable and the economic benefit can be measured reliably. In accordance with principles the Charities SORP (FRS 102), general volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the association which is the amount the association would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the association: this is normally upon notification of the interest paid or payable by the bank.

g) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

h) Tangible fixed assets

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

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2025

1. Accounting policies (continued)

h) Tangible fixed assets (continued)

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Housing properties

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

Land	Not depreciated
Main fabric	100 years
Roof structure and covering	35 years
Windows and external doors	20 years
Mechanical	30 years
Electrical	30 years

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in expenditure through the statement of comprehensive income.

Other fixed assets

Freehold buildings	10 - 50 years
Assets under construction	Not depreciated
Fixtures	15% straight line
Motor vehicles	25% straight line
Computer equipment	20% straight line
Other equipment	10% straight line

Items of equipment are capitalised where the purchase price exceeds £1,000. No depreciation is charged on assets under construction.

i) Intangible fixed assets

Intangible fixed assets are amortised at rates calculated to write off the assets on a straight line basis over their estimated useful economic lives. Impairment of intangible assets is reviewed where circumstances indicate that the carrying value of an assets may not be fully recoverable. Amortisation is provided at the following rates:

Goodwill	5 years straight line
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j) Investments in subsidiaries

The association has a wholly owned subsidiary, Worcester YMCA, which is a charitable company, registered company number 05056873 and registered charity number 1102766.

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2025

1. Accounting policies (continued)

j) Investments in subsidiaries (continued)

Worcester YMCA has two wholly owned subsidiaries, Little Treasures Limited, registered company number 04029930 and First Class Nursery (Kidderminster) Limited, registered company number 08887253. The subsidiaries of Worcester YMCA are used for non-primary purpose trading activities.

The subsidiary undertakings are valued at cost less any cumulative impairment losses in the charitable company's accounts.

k) Listed investments

Listed investments traded on a recognised stock exchange are stated at fair value at the reporting date, which is deemed to be their market value. Any gain or loss, whether realised or unrealised, is taken to the Statement of Financial Activities.

l) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

m) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

n) Creditors

Creditors and provisions are recognised where there is a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

o) Provisions

A provision is recognised in the balance sheet when the association has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

p) Financial instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently recognised at amortised cost using the effective interest method.

q) Operating leases

Rentals paid under operating leases are charged to the statement of financial activities as they fall due.

r) Pension costs

The company operates a defined contribution pension scheme for its employees. There are no further liabilities other than that already recognised in the SOFA.

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2025

1. Accounting policies (continued)

s) Defined benefit pension scheme

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

As described in note 23 Worcestershire YMCA and Worcester YMCA have a contractual obligation to make pension deficit payments of £38,224 pa and £9,642 pa respectively over the period to April 2027 (2024: £38,224 pa and £9,642 pa to April 2027 respectively), accordingly this is shown as a liability in these accounts. In addition, Worcestershire YMCA and Worcester YMCA are required to contribute £12,183 pa and £2,968 pa (2024: £12,183 and £3,073) to the operating expenses of the Pension Plan and these costs are charged to the Statement of Comprehensive Income as made.

t) Restricted reserves

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

u) Accounting estimates and key judgements

In the application of the association's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are depreciation, amortisation and defined benefit pension provision as described in note 1(h), 1(i) and 1(s) above.

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2025

2. Turnover

	2025	2024
	Total	Total
	£	£
Income from:		
Housing	2,018,283	1,905,434
Donations and grants	278,103	105,263
Community activities	684,206	759,602
Other trading activities	1,580,178	1,175,151
Total	4,560,770	3,945,450

3. Social housing income and expenditure

	2025	Restated 2024
	Total	Total
	£	£
Rents receivable excluding service charges	1,027,092	946,864
Service charges receivable	984,301	953,785
Capital grants	31,973	31,973
Social housing operating costs	(1,434,238)	(1,603,096)
Operating surplus from housing activities	609,128	329,526
Memo:		
Void losses	105,751	120,619
Amortised government grants	31,973	31,973

During the year the Association has re-assessed which costs it considers form part of social housing operating costs, and updated the basis to more accurately reflect the total costs to the Association. The prior year figure has also been restated so it includes costs on a consistent basis to the current year.

4. Accommodation owned and managed

	2025	2024
	Total	Total
	Units	Units
Total units under management	207	211
Supported accommodation	80	84
General needs housing	127	127
Total owned and managed	207	211

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2025

5. Operating expenditure

	Cost of nursery subsidiaries £	Other charitable costs £	2025 Total £
Staff costs (note 8)	1,074,607	1,947,536	3,022,143
Other staff costs	8,730	201,441	210,171
Premises costs	-	520,535	520,535
Vehicle costs	-	25,457	25,457
Other direct costs	90,494	100,016	190,510
Office expenses	64,417	252,377	316,794
Penalties	3,000	3,000	6,000
Repairs and maintenance	39,722	114,133	153,855
Depreciation and amortisation	12,740	145,404	158,144
Loss on disposal of fixed assets	-	257	257
Audit and accountancy fees	23,844	37,320	61,164
Pension deficit	-	13,934	13,934
Bad debt provision movement	52	187,795	187,847
VAT provision release	-	(13,622)	(13,622)
Total operating expenditure	<u>1,317,606</u>	<u>3,535,583</u>	<u>4,853,189</u>

Prior period comparative:

	Cost of nursery subsidiaries £	Other charitable costs £	2024 Total £
Staff costs (note 8)	881,002	1,711,241	2,592,243
Other staff costs	20,387	227,468	247,855
Premises costs	-	755,970	755,970
Vehicle costs	-	28,711	28,711
Other direct costs	78,796	119,517	198,313
Office expenses	55,028	241,064	296,092
Repairs and maintenance	18,499	164,916	183,415
Depreciation and amortisation	22,427	320,802	343,229
Audit and accountancy fees	16,200	26,470	42,670
Pension deficit	-	(147,920)	(147,920)
Bad debt provision movement	63	37,060	37,123
Total operating expenditure	<u>1,092,402</u>	<u>3,485,299</u>	<u>4,577,701</u>

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2025

6. Interest and financial costs

	2025	2024
	Total	Total
	£	£
Loan interest payable	<u>103,197</u>	<u>130,938</u>
	<u>103,197</u>	<u>130,938</u>

7. Operating surplus / (deficit)

This is stated after charging:

	2025	2024
	£	£
Depreciation	138,678	133,992
Amortisation	19,466	209,236
Loss on disposal of fixed assets	257	-
Operating lease payments	177,424	174,359
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	-	-
Auditors' remuneration (excluding VAT):		
▪ Statutory audit	37,500	35,000
▪ Other services	700	700
▪ Prior year under accrual	12,770	-
	<u>12,770</u>	<u>-</u>

8. Staff costs and numbers

Staff costs were as follows:

	2025	2024
	£	£
Salaries and wages	2,694,389	2,342,477
Social security costs	239,116	167,486
Pension costs	88,638	82,280
	<u>3,022,143</u>	<u>2,592,243</u>

Included in salaries and wages are redundancy and termination costs totalling £75,685 (2024: £3,710) comprising £51,737 redundancy costs and £23,948 lieu of notice payments (2024: £3,710 redundancy costs).

The number of higher paid employees was:

	2025	2024
	No.	No.
£70,001 - £80,000	<u>1</u>	<u>1</u>

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2025

8. Staff costs and numbers (continued)

	2025	2024
	No.	No.
Average number of employees (actual)	<u>130</u>	<u>128</u>

9. Board and key management personnel remuneration

The key management personnel of the association comprise the directors, Chief Executive Officer, and other key management personnel. The total employee benefits of the key management personnel were £325,964 (2024: £308,472).

The emoluments of the highest paid director (including the Chief Executive Officer), included above was:

	2025	2024
	£	£
Aggregate emoluments (excluding pension contributions)	76,267	73,253
Contributions to money purchase pension plan	<u>7,045</u>	<u>7,045</u>
	<u>83,312</u>	<u>80,298</u>

The Chief Executive is an ordinary member of the YMCA pension scheme and has an enhanced payment of 11% contribution paid. The Chief Executive participates in the YMCA contributory pension scheme.

10. Taxation

The association and its subsidiary, as charitable companies, are exempt from corporation tax as all their income is charitable and is applied for charitable purposes. The subsidiary companies of Worcester YMCA, distribute any profits to the Worcester YMCA and therefore ordinarily no corporation tax is payable. During the current year one of the subsidiaries of Worcester YMCA, First Class Nursery (Kidderminster) Limited incurred a tax charge of £4,553 (2024: £400 tax credit).

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2025

11. Tangible fixed assets - housing properties and other land and buildings

Group

	Knowle Close £	Gordon Anstis House £	Bengrove Close £	Frederick Eary House £	Stanley Road £	Little Treasures £	First Class £	Total £
Cost or valuation								
At 1 April 2024	2,359,506	3,708,949	32,738	534,384	585,000	665,242	1,557	7,887,376
Additions	-	-	-	-	-	139,640	-	139,640
At 31 March 2025	<u>2,359,506</u>	<u>3,708,949</u>	<u>32,738</u>	<u>534,384</u>	<u>585,000</u>	<u>804,882</u>	<u>1,557</u>	<u>8,027,016</u>
Depreciation								
At 1 April 2024	307,061	459,686	5,230	122,961	102,375	67,338	1,004	1,065,655
Charge for the year	24,404	40,502	319	5,267	18,281	12,227	156	101,156
At 31 March 2025	<u>331,465</u>	<u>500,188</u>	<u>5,549</u>	<u>128,228</u>	<u>120,656</u>	<u>79,565</u>	<u>1,160</u>	<u>1,166,811</u>
Net book value								
At 31 March 2025	<u>2,028,041</u>	<u>3,208,761</u>	<u>27,189</u>	<u>406,156</u>	<u>464,344</u>	<u>725,317</u>	<u>397</u>	<u>6,860,205</u>
At 31 March 2024	<u>2,052,445</u>	<u>3,249,263</u>	<u>27,508</u>	<u>411,423</u>	<u>482,625</u>	<u>597,904</u>	<u>553</u>	<u>6,821,721</u>

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2025

11. Tangible fixed assets - housing properties and other land and buildings (continued)

Association

	Knowle Close £	Gordon Anstis House £	Bengrove Close £	Frederick Eary House £	Total £
Cost or valuation					
At 1 April 2024	<u>2,359,506</u>	<u>3,708,949</u>	<u>32,738</u>	<u>534,384</u>	<u>6,635,577</u>
At 31 March 2025	<u>2,359,506</u>	<u>3,708,949</u>	<u>32,738</u>	<u>534,384</u>	<u>6,635,577</u>
Depreciation					
At 1 April 2024	307,061	459,686	5,230	122,961	894,938
Charge for the year	<u>24,404</u>	<u>40,502</u>	<u>319</u>	<u>5,267</u>	<u>70,492</u>
At 31 March 2025	<u>331,465</u>	<u>500,188</u>	<u>5,549</u>	<u>128,228</u>	<u>965,430</u>
Net book value					
At 31 March 2025	<u>2,028,041</u>	<u>3,208,761</u>	<u>27,189</u>	<u>406,156</u>	<u>5,670,147</u>
At 31 March 2024	<u>2,052,445</u>	<u>3,249,263</u>	<u>27,508</u>	<u>411,423</u>	<u>5,740,639</u>

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2025

12. Other tangible fixed assets

Group

	Motor vehicles £	Computer Equipment £	Other equipment £	Fixtures £	Total £
Cost					
At 1 April 2024	34,006	58,395	99,580	327,267	519,248
Additions in year	-	21,918	-	-	21,918
Disposals	<u>(23,218)</u>	<u>-</u>	<u>(84,601)</u>	<u>-</u>	<u>(107,819)</u>
At 31 March 2025	<u>10,788</u>	<u>80,313</u>	<u>14,979</u>	<u>327,267</u>	<u>433,347</u>
Depreciation					
At 1 April 2024	14,658	32,542	99,580	217,717	364,497
Charge for the year	4,353	12,224	-	20,945	37,522
Disposals	<u>(8,223)</u>	<u>-</u>	<u>(84,601)</u>	<u>-</u>	<u>(92,824)</u>
At 31 March 2025	<u>10,788</u>	<u>44,766</u>	<u>14,979</u>	<u>238,662</u>	<u>309,195</u>
Net book value					
At 31 March 2025	<u>-</u>	<u>35,547</u>	<u>-</u>	<u>88,605</u>	<u>124,152</u>
At 31 March 2024	<u>19,348</u>	<u>25,853</u>	<u>-</u>	<u>109,550</u>	<u>154,751</u>

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2025

12. Other tangible fixed assets (continued)

Association

	Motor vehicles £	Computer Equipment £	Other equipment £	Fixtures £	Total £
Cost					
At 1 April 2024	23,218	52,797	89,764	255,698	421,477
Additions in year	-	21,922	-	-	21,922
Disposals	(23,218)	-	-	-	(23,218)
At 31 March 2025	-	74,719	89,764	255,698	420,181
Depreciation					
At 1 April 2024	3,870	26,586	89,764	148,505	268,725
Charge for the year	4,353	12,224	-	20,589	37,166
Disposals	(8,223)	-	-	-	(8,223)
At 31 March 2025	-	38,810	89,764	169,094	297,668
Net book value					
At 31 March 2025	-	35,909	-	86,604	122,513
At 31 March 2024	19,348	26,211	-	107,193	152,752

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2025

**13. Intangible assets
Group only**

	Goodwill £	Total £
Cost		
At 1 April 2024	<u>1,087,428</u>	<u>1,087,428</u>
At 31 March 2025	<u>1,087,428</u>	<u>1,087,428</u>
Amortisation		
At 1 April 2024	1,067,962	1,067,962
Charge for the year	<u>19,466</u>	<u>19,466</u>
At 31 March 2025	<u>1,087,428</u>	<u>1,087,428</u>
Net book value At 31 March 2025	<u>-</u>	<u>-</u>
At 31 March 2024	<u>19,466</u>	<u>19,466</u>

14. Investments

	The group		The association	
	2025	2024	2025	2024
	£	£	£	£
Market value at 1 April 2024	<u>690</u>	<u>690</u>	<u>-</u>	<u>-</u>
Market value at 31 March 2025	<u>690</u>	<u>690</u>	<u>-</u>	<u>-</u>

15. Subsidiary undertakings

Worcester YMCA

The parent association wholly controls the charitable company Worcester YMCA, registered in England and Wales (charity number 1102766, company number 05056873). Worcestershire YMCA exercises control over Worcester YMCA as the sole member of the charity, giving it the powers to appoint and remove trustees. Worcester YMCA in turn wholly controls Little Treasures Limited (company number 04029930) and First Class Nurseries (Kidderminster) Limited (company number 08887253), both of which are incorporated in England and Wales.

	2025	2024
	£	£
Total consolidated income	1,629,729	1,256,560
Total consolidated expenditure	<u>(1,525,819)</u>	<u>(1,501,689)</u>
Net income / (expenditure) and net movement in funds	<u>103,910</u>	<u>(245,129)</u>

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2025

15. Subsidiary undertakings (continued)

Worcester YMCA

The aggregate of the assets, liabilities and funds was:

	2025	2024
	£	£
Assets	2,609,997	2,464,695
Liabilities	(1,063,880)	(1,022,488)
Funds	<u>1,546,117</u>	<u>1,442,207</u>

16. Parent association

The parent association's gross income and the results for the year are disclosed as follows:

	2025	2024
	£	£
Gross income	2,931,065	2,778,248
Results for the year	<u>(503,722)</u>	<u>(517,657)</u>

17. Debtors

	The group		The association	
	2025	2024	2025	2024
	£	£	£	£
Trade debtors (gross social housing rent arrears)	286,426	669,095	260,719	630,033
Less: provision for doubtful debts	<u>(90,147)</u>	<u>(470,535)</u>	<u>(77,780)</u>	<u>(433,288)</u>
	196,279	198,560	182,939	196,745
Other debtors	151,528	102,080	51,953	1,070
Prepayments and accrued income	<u>85,712</u>	<u>108,665</u>	<u>76,072</u>	<u>108,665</u>
	<u>433,519</u>	<u>409,305</u>	<u>310,964</u>	<u>306,480</u>

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2025

18. Creditors : amounts due within 1 year

	The group		The association	
	2025	2024	2025	2024
	£	£	£	£
Bank loans and overdrafts	68,942	63,907	42,530	37,718
Other taxation and social security	50,446	69,829	34,077	37,236
Trade creditors	227,022	172,284	137,056	160,454
Other creditors	30,265	48,060	26,414	38,326
Government grant creditor	31,973	31,973	31,973	31,973
Owed to group undertakings	-	-	747,962	135,218
Accruals and deferred income	315,202	334,865	126,932	159,343
Corporation tax	4,553	-	-	-
	<u>728,403</u>	<u>720,918</u>	<u>1,146,944</u>	<u>600,268</u>

Included within other creditors are pension creditors of £22,356 (2024: £24,582) for the group and £10,519 (2024: £19,053) for the association.

19. Deferred income

	The group		The association	
	2025	2024	2025	2024
	£	£	£	£
At 1 April 2024	157,907	178,612	46,184	88,716
Deferred during the year	151,974	157,907	39,428	46,184
Released during the year	(157,907)	(178,612)	(46,184)	(88,716)
At 31 March 2025	<u>151,974</u>	<u>157,907</u>	<u>39,428</u>	<u>46,184</u>

Deferred income relates to income received in advance related to the subsequent period.

20. Creditors: amounts falling due after more than one year

	The group		The association	
	2025	2024	2025	2024
	£	£	£	£
Government grant creditor	2,813,612	2,845,584	2,813,612	2,845,584
Bank loans	1,576,216	1,643,524	860,195	904,526
	<u>4,389,828</u>	<u>4,489,108</u>	<u>3,673,807</u>	<u>3,750,110</u>

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2025

20. Creditors: amounts falling due after more than one year (continued)

Analysis of loan debt maturity Debt due after more than one year:	The group		The association	
	2025 £	2024 £	2025 £	2024 £
Within one to two years	69,644	62,267	45,289	40,556
Within two to five years	236,773	214,632	154,317	140,159
In more than 5 years	1,269,799	1,366,625	660,589	723,811
	<u>1,576,216</u>	<u>1,643,524</u>	<u>860,195</u>	<u>904,526</u>

At association level there are two secured bank loans, one with with Unity Bank and one with BCM Global. Interest is charged at commercial rates. Interest is charged at 2.5% above Bank of England base rate on the Unity Bank loan, and the loan is repayable over 25 years. Interest is charged at 9.5% on the BCM Global loan and the loan is repayable over 33 years. The loans are secured against three of the association's properties, Gordon Anstis House, Loxley Close, Redditch, B98 9JS, Frederick Eary House, Studley Road, Redditch, B98 7XA and Knowle Close, Church Hill, Redditch, B98 9JW.

At a group level there are also two secured bank loans on the properties at 2 Stanley Road, Worcester, WR5 1BR and at Broomhall Grange, Norton Road, Broomhall, WR5 2PD. The loans from Unity Bank are charged at commercial rates of 1.5% above Bank of England base rate and are repayable over 25 years. The loans are secured with fixed charges over the assets of the Worcester YMCA and its subsidiary, Little Treasures Limited.

At both 31 March 2025 and 31 March 2024, Worcestershire YMCA had failed to meet its financial covenant under the Unity Trust loan in respect of the EBITDA measure. Based on communications and discussions with the bank there was no indication from the bank that any action, beyond a reservation of rights letter would take place. The carrying amount of this loan in breach was £665,160 at 31 March 2025 and £701,453 at 31 March 2024.

21. Group analysis of net assets between reserves

	Restricted reserve £	Income and expenditure reserve £	Total reserves £
Tangible fixed assets	-	6,984,357	6,984,357
Investments	-	690	690
Current assets	23,212	1,157,826	1,181,038
Current liabilities	-	(728,403)	(728,403)
Creditors due in more than 1 year	-	(4,389,828)	(4,389,828)
Defined benefit pension provision	-	(93,194)	(93,194)
Net assets at 31 March 2025	<u>23,212</u>	<u>2,931,448</u>	<u>2,954,660</u>

In the prior year all assets and liabilities were allocated to the income and expenditure reserve.

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2025

22. Group reserves

As noted in the accounting policies, revenue and expenditure cannot be directly set against restricted reserves but is taken through the statement of comprehensive income and then a transfer to restricted reserves is made as appropriate. Details below are included on the movement in restricted reserves during the year.

	At 1 April 2024 £	Income £	Expenditure £	Gains and losses £	Transfers between funds £	At 31 March 2025 £
Restricted reserves						
Children and Youth Services	-	221,300	(198,088)	-	-	23,212
Supporting People	-	145,686	(145,686)	-	-	-
Prison Contract - HMP Hewell	-	60,250	(74,134)	-	13,884	-
Total restricted reserves	-	427,236	(417,908)	-	13,884	23,212
Income and expenditure reserve	3,354,805	4,133,558	(4,543,031)		(13,884)	2,931,448
Total reserves	3,354,805	4,560,794	(4,960,939)	-	-	2,954,660

Transfers

Transfers have been accounted for in the year account for overspends on restricted projects or restricted expenditure being incurred in advance of funding being received.

Reserve descriptions

Children and Youth Services

Provision of positive activities for young people in Redditch and Bromsgrove.

National Citizen Service

Provision of social action training for young people aged 16 & 17 years.

Supporting People

Provision of support for vulnerable homeless young people.

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2025

22. Group reserves (continued)

Reserve descriptions (continued)

Prison Contract - HMP Hewell

Providing childcare and family support to prisoners and their families, encouraging sustained involvement whilst fathers are in prison.

BBO Job Coach

Provision of support for economically inactive and unemployed person aged 16+.

Income and expenditure reserve

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

Prior year comparative

	At 1 April 2023 £	Income £	Expenditure £	Gains and losses £	Transfers between funds £	At 31 March 2024 £
Restricted reserves						
Children and Youth Services	-	170,042	(177,718)	-	7,676	-
National Citizen Service	-	1,440	(1,440)	-	-	-
Supporting People	-	134,937	(175,235)	-	40,298	-
Prison Contract - HMP Hewell	-	104,499	(121,266)	-	16,767	-
Total restricted reserves	-	410,918	(475,659)	-	64,741	-
Income and expenditure reserve	4,117,593	3,534,533	(4,232,580)		(64,741)	3,354,805
Total reserves	4,117,593	3,945,451	(4,708,239)	-	-	3,354,805

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2025

23. Provisions for liabilities: defined benefit pension scheme deficit contribution liability

	The group		The association	
	2025	2024	2025	2024
	£	£	£	£
Present value of provision	<u>93,194</u>	<u>137,121</u>	<u>74,421</u>	<u>109,499</u>

Reconciliation of opening and closing provisions

	The group		The association	
	2025	2024	2025	2024
	£	£	£	£
Provision at the start of the year	137,121	363,192	109,499	291,176
Deficit contributions paid	(43,974)	(63,183)	(35,038)	(50,655)
Unwinding of the discount factor (interest expense)	4,564	17,433	3,648	13,976
Impact of change in the rate of discount	(4,517)	-	(3,688)	-
Impact of reduction to repayment period	-	(180,321)	-	(144,998)
Provision at the end of the year	<u>93,194</u>	<u>137,121</u>	<u>74,421</u>	<u>109,499</u>

Assumptions

	The group		The association	
	2025	2024	2025	2024
	£	£	£	£
Rate of discount	<u>5.60%</u>	<u>4.80%</u>	<u>5.60%</u>	<u>4.80%</u>

The discount rates shown above are the equivalent single discount rates which, when used to discount future recovery plan contributions due, would give the same results as using the pwc pension accounting trends median figure to discount the same recovery plan contributions.

Worcestershire YMCA and Worcester YMCA participated in a contributory pension plan providing defined benefits based on final pensionable pay for employees of YMCAs in England, Scotland and Wales. The assets of the YMCA Pension Plan are held separately from those of Worcester YMCA and at the year end these were invested in the Mercer Dynamic De-risking Solution, 65% matching portfolio and 35% in the growth portfolio and Schroder (property units only).

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

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2025

23. Provisions for liabilities: defined benefit pension scheme deficit contribution liability

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. Worcestershire YMCA and Worcester YMCA have been advised that they will need to make annual contributions of £38,224 and £9,642 respectively 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 5.6% (2023: 4.8%). The current recovery period is 3 years commencing 1 May 2024.

24. Analysis of changes in net debt Group

	At 1 April 2024	Cash flows	At 31 March 2025
Cash	1,296,019	(548,500)	747,519
Loans falling due within 1 year	(63,907)	(5,035)	(68,942)
Loans falling due after 1 year	<u>(1,643,524)</u>	<u>67,308</u>	<u>(1,576,216)</u>
	<u>(411,412)</u>	<u>(486,227)</u>	<u>(897,639)</u>

25. Financial instruments at fair value

	The group		The association	
	2025	2024	2025	2024
	£	£	£	£
Financial assets measured at fair value	<u>690</u>	<u>690</u>	<u>-</u>	<u>-</u>

Financial assets measured at fair value comprise listed investments.

26. Contingent liabilities

The Social Housing Grants are repayable under certain circumstances (for example the sale of properties).

As detailed in note 23 above, Worcestershire YMCA Limited and Worcester YMCA may incur liabilities in the event of the non-payment by other participating YMCA's of their share of the YMCA Pension Plan's current deficit. The method of allocation of the deficit has not yet been finalised and the future ability of other participating YMCA employers to meet their obligations cannot presently be determined. No provision for any liability that may arise has been made in these financial statements.

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2025

27. Operating lease commitments

The group and association had operating leases at the year end with total future minimum lease payments as follows:

	The group		The association	
	2025 £	2024 £	2025 £	2024 £
Amount falling due:				
Within 1 year	99,589	99,588	91,589	91,589
Within 1 - 5 years	85,264	87,015	53,264	55,015
Over 5 years	259,333	279,336	102,000	114,003
	<u>444,186</u>	<u>465,939</u>	<u>246,853</u>	<u>260,607</u>

28. Related party transactions

The association has a wholly owned subsidiary undertaking called Worcester YMCA, a registered charity (number: 1102766) and company limited by guarantee (number: 05056873). Copies of the Worcester YMCA group consolidated financial statements are available from the Charity Commission. The balance owing to the Worcester YMCA at 31 March 2025 was £747,962 (2024: £163,796). Transactions between the entities during the year have not been disclosed in accordance with section 33 of FRS 102.

Worcester YMCA has a wholly owned subsidiary undertaking called Little Treasures Limited, a registered company in England and Wales (number: 04029930). Worcestershire YMCA has a 100% controlling interest in Worcester YMCA resulting in Worcestershire YMCA having a controlling interest in the company. Little Treasures Limited gifts available taxable profits to Worcester YMCA. The balance owing to Little Treasures Limited at 31 March 2025 was £26,682 (2024: £28,728). Transactions between the entities during the year have not been disclosed in accordance with section 33 of FRS 102.

Worcester YMCA has a wholly owned subsidiary undertaking called First Class Nursery (Kidderminster) Limited, a registered company in England and Wales (number: 08887253). Worcestershire YMCA has a 100% controlling interest in Worcester YMCA resulting in Worcestershire YMCA having a controlling interest in the company. First Class Nursery (Kidderminster) Limited gifts available taxable profits to Worcester YMCA. The balance owing to the First Class Nursery (Kidderminster) Limited at 31 March 2025 was £536,105 (2024: to the charity £57,306). Transactions between the entities during the year have not been disclosed in accordance with section 33 of FRS 102.

All of the charitable company's trustees are also trustees of Worcester YMCA.

29. Ultimate controlling party

Worcestershire YMCA Limited is controlled by its Board of Trustees.

WORCESTERSHIRE YMCA LIMITED

England & Wales - Charity number 516872

Accounts

Regulator of Social Housing registration number: LH3687
Company no. 01944516
Charity no. 516872

Worcestershire YMCA Limited
Report and Consolidated Audited
Financial Statements
31 March 2024

Worcestershire YMCA Limited

Reference and administrative details

For the year ended 31 March 2024

Regulator of Social Housing registration number LH3687

Company number 01944516

Charity number 516872

Registered office and operational address Gordon Anstis House
Loxley Close
Redditch
B98 9JS

Board Members Members of the Board are directors of the association and charitable company for the purposes of company law and trustees of the charity for the purposes of charity law.

Lindsay Sartori	Chair
Melanie Braden	Appointed 17 July 2023
Emma Cartwright	
Michael Higley	Resigned 17 July 2023
Simon Hill	Resigned 18 March 2024
Rev Gail Rogers	Appointed 17 July 2024
Rev Michael Sermon	Appointed 20 November 2023
Philip SmiglarSKI	Appointed 18 March 2024

Company secretary Dr Annette Daly

Senior management team	Dr Annette Daly	Chief Executive
	Corin Fletcher	Head of Housing and Support
	Mick York	Head of Business Development
	Dominique Needles	Head of HR
	Richard Deane	Head of Finance

Bankers Unity Trust Bank plc
Nine Bridley Place
Birmingham
B1 2HB

Solicitors MFG Solicitors LLP
Adam House
Birmingham Road
Kidderminster
Worcestershire
DY10 2SH

Worcestershire YMCA Limited

Reference and administrative details

For the year ended 31 March 2024

Auditors

Godfrey Wilson Limited
Chartered accountants and statutory auditors
5th Floor Mariner House
62 Prince Street
Bristol
BS1 4QD

Worcestershire YMCA Limited

Board report

For the year ended 31 March 2024

The Board is pleased to present its report (incorporating the strategic report) and audited financial statements for the year ended 31 March 2024.

Constitution

The Association is a charitable company registered under section 2 of the Housing Act 1996 (number LH3687) and continues to be a registered charity. The Association is established as a registered social landlord with no share capital. The Association is a charitable company limited by guarantee with members required to contribute up to a maximum of £1 each, should there be a deficiency on winding up. The Association is governed by its Articles of Association. The terms Charity and Association are to be used interchangeably within this report.

Structure, governance and management

Organisational structure

The Association is part of the worldwide YMCA movement and is affiliated to the National Council of YMCAs in England and Wales, and through them to the World Council of YMCAs. It receives no funds from either the National Council or the World Council, but pays an affiliation fee to the National Council of YMCAs in England and Wales.

The Association is the sole member and parent charity of Worcester YMCA a charitable company limited by guarantee. As sole member, the Association is required to contribute up to a maximum of £1, should there be a deficiency on winding up Worcester YMCA. Worcester YMCA is not regulated by the Regulator of Social Housing (RSH). Worcester YMCA is the parent charity of two wholly owned trading subsidiaries, First Class Nursery (Kidderminster) Limited and Little Treasures Limited.

The Association is governed by its Board of volunteer trustee directors, responsible for overseeing strategy and policy, approving annual budgets and accounts, and who work in conjunction with the senior executive staff who recommend strategy, policy and exercise operational management. They hold four meetings per annum to consider business and progress against agreed plans plus hold strategic discussions to consider future work and direction. On appointment, Board members receive induction including Charity Commission guidance. Attendance at meetings, interests and skills is monitored and reviewed annually. The YMCA movement offers support, development and benchmarking information. Codes of Governance and Conduct have been adopted.

The Board oversees and endorses or challenges the short and medium term strategies recommended by the senior executive staff. The Board aims to ensure the long term interests of the Association are not adversely affected by decisions taken in the medium term and ensures the ethos and values of the Association are maintained.

The day-to-day control of the Association's operations is exercised by the senior management team made up of the Chief Executive, Head of Housing and Support, Head of Business Development, Head of HR and Head of Finance. The senior management team attends Board meetings. In setting the salaries of the senior management team the Board considers benchmark information from the not for profit sector and other appropriate organisations in the YMCA movement.

The Association is organised so that those for whom activities are provided and key stakeholders are involved in the design, monitoring and evaluation of that provision; clear access to senior management and the Board members is integral to the structure and is part of our engagement process.

Worcestershire YMCA Limited

Board report

For the year ended 31 March 2024

Recruitment and appointment to the Board

The Board consists of up to fifteen elected members who are appointed for a three-year term, but who may stand for re-election at the end thereof of up to a further two terms. Members who are co-opted during the year are appointed up until the next Annual General Meeting when they are eligible for election. Board members are elected from the Members of the Association at the Annual General Meeting. Membership of Worcestershire YMCA Limited is open to men and women.

All Board members acknowledge their commitment to the Christian ethos of the charity. No other person or body external to the Association is entitled to appoint board members.

Board members give their time voluntarily and receive no benefits from the Association in respect of this commitment. Any expenses reclaimed from the Association or payments made to them are set out in the notes to the accounts.

It is the aim of the Board members to have the Board made up of individuals primarily from the community it serves and simultaneously achieve a rich diversity of perspectives and experience, competent to oversee the operations of the Association. The Board seeks to recruit new members accordingly. Potential Board directors are made aware of the aims and purposes of the YMCA Movement and must indicate their desire to join the Movement and accept the responsibilities involved. The perspectives, experience and skills of individual board members are considered to ensure a balance across the Board.

Board member induction and training

As part of their induction programme, new Board members are provided with a welcome pack including copies of literature produced by the Charity Commission and the YMCA Movement: YMCA Code of Governance. Background information relating to the Association including copies of the Articles of Association, latest financial information, copies of minutes and policies are included in the welcome pack. The Board schedules four meetings per annum for ordinary business plus any additional meetings to consider the work of the Association and future direction.

As part of the YMCA Movement, Board members have access to its trustee development programme and training, support and benchmarking information. The Board undertakes periodic background and skills audits and as a result identifies certain characteristics it will require of future Board members. Attendance at Board meetings is monitored.

The Association works in partnership with other organisations, funders and commissioners that are compatible with its ethos and values.

Code of Governance

The Association's Board has adopted the National YMCA Code of Governance based on the National Housing Federation Code of Governance. During the year the Board has undertaken an assessment of compliance with the Governance and Financial Viability Standard and the Board is satisfied that the Association complies with the Standard.

Worcestershire YMCA Limited

Board report

For the year ended 31 March 2024

Corporate Governance – internal financial control

The Board acknowledges its ultimate responsibility for ensuring that the Association has in place a system of controls that is appropriate to the various business environments in which it operates.

These controls are designed to give reasonable assurance with respect to the:

- reliability of financial information used within the Association or for publication;
- maintenance of proper accounting records; and
- safeguarding of assets against unauthorised use or disposal.

It is the Board's responsibility to establish and maintain systems of internal financial control. Such systems can only provide reasonable and not absolute assurance against financial misstatement or loss. Key elements include ensuring that:

- formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the Association's assets;
- experienced and suitably qualified staff take responsibility for important business functions; annual appraisal procedures have been established to maintain standards of performance;
- forecasts and budgets are prepared which allow the 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; and
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Board members and others.

The Board receives and reviews regular reports from management and from the external auditors to provide reasonable assurance that control procedures are in place and are being followed.

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

Strategic report

Principal risks and uncertainties and risk management

The Association maintains a risk register, based on the Charity Commission's template and covers governance, operational, financial, external and compliance risks. The Board receives and reviews regular reports from management including major risks facing the Association and action taken to reduce or mitigate the effects of those risks.

Risk	Mitigation and further action to be taken.
Governance – ineffective organisational structure	Organisational re-structure to ensure efficient and effective lines of communication and reporting. Working towards more centralised systems, processes and staff roles.
Governance - loss of key staff and volunteers	Skills and role descriptions are identified, a training matrix identifies skills gaps, training is budgeted and undertaken, the strategic plan is approved by the Board, appraisals are conducted regularly. Succession planning to be built into key roles.
Operational – capacity and use of resources	Housing stock survey to be undertaken and maintenance schedule to be updated.
Operational – project / service development	Review operational strategy and continue development of new plans in line with charitable objectives.

Worcestershire YMCA Limited

Board report

For the year ended 31 March 2024

Financial - dependency on limited income sources	Strategic plans aim to change the mix of income and the provision of services that are less dependent on government policy. Identify sources of income that are sustainable so social enterprise is served and additional income generated.
Financial – budgetary control and financial reporting	Implement new financial systems to reduce reliance on the knowledge and experience of individuals.
Environmental or external factors - changing government policy	Membership of YMCA policy groups and relevant local groups. Engage a wider audience particularly potential service users in the provision of data and case studies for influencing policy and ensure other initiatives in diversification are coordinated. Conduct research with target audiences.
Environmental – turbulent economic situation	Cost of living crisis erodes capacity to deliver meaningful outcomes. Reserves policy to be reviewed in coming 12 months.
Compliance – changes to law and regulators' requirements	New systems rolled out for monitoring housing, safeguarding, HR and H&S compliance.

Financial review

Reserves

The Board considers there are sufficient assets to meet obligations as they arise. Net current assets of the Group are £984,406 (2023: £1,761,576) and net assets and total reserves of the Group are £3,354,805 (2023: £4,117,593). The general funds of the Group have decreased because of an operational deficit.

The Association and Group does not trade for profit, but plans for income to exceed expenditure each year, ensuring a margin of safety to manage the unexpected, its Articles of Association prevent the distribution of reserves, which are instead applied to further the aims and objectives including the provision of social housing.

The Association has an asset management plan anticipating major maintenance to buildings and likely costs over the next 25 years. Long term maintenance and improvements needed in the housing stock under that plan are reviewed by the Board.

The Board has reviewed its reserves policy and the designation of reserves. The policy is to aim to maintain funds in reserves at least sufficient to fund 2 months total expenditure, being £762,884, to cover the eventuality of a material decline in incoming resources and to hold at least half of that amount in cash at bank. It will regularly review this policy having regard to the changing financial, regulatory and competitive environment in which the Association operates.

Worcestershire YMCA Limited

Board report

For the year ended 31 March 2024

Free reserves are traditionally calculated as Net Assets, £3,354,805, less Restricted reserves, £nil, less fixed assets and investments, £6,996,628, which amount to a deficit of reserves of £3,641,823. However, the nature of the Association as a Registered Provider means adjustment should be made for long term liabilities, i.e. bank loans which are secured against the housing properties in fixed assets, £1,643,524, and government grant creditors which reflect social housing grants received in respect of housing properties, £2,877,557. By that calculation, the adjusted free reserves are £879,258 (2023: £1,430,357). Therefore, the adjusted free reserves exceed the reserves target of £762,884 by £116,374. Free reserves have been built up from operating surpluses over several years such that free reserves exceed the minimum required by the reserves policy. The Association plans to hold and build upon free reserves to support continuity of business in the face of potential risks.

Pension deficit

As explained in note 23, Worcestershire YMCA Limited and Worcester YMCA participated in a contributory pension plan providing defined benefits based on final pensionable pay for employees of YMCAs in England, Scotland and Wales. At 31 March 2024, the pension deficit for the Association was £109,499 (2023: £291,176) and the group was £137,121 (2023: £363,192) as shown on the balance sheet.

Worcestershire YMCA Limited recognises possible concern relating to its participation in this defined benefit pension scheme. Appropriate action has been taken: The scheme was closed to new members in 2007, and the link to final salary broken in 2011. Additional contributions continue to be made to reduce the deficit. As part of the YMCA federation, the multi-employer scheme is run by an independent board of trustees with employer representation through the Principal Employer, the National Council of YMCAs. The pension scheme trustees obtain an actuarial valuation every three years and we have considered the implications to the Association's finances from the latest available actuarial valuation. We have reviewed the Association's ability to continue to deliver its charitable objectives by ensuring budgets, forecasts and plans are available and include the impact of the deficit repayments. The Board included the impact of pension scheme deficit repayments in considering going concern status, reserves, and the risks and uncertainties that the Association face noted elsewhere in this Report.

Worcestershire YMCA Limited benefits from the expertise of pension scheme trustees and the Principal Employer seeking suitable specialist professional advice both to manage the scheme and in the continuing effort to explore ways of reducing the overall pension deficit. Further details are included in the note 23 of the financial statements and accounting policy 1)s).

A valuation prepared as at 1 May 2020 showed that the YMCA Pension Plan had a deficit of £39 million. Worcestershire YMCA Limited and Worcester YMCA were advised that they would need to make annual contributions of £50,655 and £12,528 respectively from 1 May 2023, increasing by 3% per annum for each subsequent year. At 31 March 2023, the recovery period was 6 years commencing 1 May 2023. After the 2023 year-end, a three-year valuation was completed as at 1 May 2023. That valuation showed that the YMCA Pension Plan had reduced to a deficit of £9.1 million. Worcestershire YMCA Limited and Worcester YMCA were advised to reduce their annual contributions to £38,224 and £9,642 respectively from 1 May 2024, with no uplift in subsequent years, for a reduced recovery period of 3 years commencing 1 May 2024.

Fundraising

The Association does not seek to raise funds from the public and therefore has nothing to report on its fundraising approach and standards.

Worcestershire YMCA Limited

Board report

For the year ended 31 March 2024

Employment of disabled persons

The Association operates an equal opportunities employment policy and is committed to be Disability Confident. Employers will be positive about their abilities. Employers who use the symbol make five commitments to action, relating to recruitment, communication of vacancies, offering interviews, anticipating reasonable adjustments and supporting people who become disabled.

The Objects of the Association are:

To advance the Christian faith, including by:

- a) promoting a Christian environment and motivated by the life, example and teaching of Jesus Christ, where people of faith and people of none can work together for the transformation of communities;
- b) enabling people of all ages and in particular young people, to flourish through experiencing and responding to the love of God demonstrated by the life, example and teaching of Jesus Christ;
- c) providing or assisting in the provision in the interests of social welfare of facilities for recreation and other leisure time occupation for men and women with the object of improving their conditions of life;
- d) To provide or assist in the provision of education for people of all ages and in particular young people, with the object of developing their physical, mental or spiritual capacities;
- e) To relieve or assist in the relief of people of all ages and in particular young people, who are in conditions of need, hardship, or distress by reason of their social, physical, emotional, spiritual or economic circumstances; and
- f) To provide residential accommodation, including Social Housing, for people of all ages and in particular young people, who are in need, hardship, or distress by reason of their social, physical, emotional, spiritual or economic circumstances.

Our aims mean we work with others to deliver activities through which all young people can be offered the opportunity to develop in body, mind and spirit so they have hope of experiencing life in all its fullness.

Strategy

The key elements of our medium to long-term strategy were:

- Build on the strength of our Early Years and families presence across the County. We will work in partnership with others to improve health of mothers, their babies and families, make them better informed and benefit from their knowledge to improve their lives. We envisage opportunities for job creation, volunteering and delivery of some services that will no longer be provided by the state and to help the organisation move its funding mix from a reliance on the public sector to self-generated income; and
- Provide opportunities that prepare young people, including the marginalised, for adult life and the world of work through positive activities, supported accommodation, alternative curriculum, employability skills, health and wellbeing, volunteering, community and family engagement, and targeted mentoring support. In addition, we will work with churches and other Christian organisations to deliver high quality youth work and opportunities for religious education. With the global YMCA movement we will provide wider opportunities for young people, to improve outcomes.

Worcestershire YMCA Limited

Board report

For the year ended 31 March 2024

The strategic plan for the medium and short term ensures that the objects of the Association are pursued and thereby its purpose fulfilled, within the framework established by the Board. The Board retain the right of veto, to offer an additional perspective as non-executives and provide a check and balance for the plan before its approval by them. The strategic framework and these plans together form the business plan.

A broader spread of income generation is a priority for long term sustainability whilst remaining responsive to commissioning opportunities that arise from social policy as the public sector remains a large market. In addition, the plan is customer focused taking account of current capacity and capability rather than putting our capabilities first. The major change for the organisation; clarifying the markets in which we operate and our delivery has begun, coinciding with cuts to public spending. This continues to require flexibility in our response.

We measure the success of the strategy:

- Annually, prior to the commencement of the financial year, when plans are produced as part of our budgetary cycle. These are submitted to the Board for approval by the beginning of the year;
- During the year, the senior management meet regularly to monitor performance in both financial and non-financial terms. Progress is reported and variances explained to the Board throughout the year;
- An annual review is conducted by the Board and senior management and an Annual General Meeting is also held and a report presented by the Board and senior management to members; and
- During the year there are periodic reviews conducted with partner organisations including commissioning bodies.

Review of activities

Working from our own accommodation units, community centre, nurseries and prison, we provide preschool nurseries, play workers in prison, schools work, youth work including the support of young people towards independent living, 'move on' accommodation and support for vulnerable adults.

The three most significant charitable activities contributing to the achievement of our objectives in the year were:

- Residential Accommodation & Facilities Management;
- Children and Youth services; and
- Family Services.

During the year, income from the Association's own activities decreased from £3,336,602 to £2,778,248 and the effect of the addition of the Worcester YMCA group generated a consolidated income of £3,945,451 (2023: £4,448,056) for the year. The additional income from Worcester YMCA was from non-regulated housing and housing related support and income from two trading subsidiaries operating in the nursery sector.

The main trends underlying performance and development and affecting the future are continued public sector funding pressure, rent reduction, uncertainty over any future supported housing model and the need to ensure a more commercial approach to some areas of delivery as well as the rising cost of living.

Further analysis of the income and expenditure on operations can be found in notes 2 to 9 to the financial statements.

Worcestershire YMCA Limited

Board report

For the year ended 31 March 2024

Nurseries

During the year under review, we ran nurseries in five settings within the Worcestershire YMCA Limited group. During the year under review, we closed a nursery in Kidderminster and after the year-end we closed a nursery in Malvern. The closures were due to leases ending. The remaining three nurseries are situated in Redditch, Kidderminster and Worcester. All nurseries are regulated by OFSTED.

Our settings continued to enhance provision across the group and contributed to the diversification of income sources.

A curriculum statement of intent provides a framework for setting out the aims of a programme of education, including the knowledge and skills gained at each stage, developing a framework over time into a structure and narrative. In line with the Association's objectives, our statement enables children to live life to its fullest by offering stimulating learning experiences with Christian values at its heart. Our nurseries develop children's spiritual, social, moral and cultural understanding. They provide a holistic curriculum that fosters lifelong learning. The nurseries have created learning environments that build upon children, prior learning experiences and are tailor-made for the families we support. We continue to follow the curriculum that is published and adopted by each nursery setting in line with Government guidance for the education sector.

HMP Hewell Rainbow Project

The Hewell Rainbow project continues to deliver a programme of impactful work with Prison families. The project offers a range of parenting courses designed to improve the parent-child relationship and support children with prison parents. We continue to work closely with our funders, and HMP Hewell staff to add maximum impact, adapting and flexing as required.

Youth Work

We continue to deliver contracts for youth clubs. The Youth Team has also played a crucial role in the County's response to holiday hunger for over 8s. YMCA became a lead partner in the delivery of HAF (and District funded) holiday provision.

Community Centres

The community centres in Redditch, Malvern and Upton have faced ongoing challenges. In January 2024, the management of the Malvern and Upton community centres were passed to another provider, with the agreement and support of Malvern Hills District Council. This also resulted in the necessary closure of the pop up nursery provision within the Malvern Centre, which was actioned with as much notice and continuity support as possible for families and staff.

Housing and Support

The housing and support service continued to be an integral part of the work we deliver throughout the county. The accommodation currently provides 211 units of which 84 are supported accommodation units. During the previous year, all supported providers were advised that all contracts were to be re-tendered in 2023, to commence in 2024. However, this was delayed and the service extended by 24 months and will be subject to a new commissioning regime in 2025. Given our successful outcomes with our young people and our excellent value for money we are confident in being a re-commissioned service.

Worcestershire YMCA Limited

Board report

For the year ended 31 March 2024

We work with a range of partners in order to open opportunities for all our residents, including employment and training opportunities and awareness in gaining employment, benefit maximisation, and offering training and courses in managing finances, substance misuse awareness, mental, physical and sexual health and wellbeing. We encourage our residents to actively participate in other YMCA Worcestershire activities. We have successfully helped residents move on to other accommodation, often within our own non supported accommodation.

Our focus is on increasing this range of effective partnerships in order to ensure that these are mutually beneficial to all parties and given the national financial crisis we recognise that we have an increasing role to play in the local and national arena.

Value for Money (VFM)

On 1 April 2018, the Regulator of Social Housing (RSH) has revised the regulatory approach to VFM with the objectives of:

- Continuing to drive improvements in VFM within the social housing sector;
- Ensuring a strategic approach to delivering VFM is embedded within the business;
- Encouraging investing in existing homes and new housing supply; and
- Enhancing the consistency, comparability and transparency of VFM reporting.

Regulatory Metrics

RSH Metric	Restated	
	2024	2023
1. Reinvestment %	-	-
2a. New supply (social housing units) %	-	-
2b. New supply (non-social housing units) %	-	-
3. Gearing %	16%	1%
4. EBIDTA MRI interest cover %	(311)%	(22)%
5. Headline social housing cost per unit £	£5,603	£3,982
6a. Operating margin (social housing lettings only) %	55%	63%
6b. Operating margin (overall) %	(27)%	(10)%
7. Return on Capital Employed %	(9)%	(2)%

Commentary

As a YMCA, we are a small specialist charitable housing association with a diverse range of activities and the consolidated results including both regulated and non-regulated housing activities. As such, comparisons with other housing associations and charitable housing associations and benchmarking are difficult. We aim to continue to develop benchmarking with similar providers.

In respect of our indicators our comments are as follows:

1. **Reinvestment %** - During the year there have been no additions to social housing fixed assets, we have continued with a programme of ongoing repair and upkeep which has been expensed;
- 2a. **New supply (Social housing units) %** - During the year there have been no additions to social housing delivery;
- 2b. **New supply (Non-social housing units) %** - During the year there have been no additions to non-social housing delivery;

Worcestershire YMCA Limited

Board report

For the year ended 31 March 2024

3. **Gearing %** - This represents our net debt to lenders as percentage of the total value of our housing properties. The current level of gearing is low and we have capacity within that to borrow more;
4. **EBITDA MRI Interest Cover %** - This represents the level of surplus/(deficit) compared to the interest payable. Since the prior year, the negative percentage has significantly increased due to the size of the 2024 operating deficit;
5. **Headline social cost per unit** - This represents social housing costs divided by total units owned and managed. The costs are higher in the year under review due to increased management and maintenance costs allocated to a similar number of units;
- 6a. **Operating margin (social housing lettings) %** - This represents operating surplus from social housing lettings divided by turnover from social housing lettings. During the year under review, the operating margin on social housing lettings remains relatively constant;
- 6b. **Operating margin (overall) %** - This represents the operating surplus/(deficit) divided by turnover. The reduction this year reflects the above commentary regarding an operating loss; and
7. **Return on capital employed %** - This compares the overall operating surplus/(deficit) to total assets less current liabilities. The movement in this metric reflects the operating loss in the year under review.

Public benefit

The Board have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Association's aims and objectives and in planning future activities. In particular, the Board have considered how planned activities will contribute to the aims and objectives set:

- Communities, particularly young people within the County of Worcestershire benefit from our work;
- We work with parents of children and young people, and the children and young people themselves;
- Our activities include affordable flexible childcare; work with school age children at school and outside school throughout the year; work with young people and adults in formal and informal education, leisure activities including health and well-being and in support towards independent living;
- We engage in preventative work and work within the prison system to help offenders and their families; and
- We are a registered provider of social housing offering affordable residential accommodation.

We recognise the importance of responding to the needs of the community and allowing them to influence the Association's developments:

- We consult with participants in our activities, potential participants and partner organisations. Consultation takes place through a variety of routes including formal surveys, one to one sessions and informal meetings;
- We aim to continuously improve our services, responding to comments and complaints made by people who participate in our activities. Informal comments are dealt with by the management of the particular delivery arm of the Association. Formal issues may be raised in accordance with our service delivery policies and procedures and will be reported to the Board; and
- Services are regularly reviewed against current developments in recommended practice and guidelines issued by regulatory and similar bodies.

Worcestershire YMCA Limited

Board report

For the year ended 31 March 2024

Plans for future periods

The overall performance last year affects our medium to long term strategy:

- Our assessment of performance in the year is used to inform our strategy. We have reviewed our strategies and focus delivery on children and their families and young adults. Our objects remain relevant and appropriate. We have engaged with staff more widely to assist in the short to medium term plans for the organisation in the face of reduced public spending. The organisation will further strengthen its offer to ensure it is comprehensive and cohesive and can be made to more potential beneficiaries throughout the County.

Our main objectives for next year:

- Early Years and Children: Ongoing collaboration between our early years settings to enable shared learning to other sites so more children benefit from better outcomes at the Early Years Foundation Stage. Exploration of more formal unifying structures for our early years. Young Adults: Increase engagement with a wider spectrum of young people and develop enterprise initiatives so more young people are benefiting from broader opportunities towards raising aspirations and employment. Housing: to provide the highest quality supported housing and to be the funders' provider of choice.

Statement of responsibilities of the board

The board (who are also directors of the Association for the purposes of company law) are responsible for preparing the board report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

The Companies Act 2006 and registered social housing legislation requires the board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association and of the incoming resources and application of resources, including the income and expenditure, of the Association for that period. In preparing these financial statements, the board is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Housing SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The board are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and the group and which enable them to ensure that the financial statements comply with the Companies Act 2006 the Housing and Regeneration Act 2008, and the Accounting Direction for private registered providers of social housing in England 2022. The board are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Worcestershire YMCA Limited

Board report

For the year ended 31 March 2024

In so far as the board are aware:

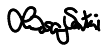
- there is no relevant audit information of which the association's auditors are unaware; and
- the board has taken all steps that it ought to have taken to make itself aware of any relevant audit information and to establish that the auditors are aware of that information.

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

Auditors

Godfrey Wilson Limited were appointed as auditors to the group and parent association during the year and have expressed their willingness to continue in that capacity.

Approved by the board on 30 September 2024 and signed on its behalf by



Lindsay Sartori - chair and board member



Michael Sermon - board member

Independent auditors' report

To the members of

Worcestershire YMCA Limited

Opinion

We have audited the financial statements of Worcestershire YMCA Limited (the 'parent association') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the consolidated statement of financial activities, consolidated and parent charity balance sheets, consolidated statement of cash flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and the Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and parent association's affairs as at 31 March 2024 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2022.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent 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 directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent auditors' report

To the members of

Worcestershire YMCA Limited

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent association and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the board report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

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

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

Responsibilities of the board

As explained more fully in the board's responsibilities statement set out in the board report, the board (who are also the directors of the association for the purposes of charity 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 they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent auditors' report

To the members of

Worcestershire YMCA Limited

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

Our responsibilities for the audit of the financial statements

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

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

- (1) We obtained an understanding of the legal and regulatory framework that the group and parent association operates in, and assessed the risk of non-compliance with applicable laws and regulations. Throughout the audit, we remained alert to possible indications of non-compliance.
- (2) We reviewed the group and parent association's policies and procedures in relation to:
 - Identifying, evaluating and complying with laws and regulations, and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risk of fraud, and whether they were aware of any actual, suspected or alleged fraud; and
 - Designing and implementing internal controls to mitigate the risk of non-compliance with laws and regulations, including fraud.
- (3) We inspected the minutes of board meetings.
- (4) We enquired about any non-routine communication with regulators and reviewed any reports made to them.
- (5) We reviewed the financial statement disclosures and assessed their compliance with applicable laws and regulations.
- (6) We performed analytical procedures to identify any unusual or unexpected transactions or balances that may indicate a risk of material fraud or error.

Independent auditors' report

To the members of

Worcestershire YMCA Limited

(7) We assessed the risk of fraud through management override of controls and carried out procedures to address this risk. Our procedures included:

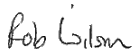
- Testing the appropriateness of journal entries;
- Assessing judgements and accounting estimates for potential bias;
- Reviewing related party transactions; and
- Testing transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. Irregularities that arise due to fraud can be even harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

This report is made solely to the association's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the association's members as a body, for our audit work, for this report, or for the opinions we have formed.



Date: 30 September 2024

Robert Wilson FCA
(Senior Statutory Auditor)

For and on behalf of:

GODFREY WILSON LIMITED

Chartered accountants and statutory auditors

5th Floor Mariner House

62 Prince Street

Bristol

BS1 4QD

Worcestershire YMCA Limited

Consolidated statement of comprehensive income (incorporating an income and expenditure account)

For the year ended 31 March 2024

		2024	Restated
		Total	2023
		£	Total
			£
Turnover	2	3,945,450	4,448,056
Operating expenditure	5	(4,577,301)	(4,625,718)
Gains on disposal of housing properties		<u>-</u>	<u>132,259</u>
Operating surplus	7	<u>(631,851)</u>	<u>(45,403)</u>
Interest receivable and other income		1	-
Interest and financing costs	6	<u>(130,938)</u>	<u>(68,325)</u>
Total comprehensive income		<u>(762,788)</u>	<u>(113,728)</u>

The consolidated financial statements relate to wholly continuing operations.

The consolidated financial statements were approved by the Board on 30 September 2024.



Lindsay Sartori - chair and board member



Michael Sermon - board member

Worcestershire YMCA Limited

Consolidated balance sheets

As at 31 March 2024

	Note	The group 2024 £	Restated The group 2023 £	The association 2024 £	Restated The association 2023 £
Fixed assets					
Housing properties	11	6,821,721	6,923,662	5,740,639	5,811,981
Other tangible assets	12	154,751	133,870	152,752	131,513
Intangible fixed assets	16	19,466	228,702	-	-
Investments	13, 14	690	690	-	-
		<u>6,996,628</u>	<u>7,286,924</u>	<u>5,893,391</u>	<u>5,943,494</u>
Current assets					
Debtors	17	409,305	372,208	306,480	280,283
Cash at bank and in hand		<u>1,296,019</u>	<u>2,157,472</u>	<u>172,606</u>	<u>1,224,757</u>
		1,705,324	2,529,680	479,086	1,505,040
Liabilities					
Creditors: amounts falling due within 1 year	18	<u>720,918</u>	<u>768,104</u>	<u>600,268</u>	<u>912,457</u>
Net current assets / (liabilities)		<u>984,406</u>	<u>1,761,576</u>	<u>(121,182)</u>	<u>592,583</u>
Total assets less current liabilities		7,981,034	9,048,500	5,772,209	6,536,077
Creditors: amounts falling due after more than 1 year	20	4,489,108	4,567,715	3,750,110	3,814,644
Defined benefit pension provision	23	<u>137,121</u>	<u>363,192</u>	<u>109,499</u>	<u>291,176</u>
Net assets		<u><u>3,354,805</u></u>	<u><u>4,117,593</u></u>	<u><u>1,912,600</u></u>	<u><u>2,430,257</u></u>
Reserves					
Restricted reserve	22	-	-	-	-
Income and expenditure reserve		<u>3,354,805</u>	<u>4,117,593</u>	<u>1,912,600</u>	<u>2,430,257</u>
Total reserves		<u><u>3,354,805</u></u>	<u><u>4,117,593</u></u>	<u><u>1,912,600</u></u>	<u><u>2,430,257</u></u>

Approved by the board on 30 September 2024 and signed on its behalf by



Lindsay Sartori - chair and board member



Michael Sermon - board member

Worcestershire YMCA Limited

Consolidated statement of changes in reserves

As at 31 March 2024

	Income and expenditure reserve £	Total £
Restated balance at 31 March 2022	4,231,321	4,231,321
Restated deficit from statement of comprehensive income	<u>(113,728)</u>	<u>(113,728)</u>
Restated balance at 31 March 2023	<u>4,117,593</u>	<u>4,117,593</u>
Deficit from statement of comprehensive income	<u>(762,788)</u>	<u>(762,788)</u>
Balance at 31 March 2024	<u><u>3,354,805</u></u>	<u><u>3,354,805</u></u>

Worcestershire YMCA Limited**Consolidated statement of cash flows****For the year ended 31 March 2024**

	2024	Restated
	£	2023
		£
Cash used in operating activities:		
Total comprehensive income	(762,788)	(113,728)
Adjustments for:		
Depreciation charges	133,992	138,871
Amortisation charges	209,236	209,236
Loan interest paid	130,938	68,325
Loss / (profit) on the sale of fixed assets	7	(164,230)
Decrease / (increase) in debtors	(37,097)	41,189
Increase / (decrease) in creditors	(125,793)	23,761
Increase / (decrease) in provision	(226,071)	(69,995)
Net cash provided by / (used in) operating activities	<u>(677,576)</u>	<u>133,429</u>
Cash flows from investing activities:		
Proceeds from sale of fixed assets	-	160,221
Purchase of tangible fixed assets	(52,939)	(131,290)
Net cash provided by / (used in) investing activities	<u>(52,939)</u>	<u>28,931</u>
Cash flows from financing activities:		
Loan interest paid	(130,938)	(68,325)
Net cash provided in / (used in) financing activities	<u>(130,938)</u>	<u>(68,325)</u>
Increase / (decrease) in cash and cash equivalents in the year	(861,453)	94,035
Cash and cash equivalents at the beginning of the year	<u>2,157,472</u>	<u>2,063,437</u>
Cash and cash equivalents at the end of the year	<u>1,296,019</u>	<u>2,157,472</u>

Analysis of net changes in debt are given in note 24

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2024

1. Accounting policies

a) Basis of preparation and general information

Worcester YMCA a charitable company limited by guarantee registered in England and Wales and private registered provider of social housing in the United Kingdom. The registered office address is Gordon Anstis House, Loxley Close, Redditch, B98 9JS. The nature of the association's operations and activities are detailed in the Board Report.

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2018, and with the Accounting Direction for private registered providers of social housing in England 2022. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008 and the Companies Act 2006.

Worcestershire YMCA Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

b) Group accounts

These financial statements consolidate the results of the association and its wholly-owned (controlled) subsidiary on a line by line basis. Transactions and balances between the association and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the association's balance sheet. A separate statement of financial activities, or income and expenditure account, for the association itself is not presented because the association has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

c) Going concern basis of accounting

The accounts have been prepared on the assumption that the association is able to continue as a going concern, which the trustees consider appropriate having regard to the current level of unrestricted reserves. There are no material uncertainties about the association's ability to continue as a going concern.

d) Turnover and other income

Turnover is measured at the fair value of the consideration received or receivable net of VAT and trade discounts.

Turnover represents rental and service charges income receivable in the year net of rent and service charge losses from voids, revenue grants from the government (local authorities) and the Homes England and income from community services.

Government grants received towards housing properties and other capital projects are recognised at the fair value of the asset received or receivable. Where the assets are accounted for using the cost model then the government grant is accounted for using the accruals model. The difference between the fair value of the asset and the consideration is recognised as a liability and amortised over the useful economic life of the asset. This amortisation is recognised within turnover. Where the assets are accounted for using the valuation model then the government grant is accounted for using the performance model so that turnover is taken once the performance conditions have been met.

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2024

d) Turnover and other income (continued)

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

Income from other income streams is recognised when the association has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income received in advance of provision of a specified service or the period to which it relates, is deferred until criteria for income recognition are met.

e) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the association has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the association of the item, is probable and the economic benefit can be measured reliably. In accordance with principles the Charities SORP (FRS 102), general volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the association which is the amount the association would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the association: this is normally upon notification of the interest paid or payable by the bank.

g) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

h) Tangible fixed assets

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

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2024

h) Tangible fixed assets (continued)

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Housing properties

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

Land	Not depreciated
Main fabric	100 years
Roof structure and covering	35 years
Windows and external doors	20 years
Mechanical	30 years
Electrical	30 years

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in expenditure through the statement of comprehensive income.

Other fixed assets

Freehold buildings	10 - 50 years
Fixtures	15% straight line
Motor vehicles	25% straight line
Computer equipment	20% straight line
Other equipment	10% straight line

Items of equipment are capitalised where the purchase price exceeds £1,000.

i) Intangible fixed assets

Intangible fixed assets are amortised at rates calculated to write off the assets on a straight line basis over their estimated useful economic lives. Impairment of intangible assets is reviewed where circumstances indicate that the carrying value of an assets may not be fully recoverable. Amortisation is provided at the following rates:

Goodwill	5 years straight line
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Previously intangible fixed assets were amortised over 10 years straight line.

j) Investments in subsidiaries

The association has a wholly owned subsidiary, Worcester YMCA, which is a charitable company, registered company number 05056873 and registered charity number 1102766. Worcester YMCA.

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2024

j) Investments in subsidiaries (continued)

Worcester YMCA has two wholly owned subsidiaries, Little Treasures Limited, registered company number 04029930 and First Class Nursery (Kidderminster) Limited, registered company number 08887253. The subsidiaries of Worcester YMCA are used for non-primary purpose trading activities.

The subsidiary undertakings are valued at cost less any cumulative impairment losses in the charitable company's accounts.

k) Listed investments

Listed investments traded on a recognised stock exchange are stated at fair value at the reporting date, which is deemed to be their market value. Any gain or loss, whether realised or unrealised, is taken to the Statement of Financial Activities.

l) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

m) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

n) Creditors

Creditors and provisions are recognised where there is a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

o) Provisions

A provision is recognised in the balance sheet when the association has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

p) Financial instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently recognised at amortised cost using the effective interest method.

q) Operating leases

Rentals paid under operating leases are charged to the statement of financial activities as they fall due.

r) Pension costs

The company operates a defined contribution pension scheme for its employees. There are no further liabilities other than that already recognised in the SOFA.

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2024

s) Defined benefit pension scheme

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

As described in note 23 Worcestershire YMCA and Worcester YMCA have a contractual obligation to make pension deficit payments of £38,224 pa and £9,642 pa respectively over the period to April 2027 (2023: £50,655 pa and £12,528 pa to April 2029 respectively), accordingly this is shown as a liability in these accounts. In addition, Worcestershire YMCA and Worcester YMCA are required to contribute £12,183 pa and £3,073 pa (2023: £12,000 and £2,968) to the operating expenses of the Pension Plan and these costs are charged to the Statement of Comprehensive Income as made.

t) Restricted reserves

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

u) Accounting estimates and key judgements

In the application of the association's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are depreciation, amortisation and defined benefit pension provision as described in note 1(h), 1(i) and 1(s) above.

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2024

2. Turnover

	2024	Restated
	Total	2023
	£	Total
		£
Income from:		
Housing	1,905,434	1,773,905
Donations and grants	105,263	368,875
Community activities	759,602	1,213,166
Other trading activities	1,175,151	1,092,110
	<u>3,945,450</u>	<u>4,448,056</u>

3. Social housing income and expenditure

	2024	Restated
	Total	2023
	£	Total
		£
Rents receivable excluding service charges	946,864	792,775
Service charges receivable	953,785	825,134
Capital grants	31,973	31,973
Social housing operating costs	<u>(873,844)</u>	<u>(614,932)</u>
Operating surplus from housing activities	<u>1,058,778</u>	<u>1,034,950</u>
Memo:		
Void losses	<u>120,619</u>	<u>67,071</u>
Amortised government grants	<u>31,973</u>	<u>31,973</u>

4. Accommodation owned and managed

	2024	2023
	Total	Total
	Units	Units
Total units under management	<u>211</u>	<u>212</u>
Supported accommodation	84	84
General needs housing	<u>127</u>	<u>128</u>
Total owned and managed	<u>211</u>	<u>212</u>

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2024

5. Operating expenditure

	Cost of nursery subsidiaries £	Other charitable costs £	2024 Total £
Staff costs (note 8)	881,002	1,711,241	2,592,243
Other staff costs	20,387	227,468	247,855
Premises costs	-	755,970	755,970
Vehicle costs	-	28,711	28,711
Other direct costs	78,796	119,517	198,313
Office expenses	55,028	241,064	296,092
Repairs and maintenance	18,499	164,916	183,415
Depreciation and Amortisation	22,427	320,802	343,229
Audit and accountancy fees	16,200	26,470	42,670
Pension deficit	-	(147,920)	(147,920)
Bad debt provision movement	63	37,060	37,123
Corporation tax	(400)	-	(400)
Total operating expenditure	<u>1,092,002</u>	<u>3,485,299</u>	<u>4,577,301</u>

Prior period comparative:

	Cost of nursery subsidiaries £	Other charitable costs £	2023 Total £
Staff costs (note 8)	713,487	1,829,559	2,543,046
Other staff costs	992	119,602	120,594
Premises costs	-	575,734	575,734
Vehicle costs	-	59,003	59,003
Other direct costs	70,938	141,836	212,774
Office expenses	47,657	306,879	354,536
Repairs and maintenance	21,525	141,366	162,891
Depreciation and Amortisation	30,493	317,614	348,107
Audit and accountancy fees	21,623	64,484	86,107
Pension deficit	-	16,831	16,831
Bad debt provision movement	9,511	134,048	143,559
Corporation tax	2,536	-	2,536
Total operating expenditure	<u>918,762</u>	<u>3,706,956</u>	<u>4,625,718</u>

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2024

6. Interest and financial costs

	2024	2023
	Total	Total
	£	£
Loan interest payable	<u>130,938</u>	<u>68,325</u>
	<u>130,938</u>	<u>68,325</u>

7. Operating surplus / (deficit)

This is stated after charging:

	2024	2023
	£	£
Depreciation	133,992	138,871
Amortisation	209,236	209,236
Operating lease payments	174,359	134,115
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	-	208
Auditors' / Independent examiner's remuneration:		
▪ Statutory audit (excluding VAT)	32,000	69,018
▪ Other services (excluding VAT)	-	2,738
	<u>-</u>	<u>2,738</u>

8. Staff costs and numbers

Staff costs were as follows:

	2024	2023
	£	£
Salaries and wages	2,342,477	2,275,616
Social security costs	167,486	158,652
Pension costs	82,280	108,778
	<u>2,592,243</u>	<u>2,543,046</u>

Included in salaries and wages are redundancy and termination costs totalling £3,710 (2023:£11,699) comprising redundancy (2023: restructuring) costs.

The number of higher paid employees was:

	2024	2023
	No.	No.
£60,001 - £70,000	-	1
£70,001 - £80,000	1	-
	<u>1</u>	<u>1</u>

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2024

8. Staff costs and numbers (continued)

	2024	2023
	No.	No.
Average number of employees	<u>128</u>	<u>140</u>

9. Board and key management personnel remuneration

The key management personnel of the association comprise the directors, Chief Executive Officer, and other key management personnel. The total employee benefits of the key management personnel were £308,472 (2023: £229,171).

The emoluments of the highest paid director (including the Chief Executive Officer), included above was:

	2024	2023
	£	£
Aggregate emoluments (excluding pension contributions)	73,253	66,498
Contributions to money purchase pension plan	<u>7,045</u>	<u>7,044</u>
	<u>80,298</u>	<u>73,542</u>

The Chief Executive is an ordinary member of the YMCA pension scheme and has an enhanced payment of 11% contribution paid. The Chief Executive participates in the YMCA contributory pension scheme.

10. Taxation

The association and its subsidiary, as a charitable companies, are exempt from corporation tax as all their income is charitable and is applied for charitable purposes. The subsidiary companies of Worcester YMCA, distribute any profits to the Worcester YMCA and therefore ordinarily no corporation tax is payable.

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2024

11. Tangible fixed assets - housing properties and other land and buildings
Group

	Restated	Restated						Restated
	Knowle Close £	Gordon Anstis House £	Bengrove Close £	Frederick Eary House £	Stanley Road £	Little Treasures £	First Class £	Total £
Cost or valuation								
At 1 April 2023	<u>2,359,506</u>	<u>3,708,949</u>	<u>32,738</u>	<u>534,384</u>	<u>585,000</u>	<u>665,242</u>	<u>1,557</u>	<u>7,887,376</u>
At 31 March 2024	<u>2,359,506</u>	<u>3,708,949</u>	<u>32,738</u>	<u>534,384</u>	<u>585,000</u>	<u>665,242</u>	<u>1,557</u>	<u>7,887,376</u>
Depreciation								
At 1 April 2023	282,657	419,184	4,892	116,863	84,095	55,175	848	963,714
Charge for the year	<u>24,404</u>	<u>40,502</u>	<u>338</u>	<u>6,098</u>	<u>18,280</u>	<u>12,163</u>	<u>156</u>	<u>101,941</u>
At 31 March 2024	<u>307,061</u>	<u>459,686</u>	<u>5,230</u>	<u>122,961</u>	<u>102,375</u>	<u>67,338</u>	<u>1,004</u>	<u>1,065,655</u>
Net book value								
At 31 March 2024	<u>2,052,445</u>	<u>3,249,263</u>	<u>27,508</u>	<u>411,423</u>	<u>482,625</u>	<u>597,904</u>	<u>553</u>	<u>6,821,721</u>
At 31 March 2023	<u>2,076,849</u>	<u>3,289,765</u>	<u>27,846</u>	<u>417,521</u>	<u>500,905</u>	<u>610,067</u>	<u>709</u>	<u>6,923,662</u>

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2024

11. Tangible fixed assets - housing properties and other land and buildings (continued)

Association	Restated	Restated	Bengrove Close £	Frederick Eary House £	Restated
	Knowle Close £	Gordon Anstis House £			Total £
Cost or valuation					
At 1 April 2023	<u>2,359,506</u>	<u>3,708,949</u>	<u>32,738</u>	<u>534,384</u>	<u>6,635,577</u>
At 31 March 2024	<u>2,359,506</u>	<u>3,708,949</u>	<u>32,738</u>	<u>534,384</u>	<u>6,635,577</u>
Depreciation					
At 1 April 2023	282,657	419,184	4,892	116,863	823,596
Charge for the year	<u>24,404</u>	<u>40,502</u>	<u>338</u>	<u>6,098</u>	<u>71,342</u>
At 31 March 2024	<u>307,061</u>	<u>459,686</u>	<u>5,230</u>	<u>122,961</u>	<u>894,938</u>
Net book value					
At 31 March 2024	<u>2,052,445</u>	<u>3,249,263</u>	<u>27,508</u>	<u>411,423</u>	<u>5,740,639</u>
At 31 March 2023	<u>2,076,849</u>	<u>3,289,765</u>	<u>27,846</u>	<u>417,521</u>	<u>5,811,981</u>

12. Other tangible fixed assets

Group	Motor	Computer	Other	Fixtures £	Total £
	vehicles £	Equipment £	equipment £		
Cost					
At 1 April 2023	48,590	162,451	99,580	308,277	618,898
Additions in year	23,218	10,731	-	18,990	52,939
Disposals	<u>(37,802)</u>	<u>(114,787)</u>	<u>-</u>	<u>-</u>	<u>(152,589)</u>
At 31 March 2024	<u>34,006</u>	<u>58,395</u>	<u>99,580</u>	<u>327,267</u>	<u>519,248</u>
Depreciation					
At 1 April 2023	48,590	137,378	99,580	199,480	485,028
Charge for the year	3,870	9,944	-	18,237	32,051
Disposals	<u>(37,802)</u>	<u>(114,780)</u>	<u>-</u>	<u>-</u>	<u>(152,582)</u>
At 31 March 2024	<u>14,658</u>	<u>32,542</u>	<u>99,580</u>	<u>217,717</u>	<u>364,497</u>
Net book value					
At 31 March 2024	<u>19,348</u>	<u>25,853</u>	<u>-</u>	<u>109,550</u>	<u>154,751</u>
At 31 March 2023	<u>-</u>	<u>25,073</u>	<u>-</u>	<u>108,797</u>	<u>133,870</u>

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2024

12. Other tangible fixed assets (continued)

Association	Motor vehicles £	Computer Equipment £	Other equipment £	Fixtures £	Total £
Cost					
At 1 April 2023	37,802	156,853	89,764	236,708	521,127
Additions in year	23,218	10,731	-	18,990	52,939
Disposals	<u>(37,802)</u>	<u>(114,787)</u>	<u>-</u>	<u>-</u>	<u>(152,589)</u>
At 31 March 2024	<u>23,218</u>	<u>52,797</u>	<u>89,764</u>	<u>255,698</u>	<u>421,477</u>
Depreciation					
At 1 April 2023	37,802	131,780	89,764	130,268	389,614
Charge for the year	3,870	9,586	-	18,237	31,693
Disposals	<u>(37,802)</u>	<u>(114,780)</u>	<u>-</u>	<u>-</u>	<u>(152,582)</u>
At 31 March 2024	<u>3,870</u>	<u>26,586</u>	<u>89,764</u>	<u>148,505</u>	<u>268,725</u>
Net book value					
At 31 March 2024	<u>19,348</u>	<u>26,211</u>	<u>-</u>	<u>107,193</u>	<u>152,752</u>
At 31 March 2023	<u>-</u>	<u>25,073</u>	<u>-</u>	<u>106,440</u>	<u>131,513</u>

13. Investments

	The group		The association	
	2024 £	2023 £	2024 £	2023 £
Market value at 1 April 2023	<u>690</u>	<u>690</u>	<u>-</u>	<u>-</u>
Market value at 31 March 2024	<u>690</u>	<u>690</u>	<u>-</u>	<u>-</u>

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2024

14. Subsidiary undertakings

Worcester YMCA

The parent association wholly controls the charitable company Worcester YMCA, registered in England and Wales (charity number 1102766, company number 05056873). Worcestershire YMCA exercises control over Worcester YMCA as the sole member of the charity, giving it the powers to appoint and remove trustees. Worcester YMCA in turn wholly controls Little Treasures Limited (company number 04029930) and First Class Nurseries (Kidderminster) Limited (company number 08887253), both of which are incorporated in England and Wales.

	2024	<i>Restated</i> 2023
	£	£
Total consolidated income	1,256,560	1,079,480
Total consolidated expenditure	<u>(1,501,689)</u>	<u>(1,452,321)</u>
Net expenditure and net movement in funds	<u>(245,129)</u>	<u>(372,841)</u>
The aggregate of the assets, liabilities and funds was:		
	2024	2023
	£	£
Assets	2,464,695	2,789,161
Liabilities	<u>(1,022,488)</u>	<u>(1,101,825)</u>
Funds	<u>1,442,207</u>	<u>1,687,336</u>

15. Parent association

The parent association's gross income and the results for the year are disclosed as follows:

	2024	<i>Restated</i> 2023
	£	£
Gross income	2,778,248	3,336,602
Results for the year	<u>(517,657)</u>	<u>(259,116)</u>

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2024

16. Intangible assets

Group and association	Restated Goodwill £	Restated Total £
Cost		
At 1 April 2023	<u>1,087,428</u>	<u>1,087,428</u>
At 31 March 2024	<u><u>1,087,428</u></u>	<u><u>1,087,428</u></u>
Amortisation		
At 1 April 2023	858,726	858,726
Charge for the year	<u>209,236</u>	<u>209,236</u>
At 31 March 2024	<u>1,067,962</u>	<u>1,067,962</u>
Net book value		
At 31 March 2024	<u>19,466</u>	<u>19,466</u>
At 31 March 2023	<u>228,702</u>	<u>228,702</u>

17. Debtors

	The group		The association	
	2024 £	2023 £	2024 £	2023 £
Trade debtors (gross social housing rent arrears)	669,095	559,517	630,033	536,997
Less: provision for doubtful debts	<u>(470,535)</u>	<u>(409,473)</u>	<u>(433,288)</u>	<u>(389,181)</u>
	198,560	150,044	196,745	147,816
Other debtors	102,080	116,177	1,070	26,480
Prepayments and accrued income	<u>108,665</u>	<u>105,987</u>	<u>108,665</u>	<u>105,987</u>
	<u>409,305</u>	<u>372,208</u>	<u>306,480</u>	<u>280,283</u>

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2024

18. Creditors : amounts due within 1 year

	The group		The association	
	2024	Restated 2023	2024	Restated 2023
	£	£	£	£
Bank loans and overdrafts	63,907	58,768	37,718	37,591
Other taxation and social security	69,829	54,145	37,236	17,507
Trade creditors	172,284	134,907	160,454	115,696
Other creditors	48,060	25,576	38,326	22,749
Government grant creditor	31,973	31,973	31,973	31,973
Owed to related undertakings	-	-	135,218	421,094
Accruals and deferred income	334,865	443,123	159,343	265,847
Corporation tax	-	19,612	-	-
	<u>720,918</u>	<u>768,104</u>	<u>600,268</u>	<u>912,457</u>

Included within other creditors are pension creditors of £24,582 (2023: £9,253) for the group and £19,053 (2023: £7,229) for the association.

19. Deferred income

	The group		The association	
	2024	2023	2024	2023
	£	£	£	£
At 1 April 2023	178,612	299,629	88,716	217,159
Deferred during the year	157,907	178,612	46,184	88,716
Released during the year	(178,612)	(299,629)	(88,716)	(217,159)
At 31 March 2024	<u>157,907</u>	<u>178,612</u>	<u>46,184</u>	<u>88,716</u>

Deferred income relates to income received in advance related to the subsequent period.

20. Creditors: amounts falling due after more than one year

	The group		The association	
	2024	Restated 2023	2024	Restated 2023
	£	£	£	£
Government grant creditor	2,845,584	2,877,557	2,845,584	2,877,557
Bank loans	1,643,524	1,690,158	904,526	937,087
	<u>4,489,108</u>	<u>4,567,715</u>	<u>3,750,110</u>	<u>3,814,644</u>

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2024

20. Creditors: amounts falling due after more than one year (continued)

Analysis of loan debt maturity	The group		The association	
	2024	2023	2024	2023
Debt due after more than one year:	£	£	£	£
Within one to two years	62,267	62,354	40,556	39,946
Within two to five years	214,632	210,885	140,159	135,536
In more than 5 years	1,366,625	1,416,919	723,811	761,605
	<u>1,643,524</u>	<u>1,690,158</u>	<u>904,526</u>	<u>937,087</u>

At association level there are two secured bank loans, one with with Unity Bank and one with BCM Global. Interest is charged at commercial rates. Interest is charged at 2.5% above Bank of England base rate on the Unity Bank loan, and the loan is repayable over 25 years. Interest is charged at 9.5% on the BCM Global loan and the loan is repayable over 33 years. The loans are secured against three of the association's properties, Gordon Anstis House, Loxley Close, Redditch, B98 9JS, Frederick Eary House, Studley Road, Redditch, B98 7XA and Knowle Close, Church Hill, Redditch, B98 9JW.

At a group level there are also two secured bank loans on the properties at 2 Stanley Road, Worcester, WR5 1BR and at Broomhall Grange, Norton Road, Broomhall, WR5 2PD. The loans from Unity Bank are charged at commercial rates of 1.5% above Bank of England base rate and are repayable over 25 years. The loans are secured with fixed charges over the assets of the Worcester YMCA and its subsidiary, Little Treasures Limited.

At 31 March 2024, Worcestershire YMCA had failed to meet its financial covenant under the Unity Trust loan in respect of the EBITDA measure. Based on communications and discussions with the bank there was no indication from the bank that any action, beyond a reservation of rights letter would take place. The carrying amount of this loan in breach was £701,453 at 31 March 2024.

In the year ended 31 March 2023, Worcester YMCA had failed to meet its financial covenant under the loans in respect of the EBITDA measure. Based on communications and discussions with the bank and the understanding that sufficient funds are held by Worcestershire YMCA Limited, the ultimate parent charitable company, that could be provided to Worcester YMCA to enable it to satisfy the EBITDA measure, there is no indication that any action, beyond the issue of a reservation of rights letter, will take place. The carrying amount of the loan in breach was £774,248 at 31 March 2023.

21. Analysis of net assets between reserves

All assets and liabilities are allocated to the income and expenditure reserve in both the current and prior year.

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2024

22. Group reserves

As noted in the accounting policies, revenue and expenditure cannot be directly set against restricted reserves but is taken through the statement of comprehensive income and then a transfer to restricted reserves is made as appropriate. Details below are included on the movement in restricted reserves during the year.

	Restated at 1 April 2023 £	Income £	Expenditure £	Gains and losses £	Transfers between funds £	At 31 March 2024 £
Restricted reserves						
Children and Youth Services	-	170,042	(177,718)	-	7,676	-
National Citizen Service	-	1,440	(1,440)	-	-	-
Supporting People	-	134,937	(175,235)	-	40,298	-
Prison Contract - HMP Hewell	-	104,499	(121,266)	-	16,767	-
Total restricted reserves	-	410,918	(475,659)	-	64,741	-
Income and expenditure reserve	4,117,593	3,534,533	(4,232,580)		(64,741)	3,354,805
Total reserves	4,117,593	3,945,451	(4,708,239)	-	-	3,354,805

Transfers

Transfers have been accounted for in the year account for overspends on restricted projects or restricted expenditure being incurred in advance of funding being received.

Reserve descriptions

Children and Youth Services	Provision of positive activities for young people in Redditch and Bromsgrove.
National Citizen Service	Provision of social action training for young people aged 16 & 17 years.
Supporting People	Provision of support for vulnerable homeless young people.

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2024

22. Group reserves (continued)

Reserve descriptions (continued)

Prison Contract - HMP Hewell	Providing childcare and family support to prisoners and their families, encouraging sustained involvement whilst fathers are in prison.
BBO Job Coach	Provision of support for economically inactive and unemployed person aged 16+.
Income and expenditure reserve	The income and expenditure reserve represents cumulative surplus and deficits net of other adjustments.

Prior year comparative

	Restated at 1 April 2022 £	Restated Income £	Restated Expenditure £	Gains and losses £	Transfers between funds £	Restated at 1 April 2023 £
Restricted reserves						
Children and Youth Services	-	215,255	(215,255)	-	-	-
National Citizen Service	-	477,297	(477,297)	-	-	-
Supporting People	-	148,858	(148,858)	-	-	-
Prison Contract - HMP Hewell	-	147,886	(147,886)	-	-	-
BBO Job Coach	-	133,136	(133,136)	-	-	-
Total restricted reserves	-	1,122,432	(1,122,432)	-	-	-
Income and expenditure reserve	4,231,321	3,325,624	(3,439,352)	-	-	4,117,593
Total reserves	4,231,321	4,448,056	(4,561,784)	-	-	4,117,593

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2024

23. Provisions for liabilities: defined benefit pension scheme liability

	The group		The association	
	2024	2023	2024	2023
	£	£	£	£
Present value of provision	<u>137,121</u>	<u>363,192</u>	<u>109,499</u>	<u>291,176</u>

Reconciliation of opening and closing provisions

	The group		The association	
	2024	2023	2024	2023
	£	£	£	£
Provision at the start of the year	363,192	433,187	291,176	347,292
Deficit contributions paid	(63,183)	(90,788)	(50,655)	(72,786)
Unwinding of the discount factor (interest expense)	17,433	20,793	13,976	16,670
Impact of reduction to repayment period	<u>(180,321)</u>	<u>-</u>	<u>(144,998)</u>	<u>-</u>
Provision at the end of the year	<u>137,121</u>	<u>363,192</u>	<u>109,499</u>	<u>291,176</u>

Assumptions

	The group		The association	
	2024	2023	2024	2023
	£	£	£	£
Rate of discount	<u>4.80%</u>	<u>4.80%</u>	<u>4.80%</u>	<u>4.80%</u>

The discount rates shown above are the equivalent single discount rates which, when used to discount future recovery plan contributions due, would give the same results as using the pwc pension accounting trends median figure to discount the same recovery plan contributions.

Worcestershire YMCA and Worcester YMCA participated in a contributory pension plan providing defined benefits based on final pensionable pay for employees of YMCAs in England, Scotland and Wales. The assets of the YMCA Pension Plan are held separately from those of Worcester YMCA and at the year end these were invested in the Mercer Dynamic De-risking Solution, 65% matching portfolio and 35% in the growth portfolio and Schroder (property units only).

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

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2024

23. Provisions for liabilities: defined benefit pension scheme liability (continued)

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. Worcestershire YMCA and Worcester YMCA were advised that it would need to make contributions of £50,655 and £12,528 per annum from 1 May 2023 respectively, increasing by 3% per annum for each subsequent year. These amounts were based on the actuarial assumptions at 1 May 2020 (as outlined above) and it was understood that contributions may vary in the future as a result of actual performance of the Pension Plan. At 31 March 2023, agreed future deficit contributions were discounted using a rate of 4.8% (2022: 2.7%). At 31 March 2023, the recovery period was 6 years commencing 1 May 2023.

The valuation prepared as at 1 May 2023 showed that the YMCA Pension Plan had a deficit of £9.1 million. Worcestershire YMCA and Worcester YMCA have been advised that they will need to make annual contributions of £38,224 and £9,642 respectively from 1 May 2024. This amount is based on the current actuarial assumptions (as outlined above) and may vary in the future as a result of actual performance of the Pension Plan. Agreed future deficit contributions have been discounted using a rate of 4.8% (2023: 4.8%). The current recovery period is 3 years commencing 1 May 2024.

24. Analysis of changes in net debt Group

	At 1 April 2023	Cash flows	At 31 March 2024
Cash	2,157,472	(861,453)	1,296,019
Loans falling due within 1 year	(58,768)	(5,139)	(63,907)
Loans falling due after 1 year	<u>(1,690,158)</u>	<u>-</u>	<u>(1,690,158)</u>
	<u>408,546</u>	<u>(866,592)</u>	<u>(458,046)</u>

25. Financial instruments at fair value

	The group		The association	
	2024	2023	2024	2023
	£	£	£	£
Financial assets measured at fair value	<u>690</u>	<u>690</u>	<u>-</u>	<u>-</u>

Financial assets measured at fair value comprise listed investments.

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2024

26. Contingent liabilities

The Social Housing Grants are repayable under certain circumstances (for example the sale of properties).

As detailed in note 23 above, Worcestershire YMCA Limited and Worcester YMCA may incur liabilities in the event of the non-payment by other participating YMCA's of their share of the YMCA Pension Plan's current deficit. The method of allocation of the deficit has not yet been finalised and the future ability of other participating YMCA employers to meet their obligations cannot presently be determined. No provision for any liability that may arise has been made in these financial statements.

27. Operating lease commitments

The group and association had operating leases at the year end with total future minimum lease payments as follows:

	The group		The association	
	2024	Restated 2023	2024	Restated 2023
	£	£	£	£
Amount falling due:				
Within 1 year	99,588	132,390	91,589	124,390
Within 1 - 5 years	87,015	104,055	55,015	72,055
Over 5 years	279,336	292,334	114,003	119,000
	465,939	528,779	260,607	315,445

28. Related party transactions

The charitable company has a wholly owned subsidiary undertaking called Worcester YMCA, a registered charity (number: 1102766) and company limited by guarantee (number: 05056873). Copies of the Worcester YMCA group consolidated financial statements are available from the Charity Commission. The subsidiary gifts available taxable profits to its parent undertaking. The balance owing to the subsidiary at 31 March 2024 was £163,796 (2023: £439,309). Transactions between the entities during the year have not been disclosed in accordance with section 33 of FRS 102.

Worcester YMCA has a wholly owned subsidiary undertaking called Little Treasures Limited, a registered company in England and Wales (number: 04029930). Worcestershire YMCA has a 100% controlling interest in Worcester YMCA resulting in Worcestershire YMCA having a controlling interest in the company. The company gifts available taxable profits to Worcester YMCA. The balance owing from the charity at 31 March 2024 was £28,728 (2023: £28,982). Transactions between the entities during the year have not been disclosed in accordance with section 33 of FRS 102.

Worcester YMCA has a wholly owned subsidiary undertaking called First Class Nursery (Kidderminster) Limited, a registered company in England and Wales (number: 08887253). Worcestershire YMCA has a 100% controlling interest in Worcester YMCA resulting in Worcestershire YMCA having a controlling interest in the company. The company gifts available taxable profits to Worcester YMCA. The balance owing to the charity at 31 March 2024 was £57,306 (2023: £47,197). Transactions between the entities during the year have not been disclosed in accordance with section 33 of FRS 102.

All of the charitable company's trustees are also trustees of Worcester YMCA.

Worcestershire YMCA Limited

Notes to the financial statements

For the year ended 31 March 2024

29. Ultimate controlling party

Worcestershire YMCA Limited is controlled by its Board of Trustees.

30. Prior year restatement

The association prior year comparatives have been restated to correctly account for social housing grants used to fund social housing properties on the accruals model. The impact on the prior year association Balance Sheet is as detailed:

	£
Total association creditors as at 31 March 2023 as previously stated	1,864,767
Net off intercompany debtors and creditors	(47,196)
Re-allocation of government grants	<u>2,909,530</u>
Total association creditors as at 31 March 2023 as restated	<u>4,727,101</u>
	£
Association housing properties as at 31 March 2023 as previously stated	2,902,451
Re-allocation of government grants	<u>2,909,530</u>
Association housing properties as at 31 March 2023 as restated	<u>5,811,981</u>

These restatements have had no impact on the reserves of the association or group.

The association prior year comparatives have also be restated to remove designated funds in line with the requirements of the Housing SORP which states these are an internal matter which should not be disclosed in the financial statements.

The group prior year comparatives have also been restated for the treatment of goodwill and investments within the association's subsidiary Worcester YMCA's group financial statements. The impact on the total reserves of the group was as follows:

	£
Total reserves as at 31 March 2023	4,528,299
Adjustments to goodwill	(70,775)
Adjustments to investments	<u>(339,931)</u>
Total reserves at 31 March 2023 as restated	<u>4,117,593</u>

WORCESTERSHIRE YMCA LIMITED

England & Wales - Charity number 516872

Accounts

Worcestershire YMCA Limited

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

WORCESTERSHIRE YMCA LIMITED

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**WORCESTERSHIRE YMCA LIMITED
REPORT OF THE BOARD**

Reference and Administration Information

Charity Name	Worcestershire YMCA Limited
Charity Registration Number	516872
Company Registration Number	01944516
Registered Social Landlord Number	LH3687

Key Management Personnel

Chief Executive & Company Secretary	Dr Annette Daly
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Board of Trustees

The Board is composed of the following individuals:

Phillip Simpson	Chair, Resigned 21 November 2022
Lindsay Sartori	Chair (from January 2023)
Mike Higley	Resigned 17 July 2023
Simon Hill	Resigned 18 March 2024
Dr Juliet Horne	Vice Chair, Resigned 18 December 2022
Emma Cartwright	Appointed 18 July 2022
Hugh Protherough	Appointed 17 May 2022 / Resigned 22 December 2022
Paul Taylor	Resigned 16 December 2022
Melanie Braden	Appointed 17 July 2023
Revd Gail Rogers	Appointed 17 July 2023
Revd Michael Sermon	Appointed 20 November 2023
Philip Smiglarski	Appointed 18 March 2024

Members of the Board are directors of the association for the purposes of company law and trustees of the charity for the purposes of charity law.

Registered Office

Gordon Anstis House
Loxley Close
Redditch
Worcestershire
B98 9JS

Auditors

**Cooper Parry
Group Limited**
Cubo Birmingham
3rd Floor
Two Chamberlain
Square
Birmingham
B3 3AX

Bankers

**Unity Trust Bank
plc**
Nine Brindley Place
Birmingham
B1 2HB

Solicitors

MFG Solicitors LLP
Adam House
Birmingham Road
Kidderminster
Worcestershire
DY10 2SH

WORCESTERSHIRE YMCA LIMITED REPORT OF THE BOARD

The Board is pleased to present its report (incorporating the strategic report) and audited financial statements for the year ended 31 March 2023.

Constitution

The Association is a charitable company registered under section 2 of the Housing Act 1996 (number LH3687) and continues to be a registered charity. The Association is established as a registered social landlord with no share capital. The Association is a company limited by guarantee with members required to contribute up to a maximum of £1 each, should there be a deficiency on winding up. The Association is governed by its Articles of Association, which were reviewed by the Board in 2013.

Organisational structure

The Association is governed by its board of volunteer trustee directors, responsible for overseeing strategy and policy, approving annual budgets and accounts, and who work in conjunction with the senior executive staff who recommend strategy, policy and exercise operational management. They hold up to six meetings per annum to consider business and progress against agreed plans plus hold strategic discussions to consider future work and direction. On appointment, trustees receive induction including Charity Commission information. Attendance at meetings, interests and skills is monitored and reviewed annually. The YMCA movement offers support, development and benchmarking information. Codes of Governance and Conduct have been adopted.

The Association is part of the worldwide YMCA movement and is affiliated to the National Council of YMCAs in England and Wales, and through them to the World Council of YMCAs. It receives no funds from either the National Council or the World Council, but pays an affiliation fee to the National Council of YMCAs in England and Wales.

The Association is the sole member of Worcester YMCA a charitable company limited by guarantee. As sole member the Association is required to contribute up to a maximum of £1, should there be a deficiency on winding up Worcester YMCA. Worcester YMCA is not regulated by the Regulator of Social Housing (RSH).

The Board oversees and endorses or challenges the short and medium term strategies recommended by the senior executive staff. The Board aims to ensure the long term interests of the Association are not adversely affected by decisions taken in the medium term and ensures the ethos and values of the Association are maintained.

The day-to-day control of the Association's operations is exercised by the senior management team made up of the Chief Executive, Head of Housing and Support, Head of Business Development, Head of HR and Head of Finance. The senior management team attends Board meetings. In setting the salaries of the senior management team the Board considers benchmark information from other appropriate organisations in the YMCA movement.

The Association is organised so that those for whom activities are provided and key stakeholders are involved in the design, monitoring and evaluation of that provision; clear access to senior management and the volunteer Board is integral to the structure and is part of our engagement process.

Recruitment and appointment to the Board

The Board consists of up to fifteen elected members who are appointed for a three-year term, but who may stand for re-election at the end thereof. Members who are co-opted during the year are appointed up until the next Annual General Meeting when they are eligible for election. Board members are elected from the Members of the Association at the Annual General Meeting. Membership of Worcestershire YMCA Limited is open to men and women.

All Board members acknowledge their Christian faith, no other person or body external to the Association is entitled to appoint board members.

Board members give their time voluntarily and receive no benefits from the charity in respect of this commitment. Any expenses reclaimed from the charity or payments made to them are set out in the notes to the accounts.

WORCESTERSHIRE YMCA LIMITED REPORT OF THE BOARD (continued)

It is the aim of the board members to have the Board made up of individuals from the community it serves and simultaneously achieve a rich diversity of perspectives and experience, competent to oversee the operations of the Association. The Board seeks to recruit new members accordingly. Potential board members are made aware of the aims and purposes of the YMCA Movement and must indicate their desire to join the Movement and accept the responsibilities involved. The perspectives, experience and skills of individual board members are considered to ensure a balance across the Board. Board members are initially co-opted to the Board until the following Annual General Meeting.

Board member induction and training

As part of their induction programme, new Board members are provided with a welcome pack including copies of literature produced by the Charity Commission and the YMCA Movement: YMCA Code of Governance. Background information relating to the Association including copies of the articles of association, latest financial information, copies of minutes and policies are included in the welcome pack. The Board schedule six meetings per annum for ordinary business plus any additional meetings to consider the work of the association and future direction; it also participates in periodic “away days”.

As part of the YMCA Movement, Board members have access to its board development programme and training, support and benchmarking information. The Board undertakes periodic background and skills audits and as a result identifies certain characteristics it will require of future members. Attendance at Board meetings is monitored.

The Association works in partnership with other organisations, funders and commissioners that are compatible with its ethos and values.

Code of Governance

The Association’s Board has adopted the National YMCA Code of Governance based on the National Housing Federation Code of Governance. During the year the Board has made reference to the Governance and Financial Viability Standard.

Statement of Board responsibilities

The Board is responsible for preparing the Report of the Board, including the strategic report, and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association and of the incoming resources and application of resources, including the income and expenditure, of the Association for that period. In preparing these financial statements, the board is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the RSL SORP and the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Board is responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Association and enable them to ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008, and the Accounting Direction for private registered providers of social housing in England 2022. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

WORCESTERSHIRE YMCA LIMITED
REPORT OF THE BOARD (continued)

Provision of information to auditors

We, the board members of the Association who held office at the date of approval of these financial statements as set out above each confirm, so far as we are aware, that:

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

Corporate Governance – internal financial control

The Board acknowledges its ultimate responsibility for ensuring that the Association has in place a system of controls that is appropriate to the various business environments in which it operates. These controls are designed to give reasonable assurance with respect to the:

- reliability of financial information used within the Association or for publication;
- maintenance of proper accounting records; and
- safeguarding of assets against unauthorised use or disposal.

It is the Board's responsibility to establish and maintain systems of internal financial control. Such systems can only provide reasonable and not absolute assurance against financial misstatement or loss. Key elements include ensuring that:

- formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the Association's assets;
- experienced and suitably qualified staff take responsibility for important business functions; annual appraisal procedures have been established to maintain standards of performance;
- forecasts and budgets are prepared which allow the 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; and
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Board members and others.

The Board receives and reviews regular reports from management and from the external auditors to provide reasonable assurance that control procedures are in place and are being followed.

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

Strategic Report

Risk management

The Association maintains a risk register, based on the Charity Commission's template and covers governance, operational, financial, external and compliance risks. The Board receives and reviews regular reports from management including major risks facing the Association and action taken to reduce or mitigate the effects of those risks.

WORCESTERSHIRE YMCA LIMITED
REPORT OF THE BOARD (continued)

Risk management (continued)

Risk	Mitigation and further action to be taken.
Governance – ineffective organisational structure	Organisational re-structure to ensure efficient and effective lines of communication and reporting. Working towards more centralised systems, processes and staff roles.
Governance - loss of key staff and volunteers	Skills and role descriptions are identified, a training matrix identifies skills gaps, training is budgeted and undertaken, the strategic plan is approved by the Board, appraisals are conducted regularly. Succession planning to be built into key roles.
Operational – capacity and use of resources	Housing stock survey to be undertaken and maintenance schedule to be updated.
Operational – project / service development	Review operational strategy and continue development of new plans in line with charitable objectives.
Financial - dependency on limited income sources	Strategic plans aim to change the mix of income and the provision of services that are less dependent on government policy. Identify sources of income that are sustainable so social enterprise is served and additional income generated.
Financial – budgetary control and financial reporting	Implement new financial systems to reduce reliance on the knowledge and experience of individuals.
Environmental or external factors - changing government policy	Membership of YMCA policy groups and relevant local groups. Engage a wider audience particularly potential service users in the provision of data and case studies for influencing policy and ensure other initiatives in diversification are coordinated. Conduct research with target audiences.
Environmental – turbulent economic situation	Cost of living crisis erodes capacity to deliver meaningful outcomes.
Compliance – changes to law and regulators' requirements	New systems rolled out for housing, safeguarding, HR and H&S
Compliance – regulatory reporting requirements	Resources applied to bring external reporting up to date.

Financial Review

Reserves

The Board considered there are sufficient assets to meet obligations as they arise. Net current assets are £1,793,548 (2022: £1,825,189). The general funds of the Group have decreased because of an operational deficit before a gain on the disposal of a property.

The Association does not trade for profit, but plans for income to exceed expenditure each year, ensuring a margin of safety to manage the unexpected, its Articles prevent the distribution of reserves, which are instead applied to further the aims and objectives including the provision of social housing.

The Association has an asset management plan anticipating major maintenance to buildings and likely costs over the next 25 years. Long term maintenance and improvements needed in the housing stock under that plan are reviewed by the Board. Cyclical maintenance and improvements to maintain the standards of our own accommodation stock of 208 properties was carried out in accordance with our asset management plan.

The Board has reviewed its reserves policy and the designation of reserves. The policy is to aim to maintain funds in reserves at least sufficient to fund 2 months total expenditure, being £753,486, to cover the eventuality of a material decline in incoming resources and to hold at least half of that amount in cash at bank. It will regularly review this policy having regard to the changing financial, regulatory and competitive environment in which the charity operates.

WORCESTERSHIRE YMCA LIMITED
REPORT OF THE BOARD (continued)

Free reserves are traditionally calculated as Net Assets (£4,528,299) less Restricted funds (£nil), less fixed assets (£4,787,411), which amount to a deficit of funds of £259,112. However, the nature of the Association as a Registered Provider means adjustment should be made for long term liabilities which are secured against the housing properties in fixed assets (£1,690,158). By that calculation, the adjusted free reserves are £1,431,046. Therefore, the adjusted free reserves exceed the reserves target of £753,486 by £677,560. Free reserves have been built up from operating surpluses over several years such that free reserves exceed the minimum required by the reserves policy. The Association plans to hold and build upon free reserves to support continuity of business in the face of potential risks.

Worcestershire YMCA Limited and Worcester YMCA participated in a contributory pension plan providing defined benefits based on final pensionable pay for employees of YMCAs in England, Scotland and Wales. The assets of the YMCA Pension Plan are held separately from those of Worcestershire YMCA Limited and Worcester YMCA. The valuation prepared as at 1 May 2020 showed that the YMCA Pension Plan had a deficit of £39 million. Worcestershire YMCA was advised that it would need to make contributions of £50,655 per annum from 1 May 2023, increasing by 3% per annum for each subsequent year. These amounts were based on the actuarial assumptions at 1 May 2020 and it was understood that contributions may vary in the future as a result of actual performance of the Pension Plan. At 31 March 2023, the recovery period was 6 years commencing 1 May 2023.

After the year-end, a three-year valuation was completed as at 1 May 2023 which showed that the YMCA Pension Plan had a deficit of £9.1 million. Worcestershire YMCA has been advised to reduce its contributions to £38,224 per annum from 1 May 2024, with no uplift in subsequent years, for a reduced recovery period of 3 years commencing 1 May 2024. These amounts are based on the current actuarial assumptions and may vary in the future as a result of actual performance of the Pension Plan.

Principal sources of income include housing income, income derived from the operation of early years nurseries and work undertaken through the HMP Hewell Rainbow Project. The Trustees also note that a high proportion of staff costs are directly attributable to specific contracts and are therefore variable in nature.

Employment of disabled persons

The Association operates an equal opportunities employment policy and is committed to be Disability Confident. Employers will be positive about their abilities. Employers who use the symbol make five commitments to action, relating to recruitment, communication of vacancies, offering interviews, anticipating reasonable adjustments and supporting people who become disabled.

Objects and activities

As a Christian charity committed to helping people, especially the young, particularly at times of need, without discrimination, our faith calls us to stand alongside people on their personal journey, and help them develop in body, mind and spirit. Accordingly, demonstrating our Christian faith and sharing it through social action we are active in working towards our vision of transforming communities so that all young people truly belong, contribute and thrive. We aim to be recognised as the leading provider of activities which inspire transformation.

The Association's objects and principal activities are to:

- relieve or assist in the relief of persons of all ages who are in conditions of need, hardship or distress by reason of their social, physical or economic circumstances;
- to provide or assist in the provision of education for persons of all ages with the object of developing their physical, mental or spiritual capacities;
- provide or assist in the provision in the interests of social welfare of facilities for recreation and other leisure time occupation for men and women with the object of improving their conditions of life;
- lead young people to the Lord Jesus Christ and to fullness of life in Him;
- provide residential accommodation for persons of all ages who are in need, hardship or distress by reason of their social physical or economic circumstances; and
- unite those who, regarding Jesus Christ as their God and Saviour according to the Holy Scriptures, desire to be His disciples in their faith and in their life, and to associate their efforts for the extension of His Kingdom.

WORCESTERSHIRE YMCA LIMITED
REPORT OF THE BOARD (continued)

Our aims mean we work with others to deliver activities through which all young people can be offered the opportunity to develop in body, mind and spirit so they have hope of experiencing life in all its fullness.

Strategy

The key elements of our medium to long-term strategy were:

Build on the strength of our Early Years and families presence across the County. We will work in partnership with others to improve health of mothers, their babies and families, make them better informed and benefit from their knowledge to improve their lives. We envisage opportunities for job creation, volunteering and delivery of some services that will no longer be provided by the state and to help the organisation move its funding mix from a reliance on the public sector to self-generated income.

Provide opportunities that prepare young people, including the marginalised, for adult life and the world of work through positive activities, supported accommodation, alternative curriculum, employability skills, health and wellbeing, volunteering, community and family engagement, and targeted mentoring support. In addition, we will work with churches and other Christian organisations to deliver high quality youth work and opportunities for religious education. With the global YMCA movement we will provide wider opportunities for young people, to improve outcomes.

The strategic plan for the medium and short term ensures that the objects of the Association are pursued and thereby its purpose fulfilled, within the framework established by the Board. The Board retain the right of veto, to offer an additional perspective as non-executives and provide a check and balance for the plan before its approval by them. The strategic framework and these plans together form the business plan.

A broader spread of income generation is a priority for long term sustainability whilst remaining responsive to commissioning opportunities that arise from social policy as the public sector remains a large market. In addition, the plan is customer focused taking account of current capacity and capability rather than putting our capabilities first. The major change for the organisation; clarifying the markets in which we operate and our delivery has begun, coinciding with cuts to public spending. This continues to require flexibility in our response.

We measure the success of the strategy:

Annually, prior to the commencement of the financial year, when plans are produced as part of our budgetary cycle. These are submitted to the Board for approval by the beginning of the year. During the year, the senior management meet regularly to monitor performance in both financial and non-financial terms. Progress is reported and variances explained to Board throughout the year. An annual review is conducted by the board and senior management and an Annual General Meeting is also held and a report presented by the board and senior management to members.

During the year there are periodic reviews conducted with partner organisations including commissioning bodies.

Review of activities

Working from our own accommodation units, community centres, schools and prison, we provide preschool nurseries, play workers in prison, schools work, youth work including the support of young people towards independent living, 'move on' accommodation and support for vulnerable adults.

The three most significant charitable activities contributing to the achievement of our objectives in the year were:

- Residential Accommodation & Facilities Management
- Children and Youth services
- Family Services

WORCESTERSHIRE YMCA LIMITED

REPORT OF THE BOARD (continued)

During the year, income from the Association's own activities increased to £3,336,602 (2022: £3,211,269) and the effect of the addition of Worcester YMCA generated a consolidated income of £4,416,082 (2022: £4,161,669) for the year. The additional income from Worcester YMCA was from non-regulated housing and housing related support and income from two trading subsidiaries operating in the nursery sector.

The main trends underlying performance and development and affecting the future are continued public sector funding pressure, rent reduction, uncertainty over any future supported housing model and the need to ensure a more commercial approach to some areas of delivery as well as the rising cost of living.

Further analysis of the income and expenditure on operations can be found in notes 3 to 9 to the financial statements.

Nurseries

We have three nursery settings within Worcestershire YMCA; these are situated in Redditch, Kidderminster and Malvern. All settings maintain an OFSTED rating of 'Good'.

Our settings continued to enhance provision across the group and contributed to the diversification of income sources.

A curriculum statement of intent provides a framework for setting out the aims of a programme of education, including the knowledge and skills gained at each stage, developing a framework over time into a structure and narrative. In line with the organisation's objectives, our statement enables children to live life to its fullest by offering stimulating learning experiences with Christian values at its heart. Our nurseries develop children's spiritual, social, moral and cultural understanding. They provide a holistic curriculum that fosters lifelong learning. The nurseries have created learning environments that build upon children, prior learning experiences and are tailor-made for the families we support. We continue to follow the curriculum that is published and adopted by each nursery setting in line with Government guidance for the education sector.

HMP Hewell Rainbow Project

The Hewell Rainbow project, which the National Lottery funds, is continuing to deliver a programme of impactful work with Prison families. The project offers a range of parenting courses designed to improve the parent-child relationship and support children with prison parents. We continue to work closely with our funders, and HMP Hewell staff to add maximum impact, adapting and flexing as required.

Youth Work

YMCA Worcestershire continues to deliver contracts for youth clubs. The Youth Team has also played a crucial role in the County's response to holiday hunger for over 8s. YMCA became a lead partner in the delivery of HAF (and District funded) holiday provision.

Community Centres

The community centres in Redditch, Malvern and Upton have faced ongoing challenges. After the year end, in January 2024, the management of the Malvern and Upton community centres were passed to another provider, with the agreement and support of Malvern Hills District Council.

Housing and Support

The housing and support service continued to be an integral part of the work we deliver throughout the county. The accommodation currently provides 208 units of which 52 are supported accommodation units. During the year, all supported providers were advised that all contracts were to be re-tendered in 2023, to commence in 2024. However, this was delayed and the service extended by 24 months and will be subject to a new commissioning regime in 2025. Given our successful outcomes with our young people and our excellent value for money we are confident in being a re-commissioned service.

We work with a range of partners in order to open opportunities for all our residents, including employment and training opportunities and awareness in gaining employment, benefit maximisation, and offering training and courses in managing finances, substance misuse awareness, mental, physical and sexual health and wellbeing. We encourage our residents to actively participate in other YMCA Worcestershire activities. We have successfully helped residents move on to other accommodation, often within our own non supported accommodation.

WORCESTERSHIRE YMCA LIMITED
REPORT OF THE BOARD (continued)

Our focus is on increasing this range of effective partnerships in order to ensure that these are mutually beneficial to all parties and given the national financial crisis we recognise that we have an increasing role to play in the local and national arena.

Value for Money (VFM)

On 1 April 2018, the Regulator of Social Housing (RSH) has revised the regulatory approach to VFM with the objectives of:

- Continuing to drive improvements in VFM within the social housing sector.
- Ensuring a strategic approach to delivering VFM is embedded within the business.
- Encouraging investing in existing homes and new housing supply.
- Enhancing the consistency, comparability and transparency of VFM reporting.

Regulatory Metrics

RSH Metric	2023	2022
1. Reinvestment %	-	-
2. New supply delivered %	-	-
3. Gearing%	0.7%	(20.9%)
4. EBITDA MRI interest cover%	(6.6)%	43.1%
5. Headline social housing cost per unit	£3,672	£2,681
6A. Operating margin (social housing lettings only)	58.5%	59.6%
6B. Operating Margin (overall)	(2.7)%	(1.2)%
7. Return on Capital Employed	0.6%	(0.6)%

Commentary

As a YMCA, we are a small specialist housing association with a diverse range of activities and the consolidated results include both regulated and non-regulated housing activities. As such, comparisons with other housing associations and benchmarking are difficult. We aim to continue to develop benchmarking with similar providers.

In respect of our indicators our comments are as follows:

1. **Reinvestment %** - During the year there have been no additions to social housing fixed assets, we have continued with a programme of ongoing repair and upkeep which has been expensed during the year.
2. **New supply delivered %** - During the year there have been no additions to social housing delivery.
3. **Gearing %** - This represents our net debt to lenders as percentage of the total value of our housing properties. The current level of gearing is low and we have capacity within that to borrow more and plan to utilise some of that capacity in our future development plans.
4. **EBITDA MRI Interest Cover %** - This represents the level of surplus/ deficit compared to the interest payable. Since the prior year, the percentage has moved from positive interest cover to negative due to an operating loss (after adjustment for a gain on asset disposal).
5. **Headline social cost per unit** - This represents social housing costs divided by total units owned and managed. The costs are higher in the year under review due to increased management and maintenance costs allocated to a similar number of units.

WORCESTERSHIRE YMCA LIMITED
REPORT OF THE BOARD (continued)

- 6A. Operating margin (social housing lettings only) %** - This represents operating surplus from social housing lettings divided by turnover from social housing lettings. During the year under review, the operating margin on social housing lettings remains relatively constant.
- 6B. Operating margin (overall) %** - This represents the operating surplus/(deficit) divided by turnover. The reduction this year reflects the above commentary regarding an operating loss (after adjustment for a gain on asset disposal).
- 7. Return on capital employed %** - This compares the overall operating surplus/ deficit to total assets less current liabilities. The improvement in this metric reflects an improved operating surplus (before adjustment for a gain on asset disposal).

Public Benefit

The board has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charitable company's aims and objectives and in planning future activities. In particular, the trustees have considered how planned activities will contribute to the aims and objectives set.

Communities, particularly young people within the County of Worcestershire benefit from our work.

We work with parents of children and young people, and the children and young people themselves.

Our activities include affordable flexible childcare; work with school age children at school and outside school throughout the year; work with young people and adults in formal and informal education, leisure activities including health and well-being and in support towards independent living.

We engage in preventative work and work within the prison system to help offenders and their families.

We are a registered provider of social housing offering affordable residential accommodation and we manage a number of community buildings across the County.

We recognise the importance of responding to the needs of the community and allowing them to influence the charity's developments.

We consult with participants in our activities, potential participants and partner organisations. Consultation takes place through a variety of routes including formal surveys, one to one sessions and informal meetings.

We aim to continuously improve our services, responding to comments and complaints made by people who participate in our activities. Informal comments are dealt with by the management of the particular delivery arm of the Association. Formal issues may be raised in accordance with our service delivery policies and procedures and will be reported to the Board.

Services are regularly reviewed against current developments in recommended practice and guidelines issued by regulatory and similar bodies.

Plans for future periods

The overall performance last year affects our medium to long term strategy:

Our assessment of performance in the year is used to inform our strategy. We have reviewed our strategies and focus delivery on children and their families and young adults. Our objects remain relevant and appropriate. We have engaged with staff more widely to assist in the short to medium term plans for the organisation in the face of reduced public spending. The organisation will further strengthen its offer to ensure it is comprehensive and cohesive and can be made to more potential beneficiaries throughout the County.

WORCESTERSHIRE YMCA LIMITED
REPORT OF THE BOARD (continued)

Our main objectives for next year:

Early Years and Children: Ongoing collaboration between our early years settings to enable shared learning to other sites so more children benefit from better outcomes at the Early Years Foundation Stage. Exploration of more formal unifying structures for our early years. Young Adults: Increase engagement with a wider spectrum of young people and develop enterprise initiatives so more young people are benefiting from broader opportunities towards raising aspirations and employment. Housing: to provide the highest quality supported housing and to be the funders' provider of choice.

By order of the Board

Gordon Anstis House
Loxley Close
Redditch
Worcestershire
B98 9JS



LINDSAY SARTORI
Chair
17 July 2024

WORCESTERSHIRE YMCA LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORCESTERSHIRE YMCA LIMITED

Opinion

We have audited the financial statements of Worcestershire YMCA Limited (the "parent Association") and its subsidiaries ("the group") for the year ended 31 March 2023 which comprise the Consolidated Statement of Total Comprehensive Income, the Company Statement of Total Comprehensive Income, the Consolidated Statement of Changes in Reserves, the Company Statement of Changes in Reserves, the Consolidated Statement of Financial Activities, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent Association's affairs as at 31 March 2023, and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2022.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group or parent 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 Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Report of the Board, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Report of the Board. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

WORCESTERSHIRE YMCA LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORCESTERSHIRE YMCA LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Board (incorporating the strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Board (incorporating the 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 our knowledge and understanding of the group and parent Association and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Board (incorporating the 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 Association or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Association's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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

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

Responsibilities of the Trustees

As explained more fully in the Statement of Board responsibilities set out on page 4 the trustees (who are also the directors of the Association for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 Association'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 Association 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 as auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with these 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.

WORCESTERSHIRE YMCA LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORCESTERSHIRE YMCA LIMITED

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:

Our assessment focussed on key laws and regulations the group and parent Association has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Housing and Regeneration Act 2008, Companies Act 2006, Charities Act 2011, the Childcare Act 2006, taxation legislation, data protection and employment legislation.

We are not responsible for preventing irregularities, including fraud. Our approach to detecting irregularities, including fraud, included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the group and parent Association and how the group and parent Association are complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the group and parent Association control environment and how the group and parent Association have applied relevant control procedures, through discussions with the Board and other management and by performing walkthrough testing over key areas;
- obtaining an understanding of the group and parent Association risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection of fraud based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

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

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

WORCESTERSHIRE YMCA LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORCESTERSHIRE YMCA LIMITED

Use of our report

This report is made solely to the Association's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink that reads "Simon Atkins FCA". The signature is written in a cursive style.

Simon Atkins FCA (Senior Statutory Auditor)

for and on behalf of

Cooper Parry Group Limited
Statutory Auditors

Cubo Birmingham
3rd Floor
Two Chamberlain Square
Birmingham
B3 3AX

Date: 23 July 2024

WORCESTERSHIRE YMCA LIMITED

**CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME FOR THE
YEAR ENDED 31 MARCH 2023**

	Total 2023 £	Total 2022 £
Turnover	4,416,082	4,161,669
Operating expenditure	(4,476,384)	(4,152,531)
Gains on disposal of housing properties	132,259	-
	71,957	9,138
Operating surplus	71,957	9,138
Interest receivable and other income	-	25
Interest and financing costs	(44,533)	(45,965)
	27,424	(36,802)
Total comprehensive income for the year	27,424	(36,802)

The consolidated financial statements were approved by the Board on 17 July 2024



Lindsay Sartori
Chair

The consolidated results relate wholly to continuing operations.

The accompanying notes form part of these financial statements.

WORCESTERSHIRE YMCA LIMITED

**COMPANY STATEMENT OF TOTAL COMPREHENSIVE INCOME FOR THE
YEAR ENDED 31 MARCH 2023**

	Total 2023 £	Total 2022 £
Turnover	3,336,602	3,211,269
Operating expenditure	(3,165,211)	(2,961,181)
Gains on disposal of housing properties	132,259	-
	303,650	250,088
Operating surplus	303,650	250,088
Interest receivable and other income	-	-
Interest and financing costs	(44,533)	(45,965)
	259,117	204,123
Total comprehensive income for the year	259,117	204,123

The consolidated financial statements were approved by the Board on 17 July 2024



Lindsay Sartori
Chair

The consolidated results relate wholly to continuing operations.

The accompanying notes form part of these financial statements.

WORCESTERSHIRE YMCA LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN RESERVES FOR THE
YEAR ENDED 31 MARCH 2023**

	Unrestricted			Total £
	General Funds £	Designated Funds £	Restricted Funds £	
Balance at 31 March 2021	2,093,958	2,241,481	-	4,335,439
Surplus from statement of comprehensive income	(36,802)	-	-	(36,802)
Transfer between funds	(2,522)	2,522	-	-
	_____	_____	_____	_____
Balance at 31 March 2022	2,054,634	2,244,003	-	4,298,637
Surplus from statement of comprehensive income	27,424	-	-	27,424
Gains on revaluation of properties	202,238	-	-	202,238
Transfer between funds	19,385	(19,385)	-	-
	_____	_____	_____	_____
Balance at 31 March 2023	2,303,681	2,224,618	-	4,528,299
	=====	=====	=====	=====

WORCESTERSHIRE YMCA LIMITED

**COMPANY STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 MARCH 2023**

	Unrestricted			Total £
	General Funds	Designated Funds	Restricted Funds	
	£	£	£	
Balance at 31 March 2021	66,377	1,900,641	-	1,967,018
Surplus from statement of comprehensive income	204,123	-		204,123
Transfer between funds	(2,522)	2,522	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 March 2022	267,978	1,903,163	-	2,171,141
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Balance at 31 March 2022	267,978	1,903,163	-	2,171,141
Surplus from statement of comprehensive income	259,117	-	-	259,117
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 March 2023	527,095	1,903,163	-	2,430,258
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

WORCESTERSHIRE YMCA LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 MARCH 2023

		Unrestricted			Total	Total
		General Fund	Designated	Restricted	2023	2022
		2023	Funds	Funds		
		2023	2023	2023		
	Note	£	£	£	£	£
Income from:						
Donations and grants		166,366	-	171,286	337,652	257,049
Other trading activities		1,091,360	-	-	1,091,360	964,072
Investment income	5	-	-	-	-	25
Charitable activities	3	2,035,924	-	951,146	2,987,070	2,940,548
Other Income	3	132,259	-	-	132,259	-
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total income		3,425,909	-	1,122,432	4,548,341	4,161,694
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Expenditure on:						
Raising funds – trading activities		918,713	-	-	918,713	840,908
Charitable activities		2,479,772	-	1,122,432	3,602,204	3,357,588
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditure	6	3,398,485	-	1,122,432	4,520,917	4,198,496
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net income / (expenditure) for the year before other recognised gains and losses		27,424	-	-	27,424	(36,802)
Other recognised gains and losses						
Transfer between funds	16	19,385	(19,385)	-	-	-
Gains on revaluation of properties		202,238	-	-	202,238	-
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net movement in funds		249,047	(19,385)	-	229,662	(36,802)
Reconciliation of funds						
Fund balance at 1 April 2022		2,054,634	2,244,003	-	4,298,637	4,335,439
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance at 31 March 2023	16	2,303,681	2,224,618	-	4,528,299	4,298,637
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The accompanying notes form part of these financial statements.
All activities derive from continuing operations.

WORCESTERSHIRE YMCA LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
YEAR ENDED 31 MARCH 2023

	Notes	Group 2023 £	2022 £	Association 2023 £	2022 £
Fixed assets					
Housing properties	11	4,354,064	4,261,194	2,902,451	2,978,709
Other tangible fixed assets	12	133,870	31,523	131,513	22,150
Investments	13a	690	690	-	-
Goodwill	13b	299,477	364,109	-	-
		<u>434,037</u>	<u>396,322</u>	<u>131,513</u>	<u>22,150</u>
Current assets					
Debtors	14	372,208	413,397	327,480	385,877
Cash at bank and in hand		2,157,469	2,063,437	1,224,757	1,230,107
		<u>2,529,677</u>	<u>2,476,834</u>	<u>1,552,237</u>	<u>1,615,984</u>
Creditors: amounts falling due within one year	15a /15b	<u>(736,129)</u>	<u>(651,645)</u>	<u>(927,680)</u>	<u>(1,118,305)</u>
Net current assets		<u>1,793,548</u>	<u>1,825,189</u>	<u>624,557</u>	<u>497,679</u>
Total assets less current liabilities					
		<u>6,581,647</u>	<u>6,482,705</u>	<u>3,658,521</u>	<u>3,498,538</u>
Creditors: amounts falling due after more than one year	15c	<u>(1,690,158)</u>	<u>(1,750,881)</u>	<u>(937,087)</u>	<u>(980,105)</u>
Provision for liabilities and charges	20	<u>(363,192)</u>	<u>(433,187)</u>	<u>(291,176)</u>	<u>(347,292)</u>
Net assets		<u>4,528,299</u>	<u>4,298,637</u>	<u>2,430,258</u>	<u>2,171,141</u>
Represented by					
Unrestricted funds					
General funds	16	2,314,877	2,338,063	818,271	615,270
Designated funds	16	2,224,618	2,244,003	1,903,163	1,903,163
Pension reserve	16	(363,192)	(433,187)	(291,176)	(347,292)
Revaluation reserve	16	351,996	149,758	-	-
		<u>4,528,299</u>	<u>4,298,637</u>	<u>2,430,258</u>	<u>2,171,141</u>
Restricted funds	16	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total		<u>4,528,299</u>	<u>4,298,637</u>	<u>2,430,258</u>	<u>2,171,141</u>

Approved by the Board on 17 July 2024



Lindsay Sartori
Chair

The accompanying notes form part of these financial statements.

WORCESTERSHIRE YMCA LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR END 31 March 2023

	Note	2023 £	2022 £
Net cash generated from operating activities	18	194,562	144,702
Returns on investment and servicing of finance			
Interest paid		(68,392)	(61,519)
Interest received		-	25
		-----	-----
Net cash outflow from returns on investments and servicing of finance		(68,392)	(61,494)
		-----	-----
Capital expenditure			
Payments to acquire tangible fixed assets		(131,290)	(12,742)
Proceeds from sale of fixed assets		160,221	-
		-----	-----
Net cash inflow / (outflow) from capital expenditure		28,931	(12,742)
		-----	-----
Financing			
Net movement in short term borrowings		(346)	(8,311)
Net movement in long term borrowings		(60,723)	(63,608)
		-----	-----
Net cash outflow from financing		(61,069)	(71,919)
		-----	-----
Net change in cash and cash equivalents	19	94,032	(1,453)
		=====	=====

The accompanying notes form part of these financial statements.

WORCESTERSHIRE YMCA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

1 Legal status

Worcestershire YMCA is a company limited by guarantee, registered under the Companies Act 2006, an English registered social housing provider and a charity.

The address of the registered office is given on page 1 of these financial statements.

The principal activities of Worcestershire YMCA are outlined on page 7 to the financial statements.

Worcestershire YMCA is a public benefit entity as defined by FRS 102.

2 Accounting policies

The principal accounting policies of the company are as follows:

Basis of accounting

The financial statements have been prepared in accordance with UK applicable accounting standards (UK GAAP) including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2018, and with the Accounting Direction for private registered providers of social housing in England 2022. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008 and the Companies Act 2006.

The financial statements are prepared in sterling which is the functional currency of Worcestershire YMCA and rounded to the nearest £1.

The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

Consolidated financial statements

The group is required by the Charities Act 2011 to prepare consolidated accounts. These consolidated accounts therefore comprise the financial statements of Worcestershire YMCA Limited, and of its subsidiary Worcester YMCA (including Worcester YMCA subsidiaries: Little Treasures Limited and First Class Nursery (Kidderminster) Limited).

All intra-group transactions and balances between Group companies are eliminated on consolidation.

Business Combinations

The cost of a business combination is the fair value at the acquisition date, of the consideration paid and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. Goodwill arising on business combinations is capitalised, classified as an asset on the balance sheet and amortised on a straight-line basis over its useful life. The period chosen for writing off goodwill is nine years representing the remaining life of the lease acquired on the business premises of the subsidiary acquired.

Going concern

The Group financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charitable company to be able to continue as a going concern.

WORCESTERSHIRE YMCA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

Incoming resources

Incoming resources represent the amounts receivable in respect of operational activities, grants receivable and fundraising activities, excluding value added tax.

Grants received for housing properties are recognised at the fair value of the asset received or receivable. Where the assets are accounted for using the cost model then the government grant is accounted for using the accruals model. The difference between the fair value of the asset and the consideration is recognised as a liability and amortised over the useful economic life of the asset. This amortisation is recognised within turnover. Where the assets are accounted for using the valuation model then the government grant is accounted for using the performance model so that turnover is taken once the performance conditions have been met.

Where disposal of government donated assets are required to be recycled, a liability is included to recognise this obligation.

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

Rents and service charges are accounted for when receivable in the year net of service charge losses and voids.

Supporting People Grant

Supporting People Grants (SPGs) are made by Worcestershire County Council and are utilised to provide affordable support to young people at risk in the community, whilst with the aim to develop skills that will make them independent of the Association. The grants are made directly to the Association and are recognised as income when the payment has been received.

SPG would become repayable if the availability of the support was not maintained during the period of the individual claim.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. The charitable company is partially exempt from VAT and irrecoverable VAT is included within the relevant category of expenditure.

Charitable expenditure comprises those costs incurred by the charitable company in the delivery of its activities and services for its beneficiaries.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charitable company and include audit fees and costs linked to the strategic management of the charitable company.

All costs are allocated between the expenditure categories on a basis designed to reflect the use of the resource. Costs relating to a particular activity comprise both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. Rentals on operating leases are charged in the revenue account as incurred.

WORCESTERSHIRE YMCA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

Tangible fixed assets – housing properties

Housing properties, which are social housing grant assisted, are stated at valuation less depreciation.

Depreciation is provided at rates calculated to write off the cost of housing properties net of social housing grant, over their estimated useful lives using the straight-line method at the following rates:

Land	Not depreciated
Main fabric	100 years
Roof structure and covering	35 years
Windows and external doors	20 years
Mechanical	30 years
Electrical	30 years

Other tangible fixed assets

Fixed assets other than housing properties are stated at cost less accumulated depreciation. With the exception of computing equipment, the costs of minor additions or those costing below £500 are not capitalised. Depreciation is provided to write off the cost of such fixed assets over their estimated economic lives at the following rates:

Freehold buildings	over 10 or 32 years on a straight line basis
Fixtures	15% straight line
Motor van	25% straight line
Computer equipment	20% straight line
Other equipment	10% straight line

Restricted reserves

These reserves are subject to restrictions on their expenditure imposed by their donor or through the terms of appeal, the policy for the Supporting People Grant is set out above.

Designated reserves

Worcestershire YMCA Limited set aside designated reserves for funds for reinvestment in properties.

Housing Properties

Housing properties are principally properties available for rent and are stated at valuation less any provision for impairment (representing a diminution in the recoverable service potential of the asset below its carrying value in the balance sheet) less depreciation.

Works to existing properties which result in an increase in the net rental income, including a reduction in maintenance costs or result in a significant extension of the useful economic life of the property are capitalised.

Major components of housing properties, such as roofs, windows and external doors, mechanical and electrical equipment, have been accounted for and depreciated separately from the connected housing property, over their expected useful economic lives.

Investments

Investments are included at closing mid-market value at the balance sheet date. Any gain or loss of revaluation is taken to the statement of comprehensive income.

WORCESTERSHIRE YMCA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

Pensions

Worcestershire YMCA Limited and Worcester YMCA participated in a multi-employer defined benefit pension plan for employees of YMCAs in England, Scotland and Wales, which was closed to new members and accruals on 30 April 2007. The plan's actuary has advised that it is not possible to separately identify the assets and liabilities relating to Worcestershire YMCA Limited and Worcester YMCA; therefore the scheme is accounted for as a defined contribution scheme.

The employer contributions in relation to the pension plan are determined by the Trustee based on advice from a qualified actuary and charged as they are incurred.

In addition, all staff are eligible for employer's pension contributions to be paid to a stakeholder or equivalent contributory personal pension scheme, with the level of contribution depending on their own level of contribution. The association has no liability beyond the payment of its agreed monthly contributions. The contributions are charged to the Statement of Financial Activities as incurred.

As described in note 20 Worcester YMCA has a contractual obligation to make pension deficit payments over the period to April 2029, accordingly this is shown as a liability in these accounts. In addition, Worcester YMCA is required to contribute to the operating expenses of the Pension Plan and these costs are charged to the Statement of Financial Activities as made.

Taxation

Both Worcestershire YMCA and Worcester YMCA are registered Charities and are therefore exempt from paying corporation tax on charitable activities.

Little Treasures Limited and First Class Nursery (Kidderminster) Limited are not registered as charities and therefore corporation tax would be payable on tax surpluses should they arise.

Value Added Tax (VAT)

The majority of the Group expenditure is subject to VAT which cannot be reclaimed. Expenditure is therefore shown inclusive of VAT.

Although a large proportion of the Group's income is exempt from VAT, the Group charges VAT on some of its income and is able to recover VAT on directly attributable costs. The Group is also able to recover part of the VAT it incurs on overhead expenditure in line with a partial exemption method agreed with HM Revenue and Customs.

The Financial Statements include VAT to the extent that it is suffered by the Group and not recoverable from HMRC. The balance of VAT payable or recoverable at the year end is included as a current liability or asset.

Operating leases

Rentals under operating leases are charged to the statement of financial activities on a straight line basis over the term of the lease.

Loan Interest Costs

The full costs of deferred interest rate and indexation loans are shown in the Income and Expenditure Account.

Borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment.

WORCESTERSHIRE YMCA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

Provisions

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

Critical areas of judgements and key sources of estimation uncertainty

Amounts included in the financial statements involve the use of judgment and/or estimation. These judgments and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experience, but actual results may differ from the amounts included in the financial statements. Information about such judgments and estimation is contained in the accounting policies and/or the notes to the financial statements and the key areas are summarised below:

Leases

In determining whether leases are finance or operating leases, management judges as to whether (or not) the significant risks and rewards of ownership have transferred to Worcestershire YMCA.

Useful lives of depreciable assets

Management reviews the useful lives of assets at each reporting date.

Revaluation of land and buildings

Management periodically reviews the fair value of land and buildings and valuations are sought from suitably qualified valuers. The fair value of property can only be provided by a valuer within a range of possible values, therefore the fair value is determined by the trustees based on the advice of the valuer and the range of values provided.

Multi period income agreements

In determining the revenue to be recognised in grants, or contract income whose project spans more than one period of account; Management Recognise income where the Association has entitlement to the income, it is probable the economic benefit will flow to the Association and the revenue can be reliably measured under the terms of the agreement.

YMCA pension (estimation uncertainty)

The present value of the YMCA pension liability under the recovery plan instigated by the Trustees of the pension scheme on a number of factors using a variety of assumptions including estimates of future increases in deficit contributions payable and the discount rate. Any changes in these assumptions will impact the carrying value of the pension liability.

WORCESTERSHIRE YMCA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2023

3 Incoming resources from Housing Activities

Income was generated entirely within the UK and comprised:

	Unrestricted 2023 £	Restricted 2023 £	Total 2023 £	Total 2022 £
Residential accommodation				
Gross income before voids	1,768,936	-	1,768,936	1,706,342
less: voids	(67,071)	-	(67,071)	(88,433)
Other accommodation related non-regulated housing activity	72,039	-	72,039	69,109
Gains on disposal of housing properties	132,259	-	132,259	-
	<hr/>	<hr/>	<hr/>	<hr/>
Income from residential accommodation	1,906,163	-	1,906,163	1,687,018
	<hr/>	<hr/>	<hr/>	<hr/>
Community activities				
Children and youth services	262,020	803,260	1,065,280	1,101,583
Family services	-	147,886	147,886	151,947
	<hr/>	<hr/>	<hr/>	<hr/>
Income from community activities	262,020	951,146	1,213,166	1,253,530
	<hr/>	<hr/>	<hr/>	<hr/>
Total income from activities	<u>2,168,183</u>	<u>951,146</u>	<u>3,119,329</u>	<u>2,940,548</u>

Of the income received in 2022, £2,238,108 was attributable to unrestricted funds and £702,440 was attributable to restricted funds.

WORCESTERSHIRE YMCA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2023

3 Incoming resources from housing activities (continued)

Social housing income and expenditure

	2023	2022
	£	£
Rent receivable excluding service charges	792,775	823,836
Service charges receivable	825,134	858,949
	<hr/>	<hr/>
Gross rent receivable net of void losses	1,617,909	1,682,785
Social housing operating costs	(582,959)	(619,342)
	<hr/>	<hr/>
Operating surplus from housing activities	1,034,950	1,063,443
	<hr/> <hr/>	<hr/> <hr/>

Void losses are detailed above.

Units under management

	2023	2022
	No.	No.
The units in management were as follows:		
Accommodation – units in management	161	162
	<hr/>	<hr/>
The nature of the owned units was as follows:		
General needs – Knowle Close and 3c properties at Bengrove Close	109	110
Supported - Gordon Anstis House	52	52
	<hr/>	<hr/>
	161	162
	<hr/> <hr/>	<hr/> <hr/>

The above figures exclude 14 units in respect of Worcester YMCA that are not regulated by the Homes and Communities Agency. The above figures also exclude an additional 33 units of rented accommodation managed by Worcestershire YMCA during the year under review which were not regulated by the Homes and Communities Agency.

WORCESTERSHIRE YMCA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

4 Operating surplus

The operating surplus is arrived at after charging / (crediting)

	Group		Association	
	2023	2022	2023	2022
	£	£	£	£
Depreciation of housing properties	81,405	70,099	48,296	38,796
Depreciation of other tangible fixed assets	28,943	22,715	19,544	8,166
Auditors remuneration – audit of financial statements	82,821	28,500	53,361	11,620
Auditors remuneration – other services	3,286	-	-	-
Amortisation of goodwill	64,632	64,632	-	-

5 Interest receivable and similar income is wholly unrestricted in nature

	Group		Association	
	2023	2022	2023	2022
	£	£	£	£
Interest receivable and similar income	-	25	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Interest receivable and similar income is wholly unrestricted in nature.

WORCESTERSHIRE YMCA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2023

6 Resources expended

a) Property management, maintenance and service costs

	Residential regulated	Accommodation non-regulated	Children and Youth services	Adult and Community Services	Corporate Services	Trading Costs	2023 Total	2022 Total
	£	£	£	£	£	£	£	£
Directly incurred								
People related	299,334	222,715	838,075	144,921	453,378	714,519	2,672,942	2,520,148
Premises related	534,663	40,890	196,997	-	5,814	50,877	829,241	860,557
Vehicle related	7,978	378	49,056	469	1,122	-	59,003	9,028
Office costs	27,403	2,141	26,074	-	78,013	6,940	140,571	116,643
Other direct expenses	206	517	87,610	2,757	4,951	70,644	166,685	197,284
Overheads	74,611	11,123	207,638	4,000	96,835	21,623	415,830	238,445
Other costs	-	38,047	-	-	-	21,081	59,128	81,885
Depreciation	60,226	76,648	7,166	-	448	30,493	174,981	157,446
Taxation	-	-	-	-	-	2,536	2,536	17,060
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Direct charitable expenditure	<u>1,004,421</u>	<u>392,459</u>	<u>1,412,616</u>	<u>152,147</u>	<u>640,561</u>	<u>918,713</u>	<u>4,520,917</u>	<u>4,198,496</u>

Of the expenditure incurred £3,398,485 relates to unrestricted funds (2022: £3,362,546) and £1,122,432 relates to restricted funds (2022: £835,950).

Indirect resources expended are allocated on a staff time basis.

WORCESTERSHIRE YMCA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2023

7 Employee costs

	2023	2022
	£	£
Salaries and wages	2,271,871	2,097,606
Social security costs	158,712	124,028
Pension and other costs	182,636	133,700
	2,613,219	2,355,334
	2023	2022
	No.	No.
The average monthly number of persons employed during the year were as follows:		
Housing activities	8	8
Non-housing activities	132	135
	140	143

No fees or remuneration in respect of housing management services have been paid to any member or board member of the Association during the year.

Trustee expenses of £208 (2022: £Nil) were reimbursed to one (2022: none) board member during the year.

In calculating any surplus no account is taken of any amount which would recognise the extensive skilled management services provided free of charge by the Association members. Accordingly, the board wishes to express its gratitude for both the time and energy of its volunteer members during the year.

Included within employee costs are £11,699 (2022: £13,929) of restructuring costs.

WORCESTERSHIRE YMCA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2023

8 Employee costs – senior leadership team

	2023	2022
	£	£
The aggregate remuneration of the senior leadership team during the year was as follows:		
Salaries	193,724	206,509
Social security costs	22,526	21,611
Pension	12,921	20,606
	229,171	248,726
	2023	2022
	£	£

The remuneration of the highest paid member of the senior leadership team during the year was as follows:

Chief Executive - Salary	66,498	65,287
- Pension	7,044	6,582
	73,542	71,869

The Chief Executive is an ordinary member of the YMCA pension scheme and has an enhanced payment of 11% contribution paid. The Chief Executive participates in the YMCA contributory pension scheme as per Note 20.

One employee was paid £70,000 - £80,000 (2022: one employee).

9 Interest payable and similar charges

Interest payable and similar charges comprised mortgage interest.

10 Taxation

Worcestershire YMCA is considered to pass the tests set out in SCH. 6 para. 1 off the Finance Act 2010 and therefore it meets the definition of a charitable company for the UK corporation tax purposes. Accordingly, the Association is potentially exempt from taxation in respect of income or capital gains received within categories covered by Pt. 11. Ch. Of the corporation Tax Act 2010 or s. 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gain are applied exclusively to charitable purposes.

WORCESTERSHIRE YMCA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

11 Housing properties – Group

With the exception of Bengrove Close, all housing properties owned by the Association were social housing grant assisted schemes. The movement on these accounts during the year is as follows:

	Knowle Close	Gordon Anstis House	Bengrove Close	Frederick Eary House	Stanley Road	Little Treasures	First Class	Total
	£	£	£	£	£	£	£	£
Cost or valuation At 1 April 2022	1,301,169	1,570,000	65,476	534,384	585,000	815,000	1,557	4,872,586
Disposals	-	-	(32,738)	-	-	-	-	(32,738)
Revaluations	-	-	-	-	-	135,000	-	135,000
At 31 March 2023	1,301,169	1,570,000	32,738	534,384	585,000	950,000	1,557	4,974,848
Accumulated depreciation At 1 April 2022	165,144	209,883	9,083	108,210	65,812	52,568	692	611,392
Charge for year	22,263	16,795	585	8,653	18,283	14,670	156	81,405
Disposals	-	-	(4,775)	-	-	-	-	(4,775)
Revaluations	-	-	-	-	-	(67,238)	-	(67,238)
At 31 March 2023	187,407	226,678	4,893	116,863	84,095	-	848	620,784
Net book value At 31 March 2023	1,113,762	1,343,322	27,845	417,521	500,905	950,000	709	4,354,064
At 1 April 2022	1,136,025	1,360,117	56,393	426,174	519,188	762,432	865	4,261,194

The land and buildings of the association at Knowle Close have a value for insurance purposes of £7,108,631 (2022: £6,770,125), at Gordon Anstis House of £3,217,135 (2022: £3,063,938), at Bengrove Close of £103,023 (2022: £196,234), Fredrick Eary House of £2,845,927 (2022: £2,710,407) and at Stanley Road £614,250 (2022: £585,000). In the view of the Board, this is a fair statement of the current value of the Association's land and buildings.

All of the land and buildings are held on a freehold basis including land that is not depreciated.

Capital commitments are disclosed in note 22.

WORCESTERSHIRE YMCA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

11 Housing properties – Group (continued)

In respect of certain group fixed assets stated in valuations (with a net book value of £950,000), the comparable historical cost and depreciation values are as follows; Cost £665,242 (2022: £665,242), depreciation charge £11,975 (2022: £11,975) and accumulated depreciation £185,765 (2022: £173,700).

Housing properties – Association

	Knowle Close	Gordon Anstis House	Bengrove Close	Frederick Eary House	Total
	£	£	£	£	£
Cost or valuation At 1 April 2022	1,301,169	1,570,000	65,476	534,384	3,471,029
Additions	-	-	-	-	-
Disposals	-	-	(32,738)	-	(32,738)
At 31 March 2023	1,301,169	1,570,000	32,738	534,384	3,438,291
Accumulated depreciation At 1 April 2022	165,144	209,883	9,083	108,210	492,320
Charge for year	22,263	16,795	585	8,653	48,296
Disposals	-	-	(4,776)	-	(4,776)
At 31 March 2023	187,407	226,678	4,892	116,863	535,840
Net book value At 31 March 2023	1,113,762	1,343,322	27,846	417,521	2,902,451
At 1 April 2022	1,136,025	1,360,117	56,393	426,174	2,978,709

WORCESTERSHIRE YMCA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

12 Other tangible fixed assets - Group

	Motor van £	Computer equipment £	Other equipment £	Fixtures £	Total £
Cost					
At 1 April 2022	48,590	151,810	99,580	187,628	487,608
Additions	-	10,641	-	120,649	131,290
At 31 March 2023	<u>48,590</u>	<u>162,451</u>	<u>99,580</u>	<u>308,277</u>	<u>618,898</u>
Accumulated depreciation					
At 31 Mar 2022	45,893	132,234	97,444	180,514	456,085
Charge for year	2,697	5,144	2,136	18,966	28,943
At 31 March 2023	<u>48,590</u>	<u>137,378</u>	<u>99,580</u>	<u>199,480</u>	<u>485,028</u>
Net book value					
At 31 March 2023	-	25,073	-	108,797	133,870
At 1 April 2022	<u>2,697</u>	<u>19,576</u>	<u>2,136</u>	<u>7,114</u>	<u>31,523</u>

Other tangible fixed assets – Association

	Motor van £	Computer equipment £	Other equipment £	Fixtures £	Total £
Cost					
At 1 April 2022	37,802	146,212	89,764	118,441	392,219
Additions	-	10,641	-	118,267	128,908
At 31 March 2023	<u>37,802</u>	<u>156,853</u>	<u>89,764</u>	<u>236,708</u>	<u>521,127</u>
Accumulated depreciation					
At 1 April 2022	37,802	126,666	87,794	117,807	370,069
Charge for year	-	5,114	1,970	12,461	19,544
At 31 March 2023	<u>37,802</u>	<u>131,780</u>	<u>89,764</u>	<u>130,268</u>	<u>389,614</u>
Net book value					
At 31 March 2023	-	25,073	-	106,440	131,513
At 31 March 2022	<u>-</u>	<u>19,546</u>	<u>1,970</u>	<u>634</u>	<u>22,150</u>

WORCESTERSHIRE YMCA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2023

13a Investments

	Group		Association	
	2023 £	2022 £	2023 £	2022 £
COIF Charities Investment				
Market value at 1 April 2022	690	690	-	-
Change in market value	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Market value at 31 March 2023	690	690	-	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

13b Goodwill

	Group		Association	
	2023 £	2022 £	2023 £	2022 £
Cost				
Brought forward at 1 April 2022	595,320	595,320	-	-
Additions	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 March 2023	595,320	595,320	-	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Amortisation				
Brought forward at 1 April 2022	231,211	166,579	-	-
Amortisation in year	64,632	64,632	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 March 2023	295,843	231,211	-	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Netbook Value				
	<hr/>		<hr/>	
As at 31 March 2023	299,477		-	
	<hr/> <hr/>		<hr/> <hr/>	
As at 31 March 2022		364,109		-
		<hr/> <hr/>		<hr/> <hr/>

WORCESTERSHIRE YMCA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2023

13c Investments: wholly controlled subsidiary undertakings

The parent charitable company wholly controls the following charitable company:

Charitable company	Country of registration or incorporation	
Worcester YMCA	England and Wales	Limited by guarantee

Worcestershire YMCA exercises control over Worcester YMCA as the sole member of the Charity, giving it the powers to appoint and remove trustees.

Worcester YMCA in turn wholly controls Little Treasures Limited and First Class Nurseries (Kidderminster) Limited, both of which are incorporated in England and Wales.

Statement of total comprehensive income

	2023	2022
	£	£
Turnover	1,079,480	950,400
Operating expenditure	(1,287,313)	(1,167,286)
	<hr/>	<hr/>
Operating deficit	(207,833)	(216,886)
Interest receivable and other income	-	25
Interest and financing costs	(23,859)	(24,064)
	<hr/>	<hr/>
Deficit for the year	(231,692)	(240,925)
	<hr/> <hr/>	<hr/> <hr/>

WORCESTERSHIRE YMCA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

13c Investments: wholly controlled subsidiary undertakings (continued)

Consolidated Statements of financial position

	2023		2022	
	£	£	£	£
Fixed assets				
Intangible assets		299,477		364,109
Tangible fixed assets		1,453,967		1,291,858
Investments		<u>690</u>		<u>690</u>
		<u>1,754,134</u>		<u>1,656,657</u>
Current assets				
Debtors	513,019		689,455	
Cash at bank and in hand		<u>932,714</u>		<u>833,330</u>
	<u>1,445,733</u>		<u>1,522,785</u>	
Creditors: amounts falling due within one year		<u>(276,738)</u>		<u>(195,275)</u>
Net current assets		<u>1,168,995</u>		<u>1,327,510</u>
Total assets less current liabilities		2,923,129		2,984,167
Amounts falling due in more than one year				
Creditors: amounts falling due after more than one year		(753,071)		(770,776)
Provisions for liabilities and charges		(72,016)		(85,895)
		<u>2,098,042</u>		<u>2,127,496</u>

14 Debtors

	Group		Association	
	2023	2022	2023	2022
	£	£	£	£
Rent arrears	559,517	544,781	536,997	494,650
Provision against rent arrears	(409,473)	(402,872)	(389,181)	(353,590)
	<u>150,044</u>	<u>141,909</u>	<u>147,816</u>	<u>141,060</u>
Other debtors	108,912	132,674	26,480	67,346
Prepayments and accrued income	<u>113,252</u>	<u>138,814</u>	<u>105,987</u>	<u>138,814</u>
Intercompany	-	-	47,197	38,657
	<u>372,208</u>	<u>413,397</u>	<u>327,480</u>	<u>385,877</u>

WORCESTERSHIRE YMCA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

15a Creditors: amounts falling due within one year

	Group		Association	
	2023	2022	2023	2022
	£	£	£	£
Bank loans and overdrafts	58,768	59,114	37,591	37,046
Deposits held for residents	8,666	8,666	8,666	8,666
Social security and other taxes	54,145	30,227	17,507	21,270
Trade creditors	134,907	157,820	115,696	126,051
Other creditors	16,908	20,033	14,082	14,357
Owed to related undertakings	-	-	468,291	661,935
Accruals and deferred income	443,123	358,709	265,847	248,980
Corporation tax	19,612	17,076	-	-
	736,129	651,645	927,680	1,118,305
	736,129	651,645	927,680	1,118,305

There are three secured bank loans on the properties at 2 Stanley Road, Worcester, WR5 1BR, at Broomhall Grange, Norton Road, Broomhall, WR5 2PD and at Knowle Close, Redditch, B98 9JW. The loans from Unity Bank and BCM Global are charged at commercial rates and are repayable over 25 years and 33 years respectively. The loans are secured with fixed charges over the assets of the Association's subsidiary companies, Worcester YMCA and Little Treasures Limited.

At 31 March 2023, Worcester YMCA had failed to meet its financial covenant under the Unity Bank loans in respect of the EBITDA measure. Based on communications and discussions with the bank and the understanding the sufficient funds are held by Worcestershire YMCA Limited, the ultimate parent charitable company, that could be provided to Worcester YMCA to enable it to satisfy the EBITDA measure, there is no indication that any action, beyond the issue of a reservation of rights letter, will take place. The carrying amount of the loan in breach was £774,248 at 31 March 2023. Since the year-end, both Worcester YMCA and Worcestershire YMCA had failed to meet their financial covenants under the loans in respect of the EBITDA measure. At the time of approving these financial statements, there was no indication from the bank that any action, beyond a reservation of rights letter would take place. The carrying amount of these loans in breach was £1,505,193 at 31 March 2023.

15b Creditors: amounts falling due within one year

Deferred income primarily relates to funding billed in advance of the undertaking of the projects to which it relates where the funding is based on performance deliverables.

Included in accruals and deferred income above is deferred income of £178,612 (2022: £299,629) and this is analysed below:

	Group £	Association £
Deferred income brought forward	299,629	217,159
Movement during the year	(121,017)	(128,443)
	178,612	88,716
	178,612	88,716

WORCESTERSHIRE YMCA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

15c Creditors: amounts falling due after more than one year

	Group		Association	
	2023 £	2022 £	2023 £	2022 £
Bank loans	1,690,158	1,750,881	937,087	980,105
Loan maturity analysis				
Within one year	58,768	59,114	37,591	37,046
Within one to two years	62,354	55,734	39,946	38,538
Within two to five years	210,885	206,094	135,536	125,291
In more than 5 years	1,416,919	1,489,053	761,605	816,276
	1,748,926	1,809,995	974,678	1,017,151

Interest is payable on the loans at normal commercial rates.

Loans are secured by a legal charge over the properties concerned.

Refer to note 15a for the note surrounding the bank loan covenant breach.

16 Movement in funds – Group

	Balance at 1 April 2022 £	Incoming £	Outgoing £	Gains & Losses £	Transfers £	Balance at 31 March 2023 £
Designated funds						
Financed fixed assets	2,244,003	-	-	-	(19,385)	2,224,618
General fund	2,338,063	3,425,909	(3,468,480)	-	19,385	2,314,877
Revaluation reserve	149,758	-	-	202,238	-	351,996
Pension reserve	(433,187)	-	69,995	-	-	(363,192)
Total unrestricted funds	4,298,637	3,425,909	(3,398,485)	202,238	-	4,528,299
Restricted funds						
Prison Contract – HMP Hewell	-	147,886	(147,886)	-	-	-
Supporting People	-	148,858	(148,858)	-	-	-
Redditch Youth	-	90,138	(90,138)	-	-	-
National Citizen Service	-	477,297	(477,297)	-	-	-
BBO Job Coach	-	133,136	(133,136)	-	-	-
Bromsgrove Youth	-	125,117	(125,117)	-	-	-
Total restricted funds	-	1,122,432	(1,122,432)	-	-	-
Total funds	4,298,637	4,548,341	(4,520,917)	202,238	-	4,528,299

WORCESTERSHIRE YMCA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

Designated

Financed fixed assets

These are funds set aside by the Board to represent loan finance commitments together with the associated net book value of fixed assets that are mortgaged, excluding unrealised revaluation gains/losses which are separately recorded via the revaluation reserve.

Restricted

Prison Contract – HMP Hewell

Providing childcare and family support to prisoners and their families, encouraging sustained involvement whilst fathers are in prison.

Supporting People

Provision of support for vulnerable homeless young people.

Redditch Youth

Provision of positive activities for young people in Redditch.

National Citizen Service

Provision of social action training for young people aged 16 & 17 years.

BBO Job Coach

Provision of support for economically inactive and unemployed person aged 16+.

Bromsgrove Youth

Provision of positive activities for young people in Bromsgrove.

Redditch Borough Council Community Grants

Provision of counselling services.

16 Movement in funds – Group – prior year

	Balance at 1 April 2021 £	Incoming £	Outgoing £	Transfers £	Balance at 31 March 2022 £
Designated funds					
Financed fixed assets	2,241,481	-	-	2,522	2,244,003
General fund	2,336,724	3,325,744	(3,321,883)	(2,522)	2,338,063
Revaluation reserve	149,758	-	-	-	149,758
Pension reserve	(392,524)	-	(40,663)	-	(433,187)
Total unrestricted funds	4,335,439	3,325,744	(3,362,546)	-	4,298,637
Restricted funds					
Supporting People	-	126,178	(126,178)	-	-
Redditch Youth	-	6,448	(6,448)	-	-
Prison Contract – HMP Hewell	-	151,947	(151,947)	-	-
National Citizen Service	-	383,650	(383,650)	-	-
BBO Job Coach	-	127,464	(127,464)	-	-
Redditch Borough Council Community Grants	-	5,000	(5,000)	-	-
Bromsgrove Youth	-	35,263	(35,263)	-	-
Total restricted funds	-	835,950	(835,950)	-	-
Total funds	4,335,439	4,161,694	(4,198,496)	-	4,298,637

WORCESTERSHIRE YMCA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

17 Analysis of net assets between funds

	Fixed assets £	Goodwill & Investments £	Current assets £	Creditors falling due within one year £	Creditors falling due after more than one year £	Provisions for liabilities and charges £	Total £
Unrestricted funds							
General	162,394	300,167	2,529,677	(677,361)	-	-	2,314,877
Designated Pension Reserve	3,973,544	-	-	(58,768)	(1,690,158)	-	2,224,618
Revaluation Reserve	-	-	-	-	-	(363,192)	(363,192)
Restricted funds	351,996	-	-	-	-	-	351,996
Restricted funds	-	-	-	-	-	-	-
Net assets at 31 March 2023	<u>4,487,934</u>	<u>299,477</u>	<u>2,529,677</u>	<u>(736,129)</u>	<u>(1,690,158)</u>	<u>(363,192)</u>	<u>4,528,299</u>

Analysis of net assets between funds – Prior year

	Fixed assets £	Goodwill & Invest- ments £	Current assets £	Creditors falling due within one year £	Creditors falling due after more than one year £	Provisions for liabilities and charges £	Total £
Unrestricted funds							
General	88,961	364,799	2,476,834	(592,531)	-	-	2,338,063
Designated Pension Reserve	4,053,998	-	-	(59,114)	(1,750,881)	-	2,244,003
Revaluation Reserve	-	-	-	-	-	(433,187)	(433,187)
Restricted funds	149,758	-	-	-	-	-	149,758
Restricted funds	-	-	-	-	-	-	-
Net assets at 31 March 2022	<u>4,292,717</u>	<u>364,799</u>	<u>2,476,834</u>	<u>(651,645)</u>	<u>(1,750,881)</u>	<u>(433,187)</u>	<u>4,298,637</u>

WORCESTERSHIRE YMCA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

18 Cash outflow from operating activities

	2023	2022
	£	£
Net movement in funds	229,662	(36,802)
Interest paid	68,392	61,519
Interest received	-	(25)
Profit on disposal	(132,259)	-
Gains on revaluation	(202,238)	-
Depreciation of tangible fixed assets	110,348	92,814
Amortisation	64,632	64,632
Decrease in debtors	41,189	(188,174)
Increase in creditors	84,831	110,075
Decrease in provisions	(69,995)	40,663
	194,562	144,702
	194,562	144,702

19 Analysis of cash and cash equivalents

	At 1 April 2022	Cash Flow	Non-cash Changes	At 31 March 2023
	£	£	£	£
Cash at bank and in hand	2,063,437	94,032	-	2,157,469
Loans Falling due within one year	(59,114)	61,069	(60,723)	(58,768)
Loans falling due after one year	(1,750,881)	-	60,723	(1,690,158)
	253,442	155,101	-	408,543
	253,442	155,101	-	408,543

20 Pension commitment

Worcestershire YMCA participated in a contributory pension plan providing defined benefits based on final pensionable pay for employees of YMCAs in England, Scotland and Wales. The assets of the YMCA Pension Plan are held separately from those of Worcestershire YMCA and 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 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.

At 31 March 2023, the most recent completed three year valuation was as at 1 May 2020. The assumptions used which have the most significant effect on the results of the valuation are those relating to the assumed rates of return on assets held before and after retirement of 2.59% and 1.09% respectively, the increase in pensions in payment of 2.99% (for RPI capped at 5% p.a.), and the average life expectancy from normal retirement age (of 65) for a current male pensioner of 22.0 years, female 24.4 years, and 23.7 years for a male pensioner, female 26.1 years, retiring in 20 years' time. The result of the valuation showed that the actuarial value of the assets was £146.1m. This represented 79% of the benefits that had accrued to members.

The valuation prepared as at 1 May 2020 showed that the YMCA Pension Plan had a deficit of £39 million. Worcestershire YMCA was advised that it would need to make contributions of £50,655 per annum from 1 May 2023, increasing by 3% per annum for each subsequent year. These amounts were based on the actuarial assumptions at 1 May 2020 (as outlined above) and it was understood that contributions may vary in the future as a result of actual performance of the Pension Plan. At 31 March 2023, agreed future deficit contributions were discounted using a rate of 4.8% (2022: 2.7%).

At 31 March 2023, the recovery period was 6 years commencing 1 May 2023.

WORCESTERSHIRE YMCA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

	Within 1 year	One to two years	Two to five years	After five years	After more than one year	Total 2023	Total 2022
	£	£	£	£	£	£	£
As at 31 March 2023	63,183	62,098	179,970	57,941	300,009	363,192	
As at 31 March 2022	61,344	61,523	185,648	124,672	371,842		433,187

After the year-end, a three-year valuation was completed as at 1 May 2023. The assumptions used in that valuation 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 valuation prepared as at 1 May 2023 showed that the YMCA Pension Plan had a deficit of £9.1 million. Worcestershire YMCA has been advised to reduce its contributions to £38,224 per annum from 1 May 2024, with no uplift in subsequent years, for a reduced recovery period of 3 years commencing 1 May 2024. These amounts are 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.

In addition, Worcestershire YMCA Limited and Worcester YMCA 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 Worcestershire YMCA Limited and Worcester YMCA may be called upon to pay in the future.

YMCA contributory pension scheme

All staff are eligible for employers' pension contributions to be paid to a stakeholder or equivalent contributory personal pension scheme, with the level of contribution depending on their own level of contribution. The association has no liability beyond the payment of its agreed monthly contributions.

The chief executive participates in the YMCA contributory pension scheme with an agreed level of contribution being paid by the association. The association has no liability beyond the payment of its agreed monthly contributions.

The total pension charge for the year is shown in note 7. The amount outstanding at the year-end was £10,376 (2022: £9,753).

WORCESTERSHIRE YMCA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

21 Contingent liabilities

The Social Housing Grants are repayable under certain circumstances (for example the sale of properties).

As detailed in note 20 above, Worcestershire YMCA Limited and Worcester YMCA may incur liabilities in the event of the non-payment by other participating YMCA's of their share of the YMCA Pension Plan's current deficit. The method of allocation of the deficit has not yet been finalised and the future ability of other participating YMCA employers to meet their obligations cannot presently be determined. No provision for any liability that may arise has been made in these financial statements.

22 Capital commitments

There were capital commitments of £Nil at the balance sheet date (2022: £12,041).

23 Financial commitments

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the year to 31 March 2023:

	2023	2022
	Other	Other
	£	£
Contracts expiring		
Within one year	178,874	126,661
Within two to five years	302,015	280,947
Over 5 years	<u>371,400</u>	<u>393,500</u>
	<u>852,289</u>	<u>801,108</u>

24 Related Party Transactions

During the year Worcestershire YMCA reduced its net indebtedness to Worcester YMCA via repaying more than Worcester YMCA recharged and more than the value of any advances to Worcestershire YMCA to the value of £193,643 (2022: increased its net indebtedness by £19,578). Worcestershire YMCA owed Worcester YMCA £439,310 (2022: £632,953) at the year end.

Little Treasurers Limited, subsidiary of Worcester YMCA repaid loans and covenanted income amounting to £127,799 (2022: £60,000) during the year. £434,255 (2022: £306,455) was owed at the year end. The movements relate to net cash movements during the year and the recharges noted above.

Little Treasurers Limited, subsidiary of Worcester YMCA, made loans and recharged expenses to Worcestershire YMCA Limited amounting to £Nil (2022: made loans and recharged expenses amounting to £277,473) during the year. £28,982 (2022: £28,982) was owed to Little Treasures Limited at the year end.

Worcester YMCA made loans and recharged expenses and received covenanted income to / from First Class Nursery (Kidderminster) Limited, subsidiary of Worcester YMCA, amounting to £223,902 (2022: £192,857) during the year. £679,797 was owed to Worcester YMCA at the year end (2022: £455,895). The movements relate to net cash movements during the year and the recharges noted above.

WORCESTERSHIRE YMCA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

24 Related Party Transactions (continued)

During a prior year First Class (Kidderminster) Limited loaned £100,000 to Little Treasures Limited. This amount was still outstanding at year end (2022: £100,000).

During the year Worcestershire YMCA Limited made loans of £8,539 (2022: £23,223) to First Class Nursery (Kidderminster) Limited. At the year end Worcestershire YMCA Limited was owed £47,197 (2022: £38,658) by First Class Nursery (Kidderminster) Limited. The movement relates to net cash movements during the year and the recharges noted above.

25 Legal status of the charitable company

The company is registered under section 2 of the Housing Act 1996 (number LH3687) and continues to be a registered charity. The company is established as a registered social landlord with no share capital. The Association is limited by guarantee with members required to contribute up to a maximum of £1 each, should there be a deficiency on winding up. The charitable company is governed by its articles of association.

26 Ultimate controlling party

Worcestershire YMCA Limited is controlled by its Board of Trustees.

WORCESTERSHIRE YMCA LIMITED

England & Wales - Charity number 516872

Accounts

YMCA WORCESTERSHIRE

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

Our vision is of transforming communities so that all young people truly belong, contribute and thrive.

WORCESTERSHIRE YMCA LIMITED

REPORT OF THE BOARD

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**WORCESTERSHIRE YMCA LIMITED
REPORT OF THE BOARD**

The Board is pleased to present its report (incorporating the strategic report) and audited financial statements for the year ended 31 March 2022.

Reference and administration information

Charity Name	Worcestershire YMCA Limited
Charity Registration Number	516872
Company Registration Number	01944516
Registered Social Landlord Number	LH3687

Key Management Personnel

Chief Executive & Company Secretary	Dr Annette Daly
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Board

The Board is composed of the following individuals:

Phillip Simpson	Chair, Resigned 21 November 2022
Lindsay Sartori	Chair (from January 2023), Appointed 10 December 2021
Mike Higley	
Simon Hill	
Dr Juliet Horne	Vice Chair, Resigned 18 December 2022
Emma Cartwright	Appointed 18 July 2022
Hugh Protherough	Appointed 17 May 2022 / Resigned 22 December 2022
Diana Drew	Resigned 22 March 2022
Paul Taylor	Appointed 22 March 2022 / Resigned 16 November 2022

Members of the Board are directors of the association for the purposes of company law and trustees of the charity for the purposes of charity law.

The president of the association is the Right Reverend Bishop of Worcester, John Inge.

Registered Office	Auditors	Bankers	Solicitors
Gordon Anstis House Loxley Close Redditch Worcestershire B98 9JS	Cooper Parry Group Limited Cubo Birmingham Office 401, 4 th Floor .Two Chamberlain Square Birmingham B3 3AX	Unity Trust Bank plc Nine Brindley Place Birmingham B1 2HB	MFG Solicitors LLP Adam House Birmingham Road Kidderminster Worcestershire DY10 2SH

WORCESTERSHIRE YMCA LIMITED REPORT OF THE BOARD

Constitution

The Association is a charitable company registered under section 2 of the Housing Act 1996 (number LH3687) and continues to be a registered charity. The Association is established as a registered social landlord with no share capital. The Association is a company limited by guarantee with members required to contribute up to a maximum of £1 each, should there be a deficiency on winding up. The Association is governed by its Articles of Association, which were reviewed by the Board in 2013.

Organisational structure

The Association is governed by its board of volunteer trustee directors, responsible for overseeing strategy and policy, approving annual budgets and accounts, and who work in conjunction with the senior executive staff who recommend strategy, policy and exercise operational management. They hold up to six meetings per annum to consider business and progress against agreed plans plus hold strategic discussions to consider future work and direction. On appointment, trustees receive induction including Charity Commission information. Attendance at meetings, interests and skills is monitored and reviewed annually. The YMCA movement offers support, development and benchmarking information. Codes of Governance and Conduct have been adopted.

The Association is part of the worldwide YMCA movement and is affiliated to the National Council of YMCAs in England and Wales, and through them to the World Council of YMCAs. It receives no funds from either the National Council or the World Council, but pays an affiliation fee to the National Council of YMCAs in England and Wales.

The Association is the sole member of Worcester YMCA a charitable company limited by guarantee. As sole member the Association is required to contribute up to a maximum of £1, should there be a deficiency on winding up Worcester YMCA. Worcester YMCA is not regulated by the Regulator of Social Housing (RSH).

The Board oversees and endorses or challenges the short and medium term strategies recommended by the senior executive staff. The Board aims to ensure the long term interests of the Association are not adversely affected by decisions taken in the medium term and ensures the ethos and values of the Association are maintained.

The day-to-day control of the Association's operations is exercised by the senior management team made up of the Chief Executive, Interim Deputy CEO (fixed term six month post from February 2022), Head of Children, Families and Youth, Head of Adult and Communities, Head of Finance, Head of HR and Development Manager. The Chief Executive attends Board meetings and members of the senior management team are invited where appropriate to encourage wider contact between directors and staff. In setting the salaries of the senior management team the Board considers benchmark information from other appropriate organisations in the YMCA movement.

The Association is organised so that those for whom activities are provided and key stakeholders are involved in the design, monitoring and evaluation of that provision; clear access to senior management and the volunteer Board is integral to the structure and is part of our engagement process.

Recruitment and appointment to the Board

The Board consists of up to fifteen elected members who are appointed for a three-year term, but who may stand for re-election at the end thereof. Members who are co-opted during the year are appointed up until the next Annual General Meeting when they are eligible for election. Board members are elected from the Members of the Association at the Annual General Meeting. Membership of Worcestershire YMCA Limited is open to men and women.

All Board members acknowledge their Christian faith, no other person or body external to the Association is entitled to appoint board members.

Board members give their time voluntarily and receive no benefits from the charity in respect of this commitment. Any expenses reclaimed from the charity or payments made to them are set out in the notes to the accounts.

WORCESTERSHIRE YMCA LIMITED REPORT OF THE BOARD

It is the aim of the board members to have the Board made up of individuals from the community it serves and simultaneously achieve a rich diversity of perspectives and experience, competent to oversee the operations of the Association. The Board seeks to recruit new members accordingly. Potential board members are made aware of the aims and purposes of the YMCA Movement and must indicate their desire to join the Movement and accept the responsibilities involved. The perspectives, experience and skills of individual board members are considered to ensure a balance across the Board. Board members are initially co-opted to the Board until the following Annual General Meeting.

Board member induction and training

As part of their induction programme, new Board members are provided with a welcome pack including copies of literature produced by the Charity Commission and the YMCA Movement: YMCA Code of Governance. Background information relating to the Association including copies of the articles of association, latest financial information, copies of minutes and policies are included in the welcome pack. The Board schedule six meetings per annum for ordinary business plus any additional meetings to consider the work of the association and future direction; it also participates in periodic “away days”.

As part of the YMCA Movement, Board members have access to its board development programme and training, support and benchmarking information. The Board undertakes periodic background and skills audits and as a result identifies certain characteristics it will require of future members. Attendance at Board meetings is monitored.

The Association works in partnership with other organisations, funders and commissioners that are compatible with its ethos and values.

Code of Governance

The Association’s Board has adopted the National YMCA Code of Governance based on the National Housing Federation Code of Governance. During the year the Board has made reference to the Governance and Financial Viability Standard.

Statement of Board responsibilities

The Board is responsible for preparing the Report of the Board, including the strategic report, and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association and of the incoming resources and application of resources, including the income and expenditure, of the Association for that period. In preparing these financial statements, the board is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the RSL SORP and the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

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

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

WORCESTERSHIRE YMCA LIMITED
REPORT OF THE BOARD

Provision of information to auditors

We, the board members of the Association who held office at the date of approval of these financial statements as set out above each confirm, so far as we are aware, that:

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

Corporate Governance – internal financial control

The Board acknowledges its ultimate responsibility for ensuring that the Association has in place a system of controls that is appropriate to the various business environments in which it operates. These controls are designed to give reasonable assurance with respect to the:

- reliability of financial information used within the Association or for publication;
- maintenance of proper accounting records; and
- safeguarding of assets against unauthorised use or disposal.

It is the Board's responsibility to establish and maintain systems of internal financial control. Such systems can only provide reasonable and not absolute assurance against financial misstatement or loss. Key elements include ensuring that:

- formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the Association's assets;
- experienced and suitably qualified staff take responsibility for important business functions; annual appraisal procedures have been established to maintain standards of performance;
- forecasts and budgets are prepared which allow the 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; and
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Board members and others.

The Board receives and reviews regular reports from management, internal audit and from the external auditors to provide reasonable assurance that control procedures are in place and are being followed.

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

**WORCESTERSHIRE YMCA LIMITED
REPORT OF THE BOARD**

Strategic Report

Risk management

The Association maintains a risk register, based on the Charity Commission’s template and covers governance, operational, financial, external and compliance risks. The Board receives and reviews regular reports from management including major risks facing the Association and action taken to reduce or mitigate the effects of those risks.

The key priorities in each area are identified below:

Risk	Mitigation and further action to be taken
<p>Governance – a) Lack of clear future strategic direction and forward planning b) Trustee Board has insufficient breadth of skills and expertise</p>	<p>Trustees continue to meet regularly with the Senior Management Team and to report updates/concerns/mitigations as appropriate, although the ability to share and robustly track meaningful data is limited by a lack of systems. Activities continue to be within the objects of the governance document but there is a recognized need to refresh direction, strategy and forward planning, along with consideration of appropriate resources to enable this. The Board is currently quite small but an active recruitment drive is in process.</p> <p><i>Next steps: Active recruitment of new trustees according to recent skills audit; Strategy Day in diary for June to begin the process of creating a 5 year strategic plan before the end of 2023; new systems being evaluated and implemented where appropriate.</i></p>
<p>Operational Organisational infrastructure not able to effectively support current or future activities</p>	<p>Ongoing projects and service delivery remains strong but a recognition that as the organisation has grown, the infra structure hasn’t aligned in its growth and this is being assessed through the HR establishment process. The value of commissioned contracts has decreased in recent years and the need for identifying and securing additional funding has become increasingly necessary. External reviews have been carried out on Housing and on Early Years and recommendations being implemented. Policies and processes are being internally audited and reviewed across the organisation. Many current processes are manual and cumbersome; active investigation of appropriate systems for HR, Housing, Finance and Early Years are in progress to streamline and elevate to a level of robustness. These will also support business continuity when staff changes occur.</p> <p><i>Next steps: Complete HR establishment structure and review/establish appropriate staffing levels; focus on improving policies/processes with appropriate systems to ensure coherence across the various facets of our organization; review operational plans to ensure adequate resourcing and prioritizing within strategic direction.</i></p>
<p>Financial – a) Financial information not provided in a timely manner b) Inadequate free reserves</p>	<p>Reserves are held which provide financial security. However, with the funding for some projects coming to an end and the impact of the cost of living crisis (and political backdrop behind this) this means that the need to source sustainable income remains a priority. Recent reviews of pricing for services we offer helps to mitigate this. Our Early Years provision been impacted by the recent pandemic and the reduction in government funding but more improved government funding offers as well as consideration of more streamlined sustainable models of operation are offsetting this. Community Centres haven’t been working to full capacity previously but the appointment of a Community Development Manager is having impact in increasing footfall, raising our profile and attracting further revenue.</p> <p><i>Next steps: The recent appointment of a Fundraising & Communications Manager with a focus on grant/bid applications is supporting the drive to increase funding; the focus on developing our Community Centres as our “shop front” is a development in progress; an increase in senior team networking is establishing a raised profile/presence with funding bodies/potential partners; the implement of appropriate data management systems will streamline audit trails and financial monitoring and maximization.</i></p>

**WORCESTERSHIRE YMCA LIMITED
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<p>Environmental or external factors - Negative impact following change in government policy and cost of living crisis</p>	<p>The reduction in government funding, over the last several years, for early years and youth work especially has been and continues to be a challenge. The positive staffing changes in the senior team have, during a transition period, disrupted the building of profile and networking relationships. Recovery post Covid and the cost of living crisis are all issues that impact maintenance and running costs as well as the beneficiaries we support. We collaborate with regional YMCAs on common issues and are part of networking and lobbying at a local and national level to minimize adverse policy changes and their effects. Recent funding changes for Early Years may impact demand.</p> <p><i>Next steps: Ongoing focus on market changes to enable timely and coherent responses as relevant to our offers; external networking and active needs analysis of the communities we serve ensures alignment between demand and what we offer; ongoing development of links with YMCA England & Wales to work as a larger body on advocating for common issues and challenges within the societies we serve.</i></p>
<p>Compliance – Failure to meet regulatory reporting requirements</p>	<p>There is recognition that anomalies in contracts and salary benchmarking need attention and these are both under review to address. Compliance with the timely submission in filing accounts has been delayed due to a number of serious staff illness, staffing changes and recruitment challenges; however, assistance from neighbouring YMCAs and the recruitment of strong new senior colleagues has enabled us to work hard to address this one-off disruption and review changes going forward. Significant changes in housing regulations (energy efficiency and forthcoming Ofsted requirements) need investment and preparation. The risk register needs to be formally updated at least annually within the newly formed Financial Committee remit.</p> <p><i>Next steps: The implementation of data systems (mentioned above) will streamline auditing and monitoring to assure compliance and more robust monitoring; development of HR training programme will further cascade alignment and coherence as necessary; scheduling of compliance requirements across the year and the allocation of effective resources will ensure firm oversight around risk and compliance as appropriate in future years</i></p>

Post Covid recovery

While the pandemic was challenging for the organisation, as it was for all organisations, our organisation evolved around this as necessary and for the most part maintained our staffing head count. Housing and – for the most part – nurseries, continued to operate throughout the pandemic. Other parts of our organisation adapted their mode of provision as necessary with the changing guidelines and requirements to ensure safety and wellbeing throughout this challenging time. Some of the necessary adaptations have lasted and benefited our organisation eg flexible and hybrid working. The pandemic – of necessity – fast tracked a rapid upskilling in the uses of technology to maintain contact and conduct business when face to face meetings weren't possible; while face to face meetings continue to be a key part of our strategic networking, the freedom and flexibility virtual connections alongside this has enabled a fluid and coherent mix of working modes that is beneficial and lasting. There is a change in the pattern of child care expectations and demands following the experience of many in working from home while caring for children. Community centres' activity was severely impacted by the pandemic but the need for contact and community was acutely felt and so they now really beginning to thrive as a welcome platform for the human need to have social connection.

**WORCESTERSHIRE YMCA LIMITED
REPORT OF THE BOARD**

Financial Review

Reserves

The Board considered there are sufficient assets to meet obligations as they arise. Net current assets are £1,825,189 (2021: £1,740,232). The overall funds of the Group have reduced as a consequence of a deficit arising from a decrease in income and an increase in operational costs.

The Association does not trade for profit, but plans for income to exceed expenditure each year, ensuring a margin of safety to manage the unexpected, its Articles prevent the distribution of reserves, which are instead applied to further the aims and objectives including the provision of social housing.

The Association has an asset management plan anticipating major maintenance to buildings and likely costs over the next 25 years. Long term maintenance and improvements needed in the housing stock under that plan are reviewed by the Board. Cyclical maintenance and improvements to maintain the standards of our own accommodation stock of 211 properties was carried out in accordance with our asset management plan.

The Board has reviewed its reserves policy and the designation of reserves. The policy is to aim to maintain funds in reserves at least sufficient to fund 2 months total expenditure (£699,749) to cover the eventuality of a material decline in incoming resources and to hold at least half of that amount in cash at bank. It will regularly review this policy having regard to the changing financial, regulatory and competitive environment in which the charity operates.

Free reserves are traditionally calculated as Net Assets (£4,298,637) less Restricted funds (£nil), less fixed assets (£4,292,717), which amount to a surplus of £5,920. However, the nature of the Association as a Registered Provider means adjustment should be made for long term liabilities which are secured against the housing properties in fixed assets (£1,750,881). By that calculation, the adjusted free reserves are £1,756,801.

Worcestershire YMCA Limited and Worcester YMCA participated in a contributory pension plan providing defined benefits based on final pensionable pay for employees of YMCAs in England, Scotland and Wales. The assets of the YMCA Pension Plan are held separately from those of Worcestershire YMCA Limited and Worcester YMCA.

The valuation prepared as at 1 May 2020 showed that the YMCA Pension Plan had a deficit of £39 million. Worcestershire YMCA has been advised that it will need to make monthly contributions of £4,098.33 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.

Principal sources of income include housing income, income derived from the operation of early years nurseries, NCS and work undertaken through the HMP Hewell Rainbow Project.

The Trustees also note that a high proportion of staff costs are directly attributable to specific contracts and are therefore variable in nature.

**WORCESTERSHIRE YMCA LIMITED
REPORT OF THE BOARD**

Employment of disabled persons

The Association operates an equal opportunities employment policy and is committed to be Disability Confident. Employers will be positive about their abilities. Employers who use the symbol make five commitments to action, relating to recruitment, communication of vacancies, offering interviews, anticipating reasonable adjustments and supporting people who become disabled.

Objects and activities

As a Christian charity committed to helping people, especially the young, particularly at times of need, without discrimination, our faith calls us to stand alongside people on their personal journey, and help them develop in body, mind and spirit.

Accordingly, demonstrating our Christian faith and sharing it through social action we are active in working towards our vision of transforming communities so that all young people truly belong, contribute and thrive. We aim to be recognised as the leading provider of activities which inspire transformation.

The Association's objects and principal activities are to:

- relieve or assist in the relief of persons of all ages who are in conditions of need, hardship or distress by reason of their social, physical or economic circumstances;
- to provide or assist in the provision of education for persons of all ages with the object of developing their physical, mental or spiritual capacities;
- provide or assist in the provision in the interests of social welfare of facilities for recreation and other leisure time occupation for men and women with the object of improving their conditions of life;
- lead young people to the Lord Jesus Christ and to fullness of life in Him;
- provide residential accommodation for persons of all ages who are in need, hardship or distress by reason of their social physical or economic circumstances; and
- unite those who, regarding Jesus Christ as their God and Saviour according to the Holy Scriptures, desire to be His disciples in their faith and in their life, and to associate their efforts for the extension of His Kingdom.

Our aims mean we work with others to deliver activities through which all young people can be offered the opportunity to develop in body, mind and spirit so they have hope of experiencing life in all its fullness.

Strategy

The key elements of our medium to long-term strategy were:

Build on the strength of our Early Years and families presence across the County; experience with children's centres; existing provision and partnership working. We will work in partnership with others to improve health of mothers, their babies and families, make them better informed and benefit from their knowledge to improve their lives. We envisage opportunities for job creation, volunteering and delivery of some services that will no longer be provided by the state and to help the organisation move its funding mix from a reliance on the public sector to self-generated income.

Provide opportunities that prepare young people, including the marginalised, for adult life and the world of work through positive activities, supported accommodation, alternative curriculum, employability skills, health and wellbeing, volunteering, community and family engagement, and targeted mentoring support. In addition, we will work with churches and other Christian organisations to deliver high quality youth work and opportunities for religious education. With the global YMCA movement we will provide wider opportunities for young people, to improve outcomes.

The strategic plan for the medium and short term ensures that the objects of the Association are pursued and thereby its purpose fulfilled, within the framework established by the Board. The Board retain the right of veto, to offer an additional perspective as non-executives and provide a check and balance for the plan before its approval by them. The strategic framework and these plans together form the business plan.

WORCESTERSHIRE YMCA LIMITED REPORT OF THE BOARD

As indicated previously, a broader spread of income generation is a priority for long term sustainability whilst remaining responsive to commissioning opportunities that arise from social policy as the public sector remains a large market. In addition, the plan is customer focused taking account of current capacity and capability rather than putting our capabilities first. The major change for the organisation; clarifying the markets in which we operate and our delivery has begun, coinciding with cuts to public spending. This continues to require flexibility in our response.

We measure the success of the strategy:

Annually, prior to the commencement of the financial year, when plans are produced as part of our budgetary cycle. These are submitted to the Board for approval by the beginning of the year. During the year, the senior management meet regularly to monitor performance in both financial and non-financial terms. We are organised into three areas of work.

Progress is reported and variances explained to Board throughout the year. An annual review is conducted by the board and senior management and an Annual General Meeting is also held and a report presented by the board and senior management to members.

During the year there are periodic reviews conducted with partner organisations including commissioning bodies.

Review of activities

Working from our own accommodation units, community centres, schools and prison, we provide preschool nurseries, play workers in prison, schools work, youth work including the support of young people towards independent living, 'move on' accommodation and support for vulnerable adults.

The three most significant charitable activities contributing to the achievement of our objectives in the year were:

- Residential Accommodation & Facilities Management
- Children and Youth services
- Family Services

During the year, income from the Association's own activities increased to £3,211,269 (2021: £3,126,113) and the effect of the addition of Worcester YMCA generated a consolidated income of £4,161,694 (2021: £4,436,322) for the year. The additional income from Worcester YMCA was from non-regulated housing and housing related support and income from two trading subsidiaries operating in the nursery sector.

The main trends underlying performance and development and affecting the future are continued public sector funding pressure, rent reduction, uncertainty over any future supported housing model and the need to ensure a more commercial approach to some areas of delivery as well as the rising cost of living.

Further analysis of the income and expenditure on operations can be found in notes 3 to 9 to the financial statements.

Strategy: Build on the strength of our Early Years and families presence across the county, existing work with older children and partnership working. We will work in partnership with others to improve health of parents and their babies and work with older children and their families to make them better informed and benefit from their knowledge to improve their lives. We envisage opportunities for job creation, volunteering and delivery of some services that will no longer be provided by the state and to help the organisation move its funding mix from a reliance on the public sector to self-generated income.

Nurseries

We have three nursery settings within Worcestershire YMCA; these are situated in Redditch, Kidderminster and Malvern. All settings maintain an OFSTED rating of 'Good'.

WORCESTERSHIRE YMCA LIMITED REPORT OF THE BOARD

Our settings continued to enhance provision across the group and contributed to the diversification of income sources. Throughout the continued effects of the pandemic, we adapted the delivery of childcare to create childcare bubbles, when required; this enabled us to continue delivery with minimal interruption to service.

A curriculum statement of intent provides a framework for setting out the aims of a programme of education, including the knowledge and skills gained at each stage, developing a framework over time into a structure and narrative. In line with the organisation's objectives, our statement enables children to live life to its fullest by offering stimulating learning experiences with Christian values at its heart. Our nurseries develop children's spiritual, social, moral and cultural understanding. They provide a holistic curriculum that fosters lifelong learning. The nurseries have created learning environments that build upon children, prior learning experiences and are tailor-made for the families we support. We continue to follow the curriculum that is published and adopted by each nursery setting in line with Government guidance for the education sector.

Out-of-school Clubs and Holiday Provision

Our nursery led YPLAY childcare provision based in Redditch and Malvern offers children aged 3-12 an out-of-school and holiday club. This has seen the most significant interruption throughout the pandemic, and the before and after school club in Redditch has seen substantial disruption. The before and after school provision has not returned in Malvern. Holiday clubs at both settings have operated, on an altered basis, delivering paid places alongside HAF (Holidays and Food) funded provision for under 8s experiencing food hunger.

HMP Hewell Rainbow Project

The Hewell Rainbow project, which the National Lottery funds, is continuing to deliver a programme of impactful work with Prison families. The project offers a range of parenting courses designed to improve the parent-child relationship and support children with prison parents. The impact of Covid has continued with restrictions being relaxed / increased in line with Covid guidance. We continue to work closely with our funders, and HMP Hewell staff to add maximum impact, adapting and flexing as required.

Youth Work

YMCA Worcestershire continues to deliver the Positive Activities contract for youth clubs. The existing contract was extended until March 2023 with a mix of virtual, detached (street based) and in-person provision as Covid restrictions change.

The Youth Team has also played a crucial role in the County's response to holiday hunger for over 8s. Working with Worcestershire Children's First, their managing partner Sutton Croft and District Councils; YMCA became a lead partner in the delivery of HAF (and District funded) holiday provision.

Further partnership works include virtual youth groups and 1-1 mentoring, co-delivery with Freedom Leisure in rural areas, and commissioned youth delivery with Christian faith partners in Kidderminster and Rubery.

Mental Health Counselling

Mental Health Counselling has continued during the year with funding from YMCA Changing Futures, Children in Need, Redditch Borough Council and Worcestershire Community Foundation. The counselling service unfortunately paused at the end of March 2022 due to funding limitations although we hope to recommence when new funding has been secured.

National Citizen Service (NCS)

The National Citizen Service (NCS) returned to face-to-face delivery but without the residential element in Summer and Autumn 2021. In total, the contract provided opportunities for 550 young people. Working extensively with mainstream and SEND schools we offered a host of experiences focussing on personal development and social impact and skills booster sessions in school. Highlights included 96 young people from 7 SEND schools across Worcestershire joining us for a full 2 week programme. The young people took part in 2 days of outdoor activities at Blackwell Adventure Centre (Be Epic) which saw them use team building skills and communication, as well as personal determination and courage to tackle and overcome the many physical challenges they were set. They then completed 3 days of workshops (Live Life) based around 'adulting' skills before completing a week of social action (Do Good). This saw the young people take part in sponsored walks, make and donate bird boxes, bug hotels and squirrel feeders to local charities to sell, start a community café within their school, build a sensory garden for younger pupils in their school as a legacy to the outgoing cohort and design and create murals highlighting issues identified by the young people to be displayed at local railway stations.

WORCESTERSHIRE YMCA LIMITED REPORT OF THE BOARD

Strategy: Provide opportunities that prepare young adults, including the marginalised, for adult life and the world of work through positive activities, supported accommodation, employability skills, health and wellbeing, volunteering, community and family engagement, and targeted mentoring support. In addition, we will work with churches and other Christian organisations to deliver high quality youth work and opportunities for religious education. With the global YMCA movement we will provide wider opportunities for young people, to improve outcomes.

Building Better Opportunities (BBO)

BBO is funded by the European Social Fund and The National Lottery Community Fund. From 2014 – 2023, £11m of European Social Funding (ESF) became available to invest in "Social and Economic Inclusion", tackling the root causes of poverty, promoting social inclusion and driving local jobs and growth. According to local priorities, the Worcestershire programmes developed to invest this money have been shaped by the Worcestershire Local Enterprise Partnership (LEP).

Our BBO team has five Job Coaches. Focusing on Redditch and Bromsgrove, the support is designed to move people closer to employment. The project has slowly been able to extend to in-person delivery as Covid restrictions changed. We have worked closely with partner agencies, including Job Centres and social prescribing agencies, adapting also to changes in their delivery. Coaches continue to adapt and change recruitment and support methods to further support clients including those within our YMCA housing services.

Community Centres

The community centres in Redditch, Malvern and Upton have faced ongoing challenges due to Covid but have been working hard to welcome back previous customers and expand our customer base. As the 2021/22 year came to an end YMCA appointed a new Community Development Manager with a view to further expanding and invigorating our community offer.

Housing and Support

The housing and support service continued to be an integral part of the work we deliver throughout the county. The accommodation currently provides 211 units of which 84 are supported accommodation units. During the year, all supported providers were advised that all contracts were to be re-tendered in 2022, to commence in 2023. However, this has been delayed and therefore the service has been extended by 12 months and will be subject to a new commissioning regime in 2023. Given our successful outcomes with our young people and our excellent value for money we are confident in being a re-commissioned service.

We work with a range of partners in order to open opportunities for all our residents, including employment and training opportunities and awareness in gaining employment, benefit maximisation, and offering training and courses in managing finances, substance misuse awareness, knife crime, County Lines, mental, physical and sexual health and wellbeing. We have also started to introduce and see the benefits of animal therapy in order to engage with our residents through exercise, such as dog walking and horse riding. In doing so, we help them to contribute to the wider community. We encourage our residents to actively participate in other YMCA Worcestershire activities, such as NCS. We have celebrated three residents in our supported housing schemes successfully gaining places at university. For others we have successfully helped them move on to secure accommodation, often within our own non supported accommodation.

Our focus is on increasing this range of effective partnerships in order to ensure that these are mutually beneficial to all parties and given the national financial crisis we recognise that we have an increasing role to play in the local and national arena.

Strategy: Sustain service; Continuous improvement in quality and value for money; increase unrestricted funding and social enterprise; Diversify and maintain a balance between housing and other provision; Increase appropriate use of volunteers; Increase the number of partners, including faith communities and the wider YMCA movement, with whom we unite; Diversify across each district; Increase participation.

Highlighted achievements:

In conjunction with Worcestershire YMCA, following the departure of the Business Manager, we have reviewed the post and created a new post of Fundraising and Communications Manager that is currently in the recruitment process. This post will explore a range of additional grant and bid opportunities and will work directly with SMT and across the whole business to explore additional relevant funding opportunities and partnerships. Further, this post will review all communications including social media.
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WORCESTERSHIRE YMCA LIMITED REPORT OF THE BOARD

International Partnerships

Throughout the year, we have continued our international partnerships with Erasmus Plus, European Solidarity Corps in providing opportunities for two young Spanish volunteers to live and volunteer within YMCA Worcestershire across housing, nursery and youth teams to support the delivery of our services. The programme has been successful in providing opportunities for young people. Due to the project's success, we will continue to look to expand the international volunteering opportunities.

Communication

The online and digital presence has been a critical part of our communication strategy throughout the year and has slightly stalled due to the Business Manager leaving post, although Social Media has remained vibrant. The previously detailed new post of Fundraising and Communications Manager will be charged with reinvigorating the website and social media presence.

Black Lives Matter Response

YMCA Worcestershire continued to be part of the regional response to the Black Lives Matter movement (BLM). The group worked with the region on its commitment to have a clear position on BLM by carrying out a diversity audit and making appropriate recommendations, assessing and reporting on equality data across the region annually, supporting YMCAs to engage with Black, Asian and Minority Ethnic (BAME) young people and staff to share their stories and experiences.

Christian Spiritual Development

The Christian Spiritual Development Coordinator left the organisation in September 2020; the planned recruitment was deferred pending the review of delivery across the business. However, the CEO, SMT and other key members of staff ensure that our Christian ethos and values remain at the forefront of everything that we do. It is intended that this post will be reviewed with a view to being replaced in the near future. Additionally, a Christian Spiritual Development Core Group, bringing together colleagues from across the organisation, is in its infancy.

Value for Money (VFM)

On 1 April 2018, the Regulator of Social Housing (RSH) has revised the regulatory approach to VFM with the objectives of:

- Continuing to drive improvements in VFM within the social housing sector.
- Ensuring a strategic approach to delivering VFM is embedded within the business.
- Encouraging investing in existing homes and new housing supply.
- Enhancing the consistency, comparability and transparency of VFM reporting.

Regulatory Metrics

RSH Metric	2022	2021
1. Reinvestment %	-	-
2. New supply delivered %	-	-
3. Gearing%	(20.9%)	(10.8%)
4. EBITDA MRI interest cover%	43.1%	314.2%
5. Headline social housing cost per unit	£2,681	£2,431
6A. Operating margin (social housing lettings only)	59.6%	46.0%
6B. Operating Margin (overall)	(1.2%)	3.1%
7. Return on Capital Employed	(0.6%)	3.1%

Commentary

As a YMCA, we are a small specialist housing association with a diverse range of activities and the consolidated results include both regulated and non-regulated housing activities. As such, comparisons with other housing associations and benchmarking are difficult. We aim to continue to develop benchmarking with similar providers.

**WORCESTERSHIRE YMCA LIMITED
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In respect of our indicators our comments are as follows:

1. **Reinvestment %** - During the year there have been no additions to social housing fixed assets, we have continued with a programme of ongoing repair and upkeep which has been expensed during the year.
2. **New supply delivered %** - During the year there have been no additions to social housing delivery.
3. **Gearing %** - This represents our net debt to lenders as percentage of the total value of our housing properties. The current level of gearing is low and we have capacity within that to borrow more.
4. **EBITDA MRI Interest Cover %** - This represents the level of surplus/ deficit compared to the interest payable. This ratio this year is lower due to the charity making an overall deficit due to lower than expected revenues as a result of some services drawing to an end of their contracted period.
5. **Headline social cost per unit** - This represents social housing costs divided by total units owned and managed. The costs reflect the more intensive nature of some of our housing services. Our result would be above the average for general housing providers reflecting the more intensive nature of support services offered. There were no significant increases in service charges due to little changes in provision. CPI in September 2020 was 0.5% therefore applying government rent setting formula of CPI +1% led to only a 1.5% increase across the units.
- 6A. **Operating margin (social housing lettings only) %** - This represents operating surplus from social housing lettings divided by turnover from social housing lettings.
- 6B. **Operating margin (overall) %** - The reduction this year reflects the above commentary regarding the broad changes in income and expenditure. This is a result of the net overall deficit in the year.
7. **Return on capital employed %** - This compares the overall operating surplus/ deficit to total assets less current liabilities. The level of return is lower this year due to 2 factors, first the exceptional item in 2021, and lower than budgeted revenue as they didn't reach milestone criteria as they were drawing to an end.

Public Benefit

The board has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charitable company's aims and objectives and in planning future activities. In particular, the trustees have considered how planned activities will contribute to the aims and objectives set.

Communities, particularly young people within the County of Worcestershire benefit from our work. We work with parents of children and young people, and the children and young people themselves. Our activities include affordable flexible childcare; work with school age children at school and outside school throughout the year; work with young people and adults in formal and informal education, leisure activities including health and well-being and in support towards independent living. We engage in preventative work and work within the prison system to help offenders and their families. We are a registered provider of social housing offering affordable residential accommodation and we manage a number of community buildings across the County.

We recognise the importance of responding to the needs of the community and allowing them to influence the charity's developments.

We consult with participants in our activities, potential participants and partner organisations. Consultation takes place through a variety of routes including formal surveys, one to one sessions and informal meetings. We aim to continuously improve our services, responding to comments and complaints made by people who participate in our activities. Informal comments are dealt with by the management of the particular delivery arm of the Association. Formal issues may be raised in accordance with our service delivery policies and procedures and will be reported to the Board. Services are regularly reviewed against current developments in recommended practice and guidelines issued by regulatory and similar bodies

**WORCESTERSHIRE YMCA LIMITED
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Plans for future periods

The overall performance last year affects our medium to long term strategy:

Our assessment of performance in the year is used to inform our strategy. We have reviewed our strategies and focus delivery on children and their families and young adults. Our objects remain relevant and appropriate. We have engaged with staff more widely to assist in the short to medium term plans for the organisation in the face of reduced public spending. The organisation will further strengthen its offer to ensure it is comprehensive and cohesive and can be made to more potential beneficiaries throughout the County. The prior disposal of the large residential property in Worcester some years ago lends itself to a new development in Worcester and the diversification of activities; this is being explored as part of a longer term plan.

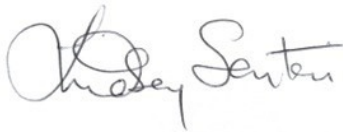
Our main objectives for next year:

Early Years and Children: Ongoing collaboration between our early years settings to enable shared learning to other sites so more children benefit from better outcomes at the Early Years Foundation Stage. Exploration of more formal unifying structures for our early years.

Young Adults: Identify additional development opportunities.

Young Adults: Increase engagement with a wider spectrum of young people and develop enterprise initiatives so more young people are benefiting from broader opportunities towards raising aspirations and employment

By order of the Board

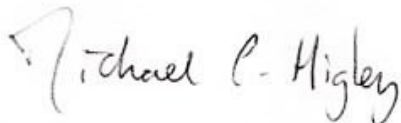


LINDSAY SARTORI
Chair
19 June 2023

Gordon Anstis House
Loxley Close
Redditch
Worcestershire
B98 9JS

Tel: 01527 61643

By order of the Board



MIKE HIGLEY
Trustee

19 June 2023

Gordon Anstis House
Loxley Close
Redditch
Worcestershire
B98 9JS

Tel: 01527 61643

WORCESTERSHIRE YMCA LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORCESTERSHIRE YMCA LIMITED

Opinion

We have audited the financial statements of Worcestershire YMCA Limited (the "parent Association") and its subsidiaries ("the group") for the year ended 31 March 2022 which comprise the Consolidated Statement of Total Comprehensive Income, the Company Statement of Total Comprehensive Income, the Consolidated Statement of Changes in Reserves, the Company Statement of Changes in Reserves, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent Association's affairs as at 31 March 2022, and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group or parent 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 Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Report of the Board, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Report of the Board. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

WORCESTERSHIRE YMCA LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORCESTERSHIRE YMCA LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Board (incorporating the strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Board (incorporating the 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 our knowledge and understanding of the group and parent Association and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Board (incorporating the 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 Association or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Association's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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

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

Responsibilities of the Trustees

As explained more fully in the Statement of Board responsibilities set out on page 5 the trustees (who are also the directors of the Association for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 Association'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 Association 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 as auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with these 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.

WORCESTERSHIRE YMCA LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORCESTERSHIRE YMCA LIMITED

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:

Our assessment focussed on key laws and regulations the group and parent Association has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Housing and Regeneration Act 2008, Companies Act 2006, Charities Act 2011, the Childcare Act 2006, taxation legislation, data protection and employment legislation.

We are not responsible for preventing irregularities, including fraud. Our approach to detecting irregularities, including fraud, included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the group and parent Association and how the group and parent Association are complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the group and parent Association control environment and how the group and parent Association have applied relevant control procedures, through discussions with the Board and other management and by performing walkthrough testing over key areas;
- obtaining an understanding of the group and parent Association risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection of fraud based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

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

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

WORCESTERSHIRE YMCA LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORCESTERSHIRE YMCA LIMITED

Use of our report

This report is made solely to the Association's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Atkins FCA (Senior Statutory Auditor)

for and on behalf of

Cooper Parry Group Limited
Statutory Auditors

Cubo Birmingham
Office 401, 4th Floor
Two Chamberlain Square
Birmingham
B3 3AX

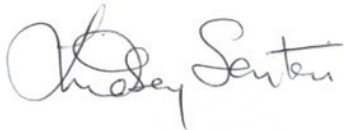
Date: 23 June 2023

Worcestershire YMCA Limited

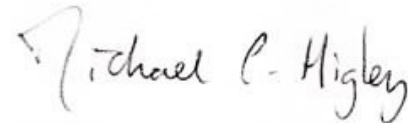
CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME FOR THE
YEAR ENDED 31 MARCH 2022

	Total 2022 £	Total 2021 £
Turnover	4,161,669	4,339,207
Operating expenditure	(4,152,531)	(4,217,930)
Gains on disposal of housing properties	-	97,084
	<hr/>	<hr/>
Operating surplus	9,138	218,361
Interest receivable and other income	25	31
Interest and financing costs	(45,965)	(64,699)
	<hr/>	<hr/>
Total comprehensive income for the year	<u>(36,802)</u>	<u>153,693</u>

The consolidated financial statements were approved by the Board on 19 June 2023



Lindsay Sartori
Chair



M Higley
Trustee

The consolidated results relate wholly to continuing operations.

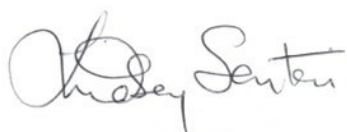
The accompanying notes form part of these financial statements.

Worcestershire YMCA Limited

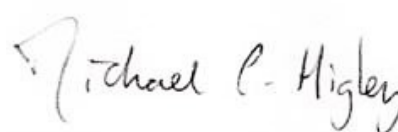
COMPANY STATEMENT OF TOTAL COMPREHENSIVE INCOME FOR THE
YEAR ENDED 31 MARCH 2022

	Total 2022 £	Total 2021 £
Turnover	3,211,269	3,126,113
Operating expenditure	(2,961,181)	(3,048,840)
Gains on disposal of housing properties	-	97,084
	<hr/>	<hr/>
Operating surplus	250,088	174,357
Interest receivable and other income	-	-
Interest and financing costs	(45,965)	(46,002)
	<hr/>	<hr/>
Total comprehensive income for the year	204,123	128,355
	<hr/> <hr/>	<hr/> <hr/>

The consolidated financial statements were approved by the Board on 19 June 2023



Lindsay Sartori
Chair



M Higley
Trustee

The consolidated results relate wholly to continuing operations.

The accompanying notes form part of these financial statements.

Worcestershire YMCA Limited
CONSOLIDATED STATEMENT OF CHANGES IN RESERVES FOR THE
YEAR ENDED 31 MARCH 2022

	Unrestricted			
	General Funds £	Designated Funds £	Restricted Funds £	Total £
Balance at 31 March 2020	1,770,099	2,411,647	-	4,181,746
Surplus from statement of comprehensive income	153,693	-	-	153,693
Transfer between funds	20,408	(20,408)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 March 2021	1,944,200	2,391,239	-	4,335,439
Surplus from statement of comprehensive income	(36,802)	-	-	(36,802)
Transfer between funds	(2,522)	2,522	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 March 2022	1,904,876	2,393,761	-	4,298,637
	<hr/>	<hr/>	<hr/>	<hr/>

Worcestershire YMCA Limited
COMPANY STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 MARCH 2022

	Unrestricted			Total £
	General Funds £	Designated Funds £	Restricted Funds £	
Balance at 31 March 2020	(80,056)	1,918,719	-	1,838,663
Surplus from statement of comprehensive income	128,355	-		128,355
Transfer between funds	18,078	(18,078)	-	-
	<u>66,377</u>	<u>1,900,641</u>	<u>-</u>	<u>1,967,018</u>
Balance at 31 March 2021	66,377	1,900,641	-	1,967,018
Surplus from statement of comprehensive income	204,123	-	-	204,123
Transfer between funds	(2,522)	2,522	-	-
	<u>267,978</u>	<u>1,903,163</u>	<u>-</u>	<u>2,171,141</u>
Balance at 31 March 2022	267,978	1,903,163	-	2,171,141

Worcestershire YMCA Limited
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 MARCH 2022

		Unrestricted				
		General Fund	Designated	Restricted	Total	Total
		2022	Funds	Funds	2022	2021
	Note	£	2022	2022	£	£
Income from:						
Donations and grants		123,539	-	133,510	257,049	1,007,239
Other trading activities		964,072	-	-	964,072	808,562
Investment income	5	25	-	-	25	31
Charitable activities	3	2,238,108	-	702,440	2,940,548	2,523,406
Other Income	3	-	-	-	-	97,084
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total income		3,325,744		835,950	4,161,694	4,436,322
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Expenditure on:						
Raising funds – trading activities		840,908	-	-	840,908	833,243
Charitable activities		2,521,638	-	835,950	3,357,588	3,449,386
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditure	6	3,362,546	-	835,950	4,198,496	4,282,629
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net (expenditure) income for the year before other recognised gains and losses		(36,802)	-	-	(36,802)	153,693
Transfer between funds	16	(2,522)	2,522	-	-	-
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net movement in funds		(39,324)	2,522	-	(36,802)	153,693
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Reconciliation of funds						
Fund balance at 1 April 2021	16	1,944,200	2,391,239	-	4,335,439	4,181,746
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance at 31 March 2022	16	1,904,876	2,393,761	-	4,298,637	4,335,439
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

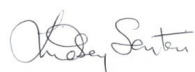
The accompanying notes form part of these financial statements.
All activities derive from continuing operations.

Worcestershire YMCA Limited

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
YEAR ENDED 31 MARCH 2022

	Notes	Group		Association	
		2022	2021	2022	2021
		£	£	£	£
Fixed assets					
Housing properties	11	4,261,194	4,331,293	2,978,709	3,017,505
Other tangible fixed assets	12	31,523	41,496	22,150	17,578
Investments	13a	690	690	-	-
Goodwill	13b	364,109	428,741	-	-
		<u>396,322</u>	<u>470,927</u>	<u>22,150</u>	<u>17,578</u>
Current assets					
Debtors	14	413,397	225,223	385,877	226,209
Cash at bank and in hand		2,063,437	2,064,890	1,230,107	1,116,062
		<u>2,476,834</u>	<u>2,290,113</u>	<u>1,615,984</u>	<u>1,342,271</u>
Creditors: amounts falling due within one year	15a / 15b	<u>(651,645)</u>	<u>(549,881)</u>	<u>(1,118,305)</u>	<u>(1,082,392)</u>
Net current assets		<u>1,825,189</u>	<u>1,740,232</u>	<u>497,679</u>	<u>259,879</u>
Total assets less current liabilities		<u>6,482,705</u>	<u>6,542,452</u>	<u>3,498,538</u>	<u>3,294,962</u>
Creditors: amounts falling due after more than one year	15c	<u>(1,750,881)</u>	<u>(1,814,489)</u>	<u>(980,105)</u>	<u>(1,024,520)</u>
Provision for liabilities and charges	20	<u>(433,187)</u>	<u>(392,524)</u>	<u>(347,292)</u>	<u>(303,424)</u>
Net assets		<u>4,298,637</u>	<u>4,335,439</u>	<u>2,171,141</u>	<u>1,967,018</u>
Represented by					
Unrestricted funds					
General funds	16	2,338,063	2,336,724	615,270	369,801
Designated funds	16	2,393,761	2,391,239	1,903,163	1,900,641
Pension reserve	16	(433,187)	(392,524)	(347,292)	(303,424)
Revaluation reserve	16	-	-	-	-
		<u>4,298,637</u>	<u>4,335,439</u>	<u>2,171,141</u>	<u>1,967,018</u>
Restricted funds	16	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total		<u>4,298,637</u>	<u>4,335,439</u>	<u>2,171,141</u>	<u>1,967,018</u>

Approved by the Board on 19 June 2023



Lindsay Sartori
Chair



M Higley
Trustee

The accompanying notes form part of these financial statements.

Worcestershire YMCA Limited

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR END 31 March 2022

	Note	2022 £	2021 £
Net cash generated from operating activities	18	144,702	282,944
Returns on investment and servicing of finance			
Interest paid		(61,519)	(57,105)
Interest received		25	31
		<hr/>	<hr/>
Net cash (outflow)/inflow from returns on investments and servicing of finance		(61,494)	(57,074)
		<hr/>	<hr/>
Capital expenditure			
Payments to acquire tangible fixed assets		(12,742)	(9,105)
Proceeds from sale of fixed assets		-	126,116
Acquisition of subsidiary		-	-
		<hr/>	<hr/>
Net cash (outflow) / inflow from capital expenditure		(12,742)	117,011
		<hr/>	<hr/>
Financing			
Net movement in short term borrowings		(8,311)	547
Net movement in long term borrowings		(63,608)	(74,499)
		<hr/>	<hr/>
Net cash (outflow)/inflow from financing		(71,919)	(73,952)
		<hr/>	<hr/>
Net change in cash and cash equivalents	19	(1,453)	268,929
		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form part of these financial statements.

WORCESTERSHIRE YMCA LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

1 Legal status

Worcestershire YMCA is a company limited by guarantee, registered under the Companies Act 2006, an English registered social housing provider and a charity.

The address of the registered office is given on page 1 of these financial statements.

The principal activities of Worcestershire YMCA are outlined on page 7 to the financial statements.

Worcestershire YMCA is a public benefit entity as defined by FRS 102.

2 Accounting policies

The principal accounting policies of the company are as follows:

Basis of accounting

The financial statements have been prepared in accordance with UK applicable accounting standards (UK GAAP) including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2018, and with the Accounting Direction for private registered providers of social housing in England 2019. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008 and the Companies Act 2006.

The financial statements are prepared in sterling which is the functional currency of Worcestershire YMCA and rounded to the nearest £1.

The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

Consolidated financial statements

The group is required by the Charities Act 2011 to prepare consolidated accounts. These consolidated accounts therefore comprise the financial statements of Worcestershire YMCA Limited, and of its subsidiary Worcester YMCA (including Worcester YMCA subsidiaries: Little Treasures Limited and First Class Nursery (Kidderminster) Limited).

All intra-group transactions and balances between Group companies are eliminated on consolidation.

Business Combinations

The cost of a business combination is the fair value at the acquisition date, of the consideration paid and liabilities incurred or assumed, plus costs directly attributable to the business combination.

The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. Goodwill arising on business combinations is capitalised, classified as an asset on the balance sheet and amortised on a straight-line basis over its useful life. The period chosen for writing off goodwill is nine years representing the remaining life of the lease acquired on the business premises of the subsidiary acquired.

Going concern

The financial statements have been prepared on the going concern basis as the Board believes that no material uncertainties exist in relation to the going concern basis of accounting and that the Group and Association have adequate funds to continue in operational existence for the foreseeable future.

The Board has considered the level of funds held by the Group and Association, including the level of bank loans and commitments under these and the continued support of the Group's and Association's bankers, together with the expected level of income and expenditure for the 12 months from the date of approval of these financial statements, which indicate that that the level of reserves for the Group and Association are sufficient to be able to continue as a going concern.

WORCESTERSHIRE YMCA LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

Incoming resources

Incoming resources represent the amounts receivable in respect of operational activities, grants receivable and fundraising activities, excluding value added tax.

Grants received for housing properties are recognised at the fair value of the asset received or receivable. Where the assets are accounted for using the cost model then the government grant is accounted for using the accruals model. The difference between the fair value of the asset and the consideration is recognised as a liability and amortised over the useful economic life of the asset. This amortisation is recognised within turnover. Where the assets are accounted for using the valuation model then the government grant is accounted for using the performance model so that turnover is taken once the performance conditions have been met.

Where disposal of government donated assets are required to be recycled, a liability is included to recognise this obligation.

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

Rents and service charges are accounted for when receivable in the year net of service charge losses and voids.

Supporting People Grant

Supporting People Grants (SPGs) are made by Worcestershire County Council and are utilised to provide affordable support to young people at risk in the community, whilst with the aim to develop skills that will make them independent of the Association. The grants are made directly to the Association and are recognised as income when the payment has been received.

SPG would become repayable if the availability of the support was not maintained during the period of the individual claim.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. The charitable company is partially exempt from VAT and irrecoverable VAT is included within the relevant category of expenditure.

Charitable expenditure comprises those costs incurred by the charitable company in the delivery of its activities and services for its beneficiaries.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charitable company and include audit fees and costs linked to the strategic management of the charitable company.

All costs are allocated between the expenditure categories on a basis designed to reflect the use of the resource. Costs relating to a particular activity comprise both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. Rentals on operating leases are charged in the revenue account as incurred.

WORCESTERSHIRE YMCA LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

Tangible fixed assets – housing properties

Housing properties, which are social housing grant assisted, are stated at valuation less depreciation.

Depreciation is provided at rates calculated to write off the cost of housing properties net of social housing grant, over their estimated useful lives using the straight-line method at the following rates:

Land	Not depreciated
Main fabric	100 years
Roof structure and covering	35 years
Windows and external doors	20 years
Mechanical	30 years
Electrical	30 years

Other tangible fixed assets

Fixed assets other than housing properties are stated at cost less accumulated depreciation. With the exception of computing equipment, the costs of minor additions or those costing below £500 are not capitalised. Depreciation is provided to write off the cost of such fixed assets over their estimated economic lives at the following rates:

Freehold buildings	over 10 or 32 years on a straight line basis
Fixtures	15% straight line
Motor van	25% straight line
Computer equipment	20% straight line
Other equipment	10% straight line

Restricted reserves

These reserves are subject to restrictions on their expenditure imposed by their donor or through the terms of appeal, the policy for the Supporting People Grant is set out above.

Designated reserves

Worcestershire YMCA Limited set aside designated reserves for funds for reinvestment in properties.

Housing Properties

Housing properties are principally properties available for rent and are stated at valuation less any provision for impairment (representing a diminution in the recoverable service potential of the asset below its carrying value in the balance sheet) less depreciation.

Works to existing properties which result in an increase in the net rental income, including a reduction in maintenance costs or result in a significant extension of the useful economic life of the property are capitalised.

Major components of housing properties, such as roofs, windows and external doors, mechanical and electrical equipment, have been accounted for and depreciated separately from the connected housing property, over their expected useful economic lives.

Investments

Investments are included at closing mid-market value at the balance sheet date. Any gain or loss of revaluation is taken to the statement of comprehensive income.

WORCESTERSHIRE YMCA LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

Pensions

Worcestershire YMCA Limited and Worcester YMCA participated in a multi-employer defined benefit pension plan for employees of YMCAs in England, Scotland and Wales, which was closed to new members and accruals on 30 April 2007. The plan's actuary has advised that it is not possible to separately identify the assets and liabilities relating to Worcestershire YMCA Limited and Worcester YMCA; therefore the scheme is accounted for as a defined contribution scheme.

The employer contributions in relation to the pension plan are determined by the Trustee based on advice from a qualified actuary and charged as they are incurred.

In addition, all staff are eligible for employer's pension contributions to be paid to a stakeholder or equivalent contributory personal pension scheme, with the level of contribution depending on their own level of contribution. The association has no liability beyond the payment of its agreed monthly contributions. The contributions are charged to the Statement of Financial Activities as incurred.

Taxation

Worcestershire YMCA is a registered Charity and is therefore exempt from paying corporation tax on charitable activities.

Little Treasures Limited and First Class Nursery (Kidderminster) Limited are not registered as charities and therefore corporation tax would be payable on tax surpluses should they arise.

Value Added Tax (VAT)

The majority of the Group expenditure is subject to VAT which cannot be reclaimed. Expenditure is therefore shown inclusive of VAT.

Although a large proportion of the Group's income is exempt from VAT, the Group charges VAT on some of its income and is able to recover VAT on directly attributable costs. The Group is also able to recover part of the VAT it incurs on overhead expenditure in line with a partial exemption method agreed with HM Revenue and Customs.

The Financial Statements include VAT to the extent that it is suffered by the Group and not recoverable from HMRC. The balance of VAT payable or recoverable at the year end is included as a current liability or asset.

Operating leases

Rentals under operating leases are charged to the statement of financial activities on a straight line basis over the term of the lease.

Loan Interest Costs

The full costs of deferred interest rate and indexation loans are shown in the Income and Expenditure Account.

Borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment.

WORCESTERSHIRE YMCA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022**

Provisions

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

Critical areas of judgement

Leases

In determining whether leases are finance or operating leases, management judges as to whether (or not) the significant risks and rewards of ownership have transferred to Worcestershire YMCA.

Useful lives of depreciable assets

Management reviews the useful lives of assets at each reporting date.

Multi period income agreements

In determining the revenue to be recognised in grants, or contract income whose project spans more than one period of account; Management Recognise income where the Association has entitlement to the income, it is probable the economic benefit will flow to the Association and the revenue can be reliably measured under the terms of the agreement.

WORCESTERSHIRE YMCA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022**

3 Incoming resources from Housing Activities

Income was generated entirely within the UK and comprised:

	Unrestricted 2022 £	Restricted 2022 £	Total 2022 £	Total 2021 £
Residential accommodation				
Gross income before voids	1,706,342	-	1,706,342	1,695,238
less: voids	(88,433)	-	(88,433)	(72,629)
Other accommodation related non-regulated housing activity	69,109	-	69,109	62,603
Gains on disposal of housing properties	-	-	-	97,084
	<hr/>	<hr/>	<hr/>	<hr/>
Income from residential accommodation	1,687,018	-	1,687,018	1,782,296
	<hr/>	<hr/>	<hr/>	<hr/>
Community activities				
Children and youth services	551,090	550,493	1,101,583	664,874
Family services	-	151,947	151,947	173,320
	<hr/>	<hr/>	<hr/>	<hr/>
Income from community activities	551,090	702,440	1,253,530	838,194
	<hr/>	<hr/>	<hr/>	<hr/>
Total income from activities	<u>2,238,108</u>	<u>702,440</u>	<u>2,940,548</u>	<u>2,620,490</u>

Of the income received in 2021, £2,144,724 was attributable to unrestricted funds and £475,766 was attributable to restricted funds.

WORCESTERSHIRE YMCA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022**

3 Incoming resources from housing activities (continued)

Social housing income and expenditure

	2022	2021
	£	£
Rent receivable excluding service charges	823,836	788,729
Service charges receivable	858,949	822,344
	1,682,785	1,611,073
Gross rent receivable net of void losses		
Social housing operating costs	(619,342)	(842,005)
	1,063,443	769,068
Operating surplus from housing activities	1,063,443	769,068

Void losses are detailed above.

Units under management

	2022	2021
	No.	No.
The units in management were as follows:		
Accommodation – units in management	162	164
	162	164
The nature of the owned units was as follows:		
General needs – Knowle Close and 3c properties at Bengrove Close	110	112
Supported - Gordon Anstis House	52	52
	162	164
	162	164

The above figures exclude 14 units respect of Worcester YMCA that are not regulated by the Homes and Communities Agency.

WORCESTERSHIRE YMCA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022**

4 Operating surplus

The operating surplus is arrived at after charging / (crediting)

	Group		Association	
	2022	2021	2022	2021
	£	£	£	£
Depreciation of housing properties	70,099	93,557	38,796	62,279
Depreciation of other tangible fixed assets	22,715	26,345	8,166	11,082
Auditors remuneration – audit of financial statements	28,500	26,460	11,620	10,800
Auditors remuneration – other services	-	-	-	-
Amortisation of goodwill	64,632	64,632	-	-

5 Interest receivable and similar income is wholly unrestricted in nature

	Group		Association	
	2022	2021	2022	2021
	£	£	£	£
Interest receivable and similar income	25	31	-	-

Interest receivable and similar income is wholly unrestricted in nature.

WORCESTERSHIRE YMCA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022**

6 Resources expended

a) Property management, maintenance and service costs

	Residential Accommodation regulated	Accommodation non-regulated	Children and Youth services	Adult and Community Services	Corporate Services	Trading Costs	2022 Total	2021 Total
	£	£	£	£	£	£	£	£
Directly incurred								
People related	208,890	187,931	710,039	343,168	407,016	663,104	2,520,148	2,469,365
Premises related	580,546	36,797	129,080	59,014	2,170	52,950	860,557	885,503
Vehicle related	0	397	8,631	-	-	-	9,028	6,399
Office costs	32,436	5,352	2,770	11,022	60,605	4,458	116,643	124,407
Other direct expenses	1,641	468	134,331	6,069	2,402	52,373	197,284	144,262
Overheads	59,640	9,432	36,810	8,362	108,782	15,599	238,445	404,526
Other costs	44,286	32,245	7,257	(4,603)	-	(300)	81,885	57,918
Depreciation	42,655	74,820	4,307	-	-	35,664	157,446	184,536
Taxation	-	-	-	-	-	17,060	17,060	5,713
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Direct charitable expenditure	<u>969,914</u>	<u>350,442</u>	<u>1,033,225</u>	<u>423,032</u>	<u>580,975</u>	<u>840,908</u>	<u>4,198,496</u>	<u>4,282,629</u>

Of the expenditure incurred £3,362,546 relates to unrestricted funds (2021: £3,376,424) and £835,950 relates to restricted funds (2021: £906,205).

Indirect resources expended are allocated on a staff time basis.

WORCESTERSHIRE YMCA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022**

7 Employee costs

	2022	2021
	£	£
Salaries and wages	2,097,606	1,966,012
Social security costs	124,028	119,539
Pension and other costs	133,700	152,331
	2,355,334	2,267,882
	2022	2021
	No.	No.
The average monthly number of persons employed during the year were as follows:		
Housing activities	8	8
Non-housing activities	135	135
	143	143
	143	143

No fees or remuneration in respect of housing management services have been paid to any member or board member of the Association during the year.

Trustee expenses of £Nil (2021: £210) were reimbursed to no (2021: one) board members during the year.

In calculating any surplus, no account is taken of any amount which would recognise the extensive skilled management services provided free of charge by the Association members.

Accordingly, the board wishes to express its gratitude for both the time and energy of its volunteer members during the year.

Included within employee costs are £13,929 (2021: £Nil) of restructuring costs.

WORCESTERSHIRE YMCA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022**

8 Employee costs – senior leadership team

	2022 £	2021 £
The aggregate remuneration of the senior leadership team during the year was as follows:		
Salaries	206,509	202,175
Social security costs	21,611	21,414
Pension	20,606	23,942
	<hr/>	<hr/>
	248,726	247,531
	<hr/> <hr/>	<hr/> <hr/>
	2022 £	2021 £

The remuneration of the highest paid member of the senior leadership team during the year was as follows:

Chief Executive - Salary	65,287	41,345
- Pension	6,582	2,925
	<hr/>	<hr/>
	71,869	44,270
	<hr/> <hr/>	<hr/> <hr/>

The Chief Executive is an ordinary member of the YMCA pension scheme and has an enhanced payment of 8% contribution paid.. The Chief Executive participates in the YMCA contributory pension scheme as per Note 20.

One employee was paid £60,000 - £70,000 (2021: no employees).

9 Interest payable and similar charges

Interest payable and similar charges comprised mortgage interest.

10 Taxation

Worcestershire YMCA is considered to pass the tests set out in SCH. 6 para. 1 off the Finance Act 2010 and therefore it meets the definition of a charitable company for the UK corporation tax purposes. Accordingly, the Association is potentially exempt from taxation in respect of income or capital gains received within categories covered by Pt. 11. Ch. Of the corporation Tax Act 2010 or s. 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gain are applied exclusively to charitable purposes.

WORCESTERSHIRE YMCA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022**

11 Housing properties – Group

With the exception of Bengrove Close, all housing properties owned by the Association were social housing grant assisted schemes. The movement on these accounts during the year is as follows:

	Knowle Close	Gordon Anstis House	Bengrove Close	Frederick Eary House	Stanley Road	Little Treasures	First Class	Total
	£	£	£	£	£	£	£	£
Cost or valuation At 1 April 2021	1,301,169	1,570,000	65,476	534,384	585,000	815,000	1,557	4,872,586
Additions	_____	_____	_____	_____	_____	_____	_____	_____
At 31 March 2022	1,301,169	1,570,000	65,476	534,384	585,000	815,000	1,557	4,872,586
_____	_____	_____	_____	_____	_____	_____	_____	_____
Accumulated depreciation At 1 April 2021	150,104	192,453	8,381	102,586	49,359	37,898	512	541,293
Charge for year	15,040	17,430	702	5,624	16,453	14,670	180	70,099
_____	_____	_____	_____	_____	_____	_____	_____	_____
At 31 March 2022	165,144	209,883	9,083	108,210	65,812	52,568	692	611,392
_____	_____	_____	_____	_____	_____	_____	_____	_____
Net book value At 31 March 2022	1,136,025	1,360,117	56,393	426,174	519,188	762,432	865	4,261,194
=====	=====	=====	=====	=====	=====	=====	=====	=====
At 1 April 2021	1,151,065	1,377,547	57,095	431,798	535,641	777,102	1,045	4,331,293
=====	=====	=====	=====	=====	=====	=====	=====	=====

The land and buildings of the association at Knowle Close have a value for insurance purposes of £6,770,125 (2021: £5,745,000), at Gordon Anstis House of £3,063,938 (2021: £2,600,000), at Bengrove Close of £196,234 (2021: £735,000), Fredrick Eary House of £2,710,407 (2021: £2,300,000) and at Stanley Road £585,000 (2021: £585,000). In the view of the Board, this is a fair statement of the current value of the Association's land and buildings.

All of the land and buildings are held on a freehold basis including land that is not depreciated.

Capital commitments are disclosed in note 22.

In respect of certain group fixed assets stated in valuations (with a net book value of £762,432), the comparable historical cost and depreciation values are as follows; Cost £665,242 (2021: £665,242), depreciation charge £11,975 (2021: £11,975) and accumulated depreciation £173,700 (2021: £161,725).

WORCESTERSHIRE YMCA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022**

11 Housing properties – Association

	Knowle Close	Gordon Anstis House	Bengrove Close	Frederick Eary House	Total
	£	£	£	£	£
Cost or valuation At 1 April 2021	1,301,169	1,570,000	65,476	534,384	3,471,029
Additions	_____	_____	_____	_____	_____
At 31 March 2022	1,301,169	1,570,000	65,476	534,384	3,471,029
	_____	_____	_____	_____	_____
Accumulated depreciation At 1 April 2021	150,104	192,453	8,381	102,586	453,524
Charge for year	15,040	17,430	702	5,624	38,796
	_____	_____	_____	_____	_____
At 31 March 2022	165,144	209,883	9,083	108,210	492,320
	_____	_____	_____	_____	_____
Net book value At 31 March 2022	1,136,025	1,360,117	56,393	426,174	2,978,709
	=====	=====	=====	=====	=====
At 1 April 2021	1,151,065	1,377,547	57,095	431,798	3,017,505
	=====	=====	=====	=====	=====

WORCESTERSHIRE YMCA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022**

12 Other tangible fixed assets - Group

	Motor van £	Computer equipment £	Other equipment £	Fixtures £	Total £
Cost					
At 1 April 2021	48,590	139,720	99,580	186,976	474,866
Additions	-	12,090	-	652	12,742
At 31 March 2022	<u>48,590</u>	<u>151,810</u>	<u>99,580</u>	<u>187,628</u>	<u>487,608</u>
Accumulated depreciation					
At 31 Mar 2021	43,196	126,887	93,057	170,230	433,370
Charge for year	2,697	5,347	4,387	10,284	22,715
At 31 March 2022	<u>45,893</u>	<u>132,234</u>	<u>97,444</u>	<u>180,514</u>	<u>456,085</u>
Net book value					
At 31 March 2022	<u>2,697</u>	<u>19,576</u>	<u>2,136</u>	<u>7,114</u>	<u>31,523</u>
At 1 April 2021	<u>5,394</u>	<u>12,833</u>	<u>6,523</u>	<u>16,746</u>	<u>41,496</u>

Other tangible fixed assets – Association

	Motor van £	Computer equipment £	Other equipment £	Fixtures £	Total £
Cost					
At 1 April 2021	37,802	134,122	89,764	117,793	379,481
Additions	-	12,090	-	648	12,738
At 31 March 2022	<u>37,802</u>	<u>146,212</u>	<u>89,764</u>	<u>118,441</u>	<u>392,219</u>
Accumulated depreciation					
At 1 April 2021	37,802	121,357	85,447	117,297	361,903
Charge for year	-	5,309	2,347	510	8,166
At 31 March 2022	<u>37,802</u>	<u>126,666</u>	<u>87,794</u>	<u>117,807</u>	<u>370,069</u>
Net book value					
At 31 March 2022	<u>-</u>	<u>19,546</u>	<u>1,970</u>	<u>634</u>	<u>22,150</u>
At 31 March 2021	<u>-</u>	<u>12,765</u>	<u>4,317</u>	<u>496</u>	<u>17,578</u>

WORCESTERSHIRE YMCA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022**

13a Investments

	Group		Association	
	2022	2021	2022	2021
	£	£	£	£
COIF Charities Investment				
Market value at 1 April 2021	690	690	-	-
Change in market value	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Market value at 31 March 2022	690	690	-	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

13b Goodwill

	Group		Association	
	2022	2021	2022	2021
	£	£	£	£
Cost				
Brought forward at 1 April 2021	595,320	595,320	-	-
Change in market value	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 March 2022	595,320	595,320	-	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Amortisation				
Brought forward at 1 April 2021	166,579	101,947	-	-
Amortisation in year	64,632	64,632	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 March 2022	231,211	166,579	-	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Netbook Value				
	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 March 2022	364,109		-	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
As at 31 March 2021	-	428,741	-	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

WORCESTERSHIRE YMCA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022**

13c Investments: wholly controlled subsidiary undertakings

The parent charitable company wholly controls the following charitable company:

Charitable company	Country of registration or incorporation	
Worcester YMCA	England and Wales	Limited by guarantee

Worcestershire YMCA exercises control over Worcester YMCA as the sole member of the Charity, giving it the powers to appoint and remove trustees.

Worcester YMCA in turn wholly controls Little Treasures Limited and First Class Nurseries (Kidderminster) Limited, both of which are incorporated in England and Wales.

Statement of total comprehensive income

	2022	2021
	£	£
Turnover	950,400	1,213,095
Operating expenditure	(1,167,286)	(1,169,091)
	<hr/>	<hr/>
Operating (Deficit) / Surplus	(216,886)	(44,004)
Interest receivable and other income	25	31
Interest and financing costs	(24,064)	(18,696)
	<hr/>	<hr/>
(Deficit) / Surplus for the year	(240,925)	25,339
	<hr/> <hr/>	<hr/> <hr/>

WORCESTERSHIRE YMCA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022**

13c Investments: wholly controlled subsidiary undertakings (continued)

Consolidated Statements of financial position

	2022		2021	
	£	£	£	£
Fixed assets				
Intangible assets		364,109		428,741
Tangible fixed asset		1,291,858		1,337,710
Investments		690		690
		1,656,657		1,767,141
Current assets				
Debtors	689,455		656,805	
Cash at bank and in hand	833,330		948,822	
	1,522,785		1,605,627	
Creditors: amounts falling due within one year				
	(195,275)		(125,280)	
Net current assets		1,327,510		1,480,347
Total assets less current liabilities		2,984,167		3,247,488
Amounts falling due in more than one year				
Creditors: amounts falling due after more than one year				
		(770,776)		(789,967)
Provisions for liabilities and charges		(85,895)		(89,100)
		2,127,496		2,368,421

14 Debtors

	Group		Association	
	2022	2021	2022	2021
	£	£	£	£
Rent arrears	544,781	527,896	494,650	454,808
Provision against rent arrears	(402,872)	(432,238)	(353,590)	(359,131)
	141,909	95,658	141,060	95,677
Other debtors	132,674	43,278	67,346	44,246
Prepayments and accrued income	138,814	86,287	138,814	86,286
Intercompany	-	-	38,657	-
	413,397	225,223	385,877	226,209

WORCESTERSHIRE YMCA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022**

15a Creditors: amounts falling due within one year

	Group		Association	
	2022	2021	2022	2021
	£	£	£	£
Bank loans and overdrafts	59,114	67,425	37,046	35,249
Deposits held for residence	8,666	8,666	8,666	8,666
Social security and other taxes	30,227	35,284	21,270	24,164
Trade creditors	157,820	194,040	126,051	177,262
Other Creditors	20,033	11,446	14,357	6,242
Owed to related undertakings	-	-	661,935	188,451
Accruals and deferred income	358,709	225,309	248,980	642,358
Corporation tax	17,076	7,711	-	-
	<u>651,645</u>	<u>549,881</u>	<u>1,118,305</u>	<u>1,082,392</u>

There are two secured bank loans on the properties at 2 Stanley Road, Worcester, WR5 1BR and at Broomhall Grange, Norton Road, Broomhall, WR5 2PD. The loans from Unity Bank are charged at commercial rates and are repayable over 25 years. The loans are secured with fixed charges over the assets of the Association's subsidiary companies, Worcester YMCA and Little Treasures Limited. At 31 March 2022, Worcester YMCA had failed to meet its financial covenant under the loans in respect of the EBITDA measure. Based on communications and discussions with the bank and the understanding the sufficient funds are held by Worcestershire YMCA Limited, the ultimate parent charitable company, that could be provided to Worcester YMCA to enable it to satisfy the EBITDA measure, there is no indication that any action, beyond the issue of a reservation of rights letter, will take place. The carrying amount of the loan in breach was £792,844 at 31 March 2022.

15b Creditors: amounts falling due within one year (continued)

Deferred income primarily relates to funding billed in advance of the undertaking of the projects to which it relates where the funding is based on performance deliverables.

Included in accruals and deferred income above is deferred income of £299,629 (2021: £182,185) and this is analysed below:

	Group £	Association £
Deferred income brought forward	182,185	165,117
Movement during the year	117,444	52,042
	<u>299,629</u>	<u>217,159</u>

WORCESTERSHIRE YMCA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022**

15c Creditors: amounts falling due after more than one year

	Group		Association	
	2022 £	2021 £	2022 £	2021 £
Bank loans	1,750,881	1,814,489	980,105	1,024,520
Loan maturity analysis				
Within one year	59,114	67,425	37,046	35,249
Within one to two years	55,734	68,837	38,538	36,661
Within two to five years	206,094	215,664	125,291	119,135
In more than 5 years	1,489,053	1,529,988	816,276	868,726
	1,809,995	1,881,914	1,017,151	1,059,771

Interest is payable on the loans at normal commercial rates.

Loans are secured by a legal charge over the properties concerned.

16 Movement in funds – Group

	Balance at 1 April 2021 £	Incoming £	Outgoing £	Transfers £	Balance at 31 March 2022 £
Designated funds					
Financed fixed assets	2,391,239	-	-	2,522	2,393,761
General fund	2,336,724	3,325,744	(3,321,883)	(2,522)	2,338,063
Revaluation reserve	-	-	-	-	-
Pension reserve	(392,524)	-	(40,663)	-	(433,187)
Total unrestricted funds	4,335,439	3,325,744	(3,362,546)	-	4,298,637
Restricted funds					
Prison Contract – HMP Hewell	-	151,947	(151,947)	-	-
Supporting People	-	126,178	(126,178)	-	-
Redditch Youth	-	6,448	(6,448)	-	-
NCS	-	383,650	(383,650)	-	-
BBO Job Coach	-	127,464	(127,464)	-	-
CCG	-	5,000	(5,000)	-	-
U Can Educational Project	-	-	-	-	-
Positive Activities	-	35,263	(35,263)	-	-
Total restricted funds	-	835,950	(835,950)	-	-
Total funds	4,335,439	4,161,694	(4,198,496)		4,298,637

WORCESTERSHIRE YMCA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022**

17 Analysis of net assets between funds

	Fixed assets £	Goodwill & Investments £	Current assets £	Creditors falling due within one year £	Creditors falling due after more than one year £	Provisions for liabilities and charges £	Total £
Unrestricted funds							
General	88,961	364,799	2,476,834	(592,531)	-	-	2,338,063
Designated Pension Reserve	4,203,756	-	-	(59,114)	(1,750,881)	-	2,393,761
Revaluation Reserve	-	-	-	-	-	(433,187)	(433,187)
Restricted funds	-	-	-	-	-	-	-
Net assets at 31 March 2022	<u>4,292,717</u>	<u>364,799</u>	<u>2,476,834</u>	<u>(651,645)</u>	<u>(1,750,881)</u>	<u>(433,187)</u>	<u>4,298,637</u>

Analysis of net assets between funds – Prior year

	Fixed assets £	Goodwill & Invest- ments £	Current assets £	Creditors falling due within one year £	Creditors falling due after more than one year £	Provisions for liabilities and charges £	Total £
Unrestricted funds							
General	99,636	429,431	2,290,113	(482,456)	-	-	2,336,724
Designated Pension Reserve	4,273,153	-	-	(67,425)	(1,814,489)	-	2,391,239
Revaluation Reserve	-	-	-	-	-	(392,524)	(392,524)
Restricted funds	-	-	-	-	-	-	-
Net assets at 31 March 2021	<u>4,372,789</u>	<u>429,431</u>	<u>2,290,113</u>	<u>(549,881)</u>	<u>(1,814,489)</u>	<u>(392,524)</u>	<u>4,335,439</u>

WORCESTERSHIRE YMCA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022**

18 Cash outflow from operating activities

	2022	2021
	£	£
Net movement in funds	(36,802)	153,693
Interest paid	61,519	(57,105)
Interest received	(25)	(31)
Profit on disposal	-	(97,084)
Depreciation of tangible fixed assets	92,814	119,902
Amortisation	64,632	64,632
Decrease in debtors	(188,174)	40,614
Increase in creditors	110,075	(112,960)
Decrease in provisions	40,663	57,073
	<hr/>	<hr/>
	144,702	282,944
	<hr/>	<hr/>

19 Analysis of cash and cash equivalents and changes in net debt

	At 1 April 2021	Cash Flow	Non-cash Changes	At 31 March 2022
	£	£	£	£
Cash at bank and in hand	2,064,890	(1,453)	-	2,063,437
Loans Falling due within one year	(67,425)	-	8,311	(59,114)
Loans falling due after one year	(1,814,489)	71,919	(8,311)	(1,750,881)
	<hr/>	<hr/>	<hr/>	<hr/>
	182,976	70,466	-	253,442
	<hr/>	<hr/>	<hr/>	<hr/>

20 Pension commitment

Worcestershire YMCA Limited and Worcester YMCA participated in a contributory pension plan providing defined benefits based on final pensionable pay for employees of YMCAs in England, Scotland and Wales. The assets of the YMCA Pension Plan are held separately from those of Worcestershire YMCA Limited and Worcester YMCA 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 £146.1 m. This represented 79% of the benefits that had accrued to members.

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

The valuation prepared as at 1 May 2020 showed that the YMCA Pension Plan had a deficit of £39 million. Worcestershire YMCA has been advised that it will need to make monthly contributions of £4,098 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 7 years commencing 1st May 2022.

WORCESTERSHIRE YMCA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022**

20 Pension commitment (continued)

	Within 1 year	One to two years	Two to five years	After five years	After more than one year	Total 2022	Total 2021
	£	£	£	£	£	£	£
As at 31 March 2022	61,344	61,523	185,648	124,672	371,842	433,187	
As at 31 March 2021	49,065	49,065	147,196	147,198	343,459		392,524

In addition, Worcestershire YMCA Limited and Worcester YMCA 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 Worcestershire YMCA Limited and Worcester YMCA may be called upon to pay in the future.

YMCA contributory pension scheme

All staff are eligible for employers' pension contributions to be paid to a stakeholder or equivalent contributory personal pension scheme, with the level of contribution depending on their own level of contribution. The association has no liability beyond the payment of its agreed monthly contributions.

The chief executive participates in the YMCA contributory pension scheme with an agreed level of contribution being paid by the association. The association has no liability beyond the payment of its agreed monthly contributions.

The total pension charge for the year is shown in note 7. The amount outstanding at the year-end was £9,753 (2021: £7,534).

21 Contingent liabilities

The Social Housing Grants are repayable under certain circumstances (for example the sale of properties).

As detailed in note 22 above, Worcestershire YMCA Limited and Worcester YMCA may incur liabilities in the event of the non-payment by other participating YMCA's of their share of the YMCA Pension Plan's current deficit. The method of allocation of the deficit has not yet been finalised and the future ability of other participating YMCA employers to meet their obligations cannot presently be determined. No provision for any liability that may arise has been made in these financial statements.

22 Capital commitments

There were capital commitments of £12,041 at the balance sheet date (2021: £nil).

WORCESTERSHIRE YMCA LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

23 Financial commitments

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the year to 31 March 2022:

	2022 Other £	2021 Other £
Contracts expiring		
Within one year	60,361	133,724
Within two to five years	347,247	79,644
Over 5 years	<u>393,500</u>	<u>225,600</u>
	<u>801,108</u>	<u>438,968</u>

24 Related Party Transactions

During the year Worcester YMCA made loans and recharged expenses to Worcestershire YMCA Limited amounting to £19,578 (2021: £277,020). Worcestershire YMCA owed Worcester YMCA £632,954 (2021: £613,376) at the year end.

Little Treasurers Limited, subsidiary of Worcester YMCA, made loans and recharged expenses to Worcestershire YMCA Limited amounting to £277,473 (2021: repaid loans amounting to £590) during the year. Little Treasures Limited also repaid loans and covenanted income amounting to £60,000 (2021: £60,000) during the year. £306,455 (2021: £28,982) was owed at the year end. The movements relate to net cash movements during the year and the recharges noted above.

Worcester YMCA made loans and recharged expenses and received covenanted income to / from First Class Nursery (Kidderminster) Limited, subsidiary of Worcester YMCA, amounting to £192,857 (2021: £156,895) during the year. £455,895 was owed to Worcester YMCA at the year end (2021: £263,038). The movements relate to net cash movements during the year and the recharges noted above.

During the year Worcestershire YMCA Limited made loans of £23,223 (2021: £11,552) to First Class Nursery (Kidderminster) Limited. At the year end Worcestershire YMCA Limited was owed £38,658 (2021: £15,435) by First Class Nursery (Kidderminster) Limited. The movement relates to net cash movements during the year and the recharges noted above. During the prior year First Class (Kidderminster) Limited loaned £100,000 to Little Treasures Limited. This amount was still outstanding at year end (2021: £100,000).

25 Legal status of the charitable company

The company is registered under section 2 of the Housing Act 1996 (number LH3687) and continues to be a registered charity. The company is established as a registered social landlord with no share capital. The Association is limited by guarantee with members required to contribute up to a maximum of £1 each, should there be a deficiency on winding up. The charitable company is governed by its articles of association.

26 Subsequent events

After the year end, the Association entered into a sale agreement of its freehold interest in 5 Bengrove Close. The consideration for the sale was based on an independent valuation carried out in accordance with Charity Commission guidelines. The sales price was £165,000. The property was marketed after the year-end and is included in the Association's land & buildings fixed assets at the year end. The property was originally purchased using the Association's reserves.

27 Ultimate controlling party

Worcestershire YMCA Limited is controlled by its Board of Trustees.

WORCESTERSHIRE YMCA LIMITED

England & Wales - Charity number 516872

Accounts

YMCA WORCESTERSHIRE

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

Our vision is of transforming communities so that all young people truly belong, contribute and thrive

WORCESTERSHIRE YMCA LIMITED

REPORT OF THE BOARD

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WORCESTERSHIRE YMCA LIMITED

REPORT OF THE BOARD

The Board is pleased to present its report (incorporating the strategic report) and audited financial statements for the year ended 31 March 2021.

Reference and administration information

Charity Name	Worcestershire YMCA Limited
Charity Registration Number	516872
Company Registration Number	01944516
Registered Social Landlord Number	LH3687

Key Management Personnel

Chief Executive	Dr Annette Daly (from 14 December 2020) Duncan Berry (until 30 September 2020)
Company Secretary	Wendy Poole
Head of Children and Families and Youth	Lisa Carroll
Head of Adults and Communities	Alan Moorhouse
Head of Human Resources	Alison Dunsmore
Head of Finance	Jo Watkin
Development Manager	Charlotte Steventon

Board

The Board is composed of the following individuals:

Phillip Simpson	(Chair)
Simon Hill	
Jacintha Hodgson	Resigned 21 December 2020
Dr Juliet Horne	
Mike Higley	
Diana Drew	

Members of the Board are directors of the association for the purposes of company law and trustees of the charity for the purposes of charity law.

The president of the association is the Right Reverend the Bishop of Worcester, John Inge.

Registered Office Gordon Anstis House Loxley Close Redditch Worcestershire B98 9JS	Auditors Cooper Parry Group Limited Park View One Central Boulevard Blythe Valley Business Park Solihull B90 8BG	Bankers Unity Trust Bank plc Nine Brindleyplace Birmingham B1 2HB	Solicitors mfg Solicitors LLP Adam House Birmingham Road Kidderminster Worcestershire DY10 2SH
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WORCESTERSHIRE YMCA LIMITED

REPORT OF THE BOARD

Constitution

The Association is a charitable company registered under section 2 of the Housing Act 1996 (number LH3687) and continues to be a registered charity. The Association is established as a registered social landlord with no share capital. The Association is a company limited by guarantee with members required to contribute up to a maximum of £1 each, should there be a deficiency on winding up. The Association is governed by its Articles of Association, which were reviewed by the Board in 2013.

Organisational structure

The Association is governed by its board of volunteer trustee directors, responsible for overseeing strategy and policy, approving annual budgets and accounts, and who work in conjunction with the senior executive staff who recommend strategy, policy and exercise operational management. They hold five meetings per annum to consider business and progress against agreed plans plus hold strategic discussions to consider future work and direction. On appointment, trustees receive induction including Charities Commission information. Attendance at meetings, interests and skills is monitored and reviewed annually. The YMCA movement offers support, development and benchmarking information. Codes of Governance and Conduct have been adopted.

The Association is part of the worldwide YMCA movement and is affiliated to the National Council of YMCAs in England and through them to the World Council of YMCAs. It receives no funds from either the National Council or the World Council, but pays an affiliation fee to the National Council of YMCAs in England.

The Association is the sole member of Worcester YMCA a charitable company limited by guarantee. As sole member the Association is required to contribute up to a maximum of £1, should there be a deficiency on winding up Worcester YMCA. Worcester YMCA is not regulated by the The Regulator of Social Housing (RSH).

The Board oversees and endorses or challenges the short and medium term strategies recommended by the senior executive staff. The Board aims to ensure the long term interests of the Association are not adversely affected by decisions taken in the medium term and ensures the ethos and values of the Association are maintained.

The day-to-day control of the Association's operations is exercised by the senior management team made up of the Chief Executive, Head of Children and Families and Youth, Head of Adult and Communities, Head of Finance, Head of HR and Development Manager. The Chief Executive attends Board meetings and members of the senior management team are invited where appropriate to encourage wider contact between directors and staff. In setting the salaries of the senior management team the Board considers benchmark information from other appropriate organisations in the YMCA movement.

The Association is organised so that those for whom activities are provided and key stakeholders are involved in the design, monitoring and evaluation of that provision; clear access to senior management and the volunteer Board is integral to the structure and is part of our engagement process.

Recruitment and appointment to the Board

The Board consists of up to fifteen elected members who are appointed for a three-year term, but who may stand for re-election at the end thereof. Members who are co-opted during the year are appointed up until the next Annual General Meeting when they are eligible for election. Board members are elected from the Members of the Association at the Annual General Meeting. Membership of Worcestershire YMCA Limited is open to men and women.

All Board members acknowledge their Christian faith, no other person or body external to the Association is entitled to appoint board members.

Board members give their time voluntarily and receive no benefits from the charity in respect of this commitment. Any expenses reclaimed from the charity or payments made to them are set out in the notes to the accounts.

WORCESTERSHIRE YMCA LIMITED

REPORT OF THE BOARD

It is the aim of the board members to have the Board made up of individuals from the community it serves and simultaneously achieve a rich diversity of perspectives and experience, competent to oversee the operations of the Association. The Board seeks to recruit new members accordingly. Potential board members are made aware of the aims and purposes of the YMCA Movement and must indicate their desire to join the Movement and accept the responsibilities involved. The perspectives, experience and skills of individual board members are considered to ensure a balance across the Board. Board members are initially co-opted to the Board until the following Annual General Meeting.

Board member induction and training

As part of their induction programme, new Board members are provided with a welcome pack including copies of literature produced by the Charity Commission and the YMCA Movement: YMCA Code of Governance. Background information relating to the Association including copies of the articles of association, latest financial information, copies of minutes and policies are included in the welcome pack. The Board schedule five meetings per annum for ordinary business plus meetings to consider the work of the association and future direction; it also participates in periodic "away days".

As part of the YMCA Movement, Board members have access to its board development programme and training, support and benchmarking information. The Board undertakes periodic background and skills audits and as a result identifies certain characteristics it will require of future members. Attendance at Board meetings is monitored.

The Association works in partnership with other organisations, funders and commissioners that are compatible with its ethos and values

Code of Governance

The Association's Board has adopted the National YMCA Code of Governance based on the National Housing Federation Code of Governance. During the year the Board has made reference to the Governance and Financial Viability Standard.

Statement of Board responsibilities

The Board is responsible for preparing the Report of the Board, including the strategic report, and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association and of the incoming resources and application of resources, including the income and expenditure, of the Association for that period. In preparing these financial statements, the board is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the RSL SORP and the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

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

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

WORCESTERSHIRE YMCA LIMITED

REPORT OF THE BOARD

Provision of information to the auditor

We, the board members of the Association who held office at the date of approval of these financial statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the Association's auditor is unaware; and
- we have taken all the steps that we ought to have taken as board members to make ourselves aware of any relevant audit information and to establish that the Association's auditor is aware of that information.

Corporate Governance – internal financial control

The Board acknowledges its ultimate responsibility for ensuring that the Association has in place a system of controls that is appropriate to the various business environments in which it operates. These controls are designed to give reasonable assurance with respect to the:

- reliability of financial information used within the Association or for publication;
- maintenance of proper accounting records; and
- safeguarding of assets against unauthorised use or disposal.

It is the Board's responsibility to establish and maintain systems of internal financial control. Such systems can only provide reasonable and not absolute assurance against financial misstatement or loss. Key elements include ensuring that:

- formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the Association's assets;
- experienced and suitably qualified staff take responsibility for important business functions; annual appraisal procedures have been established to maintain standards of performance;
- forecasts and budgets are prepared which allow the 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; and
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Board members and others.

The Board receives and reviews regular reports from management, internal audit and from the external auditor to provide reasonable assurance that control procedures are in place and are being followed.

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

WORCESTERSHIRE YMCA LIMITED

REPORT OF THE BOARD

Strategic Report

Risk management

The Association maintains a risk register covering governance, operational, financial, external and compliance risks. The Board receives and reviews regular reports from management including major risks facing the Association and action taken to reduce or mitigate the effects of those risks.

The board categorises risk into five main headings: Governance, Operational, Financial, Environmental or external and Compliance. The key risk in each heading is identified below:

Risk	Mitigation and further action to be taken
Governance - loss of key staff	Trustees continue to act as champions for each area of policy, policies are reviewed regularly, skills and role descriptions are identified, a training matrix identifies skills gaps, training is budgeted and undertaken, the strategic plan is approved by the Board, appraisals are conducted regularly.
Operational - project / service development	The organisation has adopted models to demonstrate how and why new and existing projects are in line with charitable objects and to better define and communicate our activities. To continue to enhance development of new plans in line with objects. Further action: review operational strategy and accelerate implementation. Develop future plans for childcare provision in Worcestershire.
Financial - dependency on limited income sources	Strategic plans aim to change the mix of income and the provision of services that are less dependent on Government policy. Specific opportunities identified. Acquisition of a trading subsidiary has diversified income. Further action: Review strategic plan in line with income dependancies. Realise opportunities identified and monitor success of diversification plans and organisational capability to ensure they match future requirements
Environmental or external factors - changing government policy	Networking and lobbying to minimize adverse policy changes and their effects. Regular market scanning. Members of YMCA policy groups and relevant local groups. Further action: Engage a wider audience particularly potential service users in the provision of data and case studies for influencing policy and ensure other initiatives in diversification are coordinated. Conduct research with target audiences.
Compliance - diversification of activities	Systems to ensure compliance with legislation, regulation and reporting are robust. Further action: identify and monitor the effect on existing compliance of diversifying activity and consider any new compliance such diversification will introduce.

COVID19

Throughout the year, the Covid19 pandemic created practical difficulties in delivering some of our services.

The organisation continued to work remotely and invested in the IT infrastructure to ensure that homeworking could be facilitated.

The most impacted areas were the community centre, youth work and early years and childcare; however, we have been able to utilise the Coronavirus Job Retention Scheme and Business Interruption grants to secure over £200,000 in grant income.

The organisation developed a Covid Taskforce and Covid Coordinator to monitor the changing landscape and put in place coherent risk assessments. This has enabled the organisation to continue to deliver its services throughout the pandemic and protect its income streams.

Due to the level of reserves and cash balances held and the security of some of our income streams, we are well placed to continue operating. See accounting policy titled Going Concern for further details.

WORCESTERSHIRE YMCA LIMITED

REPORT OF THE BOARD

Financial Review

Reserves

The Board considered there are sufficient assets to meet obligations as they arise. Net current assets are £1,740,232 (2020: £1,399,504). The overall funds of the Group have increased as a consequence of a surplus arising from an increase in income and reduction in operational costs.

The Association does not trade for profit, but plans for income to exceed expenditure each year, ensuring a margin of safety to manage the unexpected, its Articles prevent the distribution of reserves, which are instead applied to further the aims and objectives including the provision of social housing.

The Association has an asset management plan anticipating major maintenance to buildings and likely costs over the next 25 years. Long term maintenance and improvements needed in the housing stock under that plan are reviewed by the Board. Cyclical maintenance and improvements to maintain the standards of our own accommodation stock of 193 properties was carried out in accordance with our asset management plan.

The Board has reviewed its reserves policy and the designation of reserves. The policy is to aim to maintain funds in reserves at least sufficient to fund 2 months total expenditure (£697,591) to cover the eventuality of a material decline in incoming resources and to hold at least half of that amount in cash at bank. It will regularly review this policy having regard to the changing financial, regulatory and competitive environment in which the charity operates.

Free reserves are traditionally calculated as Net Assets (£4,335,439) less Restricted funds (£nil), less fixed assets (£4,372,789), which amount to a deficit of (£37,350). However, the nature of the Association as a Registered Provider means adjustment should be made for long term liabilities which are secured against the housing properties in fixed assets (£1,335,187). By that calculation, the adjusted free reserves are £1,297,837.

Worcestershire YMCA Limited and Worcester YMCA participated in a contributory pension plan providing defined benefits based on final pensionable pay for employees of YMCAs in England, Scotland and Wales. The assets of the YMCA Pension Plan are held separately from those of Worcestershire YMCA Limited and Worcester YMCA.

The valuation prepared as at 1 May 2020 showed that the YMCA Pension Plan had a deficit of £36 million. Worcestershire YMCA has been advised that it will need to make monthly contributions of £3,160.65 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.

Principal sources of income include housing income, income derived from the operation of early years nurseries, NCS and work undertaken through the HMP Hewell Rainbow Project

The Trustees also note that a high proportion of staff costs are directly attributable to specific contracts and are therefore variable in nature.

Employment of disabled persons

The Association operates an equal opportunities employment policy and is committed to be Disability Confident. Employers will be positive about their abilities. Employers who use the symbol make five commitments to action, relating to recruitment, communication of vacancies, offering interviews, anticipating reasonable adjustments and supporting people who become disabled.

WORCESTERSHIRE YMCA LIMITED

REPORT OF THE BOARD

Objects and activities

As a Christian charity committed to helping people, especially the young, particularly at times of need, without discrimination, our faith calls us to stand alongside people on their personal journey, and help them develop in body, mind and spirit.

Accordingly, demonstrating our Christian faith and sharing it through social action we are active in working towards our vision of transforming communities so that all young people truly belong, contribute and thrive. We aim to be recognised as the leading provider of activities which inspire transformation.

The Association's objects and principal activities are to:

- relieve or assist in the relief of persons of all ages who are in conditions of need, hardship or distress by reason of their social, physical or economic circumstances;
- to provide or assist in the provision of education for persons of all ages with the object of developing their physical, mental or spiritual capacities;
- provide or assist in the provision in the interests of social welfare of facilities for recreation and other leisure time occupation for men and women with the object of improving their conditions of life;
- lead young people to the Lord Jesus Christ and to fullness of life in Him;
- provide residential accommodation for persons of all ages who are in need, hardship or distress by reason of their social physical or economic circumstances; and
- unite those who, regarding Jesus Christ as their God and Saviour according to the Holy Scriptures, desire to be His disciples in their faith and in their life, and to associate their efforts for the extension of His Kingdom.

Our aims mean we work with others to deliver activities through which all young people can be offered the opportunity to develop in body, mind and spirit so they have hope of experiencing life in all its fullness.

Strategy

The key elements of our medium to long-term strategy were:

Build on the strength of our Early Years and families presence across the County; experience with children's centres; existing provision and partnership working. We will work in partnership with others to improve health of mothers, their babies and families, make them better informed and benefit from their knowledge to improve their lives. We envisage opportunities for job creation, volunteering and delivery of some services that will no longer be provided by the state and to help the organisation move its funding mix from a reliance on the public sector to self-generated income.

Provide opportunities that prepare young people, including the marginalised, for adult life and the world of work through positive activities, supported accommodation, alternative curriculum, employability skills, health and wellbeing, volunteering, community and family engagement, and targeted mentoring support. In addition, we will work with churches and other Christian organisations to deliver high quality youth work and opportunities for religious education. With the global YMCA movement we will provide wider opportunities for young people, to improve outcomes.

The strategic plan for the medium and short term ensures that the objects of the Association are pursued and thereby its purpose fulfilled, within the framework established by the Board. The Board retain the right of veto, offer an additional perspective as non-executives and provide a check and balance for the plan before its approval by them. The strategic framework and these plans together form the business plan.

As indicated last year, a broader spread of income generation is a priority for long term sustainability whilst remaining responsive to commissioning opportunities that arise from social policy as the public sector remains a large market. In addition, the plan is customer focused taking account of current capacity and capability rather than putting our capabilities first. The major change for the organisation, clarifying the markets in which we operate and our delivery has begun, coinciding with cuts to public spending. This continues to require flexibility in our response.

WORCESTERSHIRE YMCA LIMITED

REPORT OF THE BOARD

We measure the success of the strategy:

Annually, prior to the commencement of the financial year, when plans are produced as part of our budgetary cycle. These are submitted to the Board for approval by the beginning of the year. During the year, the senior management meet regularly to monitor performance in both financial and non-financial terms. We are organised into three areas of work.

Progress is reported and variances explained to Board throughout the year. An annual review is conducted by the board and senior management and an Annual General Meeting is also held and a report presented by the board and senior management to members.

During the year there are periodic reviews conducted with partner organisations including commissioning bodies.

Review of activities

Working from our own accommodation units, community centres, schools and prison, we provide preschool nurseries, play workers in prison, schools work, youth work including the support of young people towards independent living, 'move on' accommodation and support for vulnerable adults.

The three most significant charitable activities contributing to the achievement of our objectives in the year were:

- Residential Accommodation & Facilities Management
- Children and Youth services
- Family Services

During the year, income from the Association's own activities increased to £3,126,113 (2020: £2,902,254) and the effect of the addition of Worcester YMCA generated a consolidated income of £4,339,238 (2020: £4,182,102) for the year. The additional income from Worcester YMCA was from non-regulated housing and housing related support and income from two trading subsidiaries operating in the nursery sector.

The main trends underlying performance and development and affecting the future are continued public sector funding pressure, rent reduction, uncertainty over any future supported housing model and the need to ensure a more commercial approach to some areas of delivery.

Further analysis of the income and expenditure on operations can be found in notes 3 to 9 to the financial statements.

WORCESTERSHIRE YMCA LIMITED

REPORT OF THE BOARD

Strategy: Build on the strength of our Early Years and families presence across the County, existing work with older children and partnership working. We will work in partnership with others to improve health of parents and their babies and work with older children and their families to make them better informed and benefit from their knowledge to improve their lives. We envisage opportunities for job creation, volunteering and delivery of some services that will no longer be provided by the state and to help the organisation move its funding mix from a reliance on the public sector to self-generated income.

Nurseries

We have five nursery settings within Worcestershire; these are situated in Redditch, Kidderminster and Malvern. All five nursery settings maintain an OFSTED rating of 'Good'. The acquisition of First Class Nursery (January 2020) has enabled us to grow our childcare offer within Kidderminster.

Little Treasures has continued to enhance our provision across the group and contributed to the diversification of income sources. Throughout the pandemic, we have adapted the delivery of childcare to create childcare bubbles; this enabled us to continue delivery with minimal interruption to service. For part of the year, during the initial lockdown, childcare was only provided to key worker children; this saw an increase in home learning for children during this time. And ensuring the children's development was monitored whilst they were not in the settings.

A curriculum statement of intent provides a framework for setting out the aims of a programme of education, including the knowledge and skills gained at each stage, developing a framework over time into a structure and narrative. In line with the organisation's objectives, our statement enables children to live life to its fullest by offering stimulating learning experiences with Christian values at its heart. Our nurseries develops children's spiritual, social, moral and cultural understanding. They provide a holistic curriculum that fosters lifelong learning. The nurseries have created learning environments that build upon children, prior learning experiences and are tailor-made for the families we support. From September 2021, a new curriculum will be published and adopted by each nursery setting in line with Government guidance for the education sector.

Out-of-school Clubs

The YPLAY childcare provision based in Redditch and Malvern offers children aged 3-12 an out-of-school and holiday club. This has seen the most significant interruption throughout the pandemic, and the before and after school club has not returned due to the mix of school and groups. However, the holiday club was able to continue from the Summer Term with limited numbers.

Throughout the school holidays, YMCA played a crucial role in the County's response to holiday hunger by securing £80,000 funding to support local organisations. This enabled YMCA to continue its school holiday offering by providing hampers reaching over 4,000 families in Worcestershire. This project was awarded a High Sheriff of Worcestershire Award for its contribution to the community. The hampers combined food parcels and activities for local families. This enabled us to ensure we continued to engage with the children and families that previously attended the out of school clubs.

HMP Hewell Rainbow Project

The Hewell Rainbow project, which the National Lottery funds, has been successful in its new bid and has secured funding until 2023. The project offers a range of parenting courses designed to improve the parent-child relationship and support children with prison parents. The scheme delayed its start date until May 2020 due to the pandemic where visits were not permitted in prison. This was replaced with 'purple virtual visits' and support for families virtually. This year has provided many challenges, and the team have had to adapt and create new ways of supporting the families with a parent in prison. The team has also increased social media presence to increase awareness of parents' challenges in prison.

Youth Work

YMCA Worcestershire continues to deliver the positive activities contract for youth clubs within Bromsgrove. The existing contract has been extended until September 2021. From March 2020, the youth clubs have been delivered virtually. This has provided the opportunity to engage with young people each week throughout the national lockdowns. The detached youth work offer has increased throughout the year, giving outdoor sessions in Redditch and Rubery. It has been challenging to restart sessions in all areas due to the restrictions and the clubs taking place in external venues. The sports camp delivery has been paused due to the social distancing guidelines in place for the National Youth Agency. The young people who attended the sports clubs have been encouraged to attend the YPLAY programme as an alternative.

WORCESTERSHIRE YMCA LIMITED

REPORT OF THE BOARD

Within the year, the Bromsgrove Youth and Community Hub has become an independent Charitable Incorporated Organisation (CIO) and will partner with YMCA to deliver youth work in Bromsgrove. Current partnership works include virtual youth groups and 1-1 mentoring that has been delivered from September-December 2020. Key themes within the 1-1 sessions have been an increase in mental health concerns and loneliness. Each mentor provided the young people with an opportunity to meet and talk with a youth worker in a safe environment. In addition to the face to face delivery YMCA Worcestershire provided mentoring support to Tenbury High School as part of the Youth Scape project. This provided support to young people struggling to transition back into school after the long break. Adapting our youth services enabled us to remain present for young people providing more intentional support throughout the past year.

Mental Health Counselling

Mental Health Counselling has continued during the year with funding from YMCA Changing Futures and Children in Need. The counselling service has delivered 225 sessions to 51 young people since the service recommenced in September 2020.

National Citizen Service (NCS)

The National Citizen Service (NCS) programme has seen significant disruption during the year due to the scale and timing of the programme and the increased risk of taking 500 young people on a residential programme. Instead, the NCS Trust launched a virtual programme, and YMCA delivered a two-week programme in July and August for young people across Worcestershire aged 15 to 19 to take part in. 'The 'Keep Doing Good' programme is intended to help local communities and support them as we move forward out of the current pandemic.

WORCESTERSHIRE YMCA LIMITED

REPORT OF THE BOARD

Strategy: Provide opportunities that prepare young adults, including the marginalised, for adult life and the world of work through positive activities, supported accommodation, employability skills, health and wellbeing, volunteering, community and family engagement, and targeted mentoring support. In addition, we will work with churches and other Christian organisations to deliver high quality youth work and opportunities for religious education. With the global YMCA movement we will provide wider opportunities for young people, to improve outcomes.

Building Better Opportunities (BBO)

BBO is funded by the European Social Fund and The National Lottery Community Fund. From 2014 – 2020, £11m of European Social Funding (ESF) became available to invest in "Social and Economic Inclusion, tackling the root causes of poverty, promoting social inclusion and driving local jobs and growth. According to local priorities, the Worcestershire programmes developed to invest this money have been shaped by the Worcestershire Local Enterprise Partnership (LEP).

BBO has five Job Coaches increasing by one in the previous year. Focusing on Redditch and Bromsgrove, the support is designed to move people closer to employment. The project has remained active in the current year by supporting people through online meetings and phone calls. A decrease in referrals occurred due to the temporary closure of the Job Centre and partner organisations. This did create some challenges for the coaches to achieve targets throughout the year. However, the coaches adapted and changed their recruitment methods to further support existing YMCA clients within the housing department further.

Community Centres

The community centres in Redditch, Malvern and Upton were instructed to close throughout the national lockdowns. With the increased rates of Covid19 transmission, the centres had to close for eight months of the year. The organisation has received Business Interruption grants for the community centres and utilised the Coronavirus Job Retention Scheme for the community centre assistants. The additional funding has supported the centres' sustainability, ensuring that they did not suffer financially throughout the pandemic. Nevertheless, the community centres continue to provide additional internal space to ensure we could operate safely throughout the year.

Housing and Support

The housing and support service continued to be an integral part of the work we deliver throughout the county; the accommodation currently provides 241 units and provides 85 supported accommodation units. During the year, we have been successful in the re-commissioning by Worcestershire County Council for the housing and support contract, which was renewed in February 2021. This is a significant contract over the next three years valued at £480,000.

It has been a critical priority to develop strategic partners to support young people in our accommodation; this has included working with:

- St Basils, a Housing Charity based in Birmingham, delivered an open network accredited course managing your tenancy. St Basils trained support staff to provide the course to residents. This certificate is recognised by local housing providers, such as Platform Housing Group, and provides strong evidence that those participants are ready for independent living.
- Redditch Churches have worked closely within the housing scheme to help build relationships and meet the spiritual needs of the young people at Redditch.
- Moat House Care Farm provided volunteering opportunities for young people, which has resulted in improved emotional awareness, assertiveness, social skills, confidence, trust in self and others, empathy, impulse control, problem-solving skills.

Further partnerships have been developed throughout the year, including engaging with an onsite drug and alcohol worker, employability and life skills, onsite counselling and working closely with the local policing and neighbourhood team. These partnerships have played a key role in developing transformational communities for young people.

WORCESTERSHIRE YMCA LIMITED

REPORT OF THE BOARD

Strategy: Sustain service. Continuous improvement in quality and value for money; increase unrestricted funding and social enterprise; Diversify and maintain a balance between housing and other provision; Increase appropriate use of volunteers; Increase the number of partners, including faith communities and the wider YMCA movement, with whom we unite; Diversify across each district; Increase participation.

International Partnerships

Throughout the year, we have developed international partnerships with YMCA France in providing opportunities for young people to live and volunteer within YMCA Worcestershire. Over the past 12 months, four volunteers joined our housing, nursery and youth teams to support the delivery of our services. The programme has been successful in providing opportunities for young people. Due to the project's success next year, we will look to expand the international volunteering opportunities.

Communication

The online and digital presence has been a critical part of our communication strategy throughout the year due to limitations in face-to-face delivery. The digital presence enabled us to communicate quickly in the rapidly evolving situation. The Covid Community Page promoted the organisation's risk assessment and demonstrated the measures that have been put in place to operate safely, giving confidence to the communities.

Black Lives Matter Response

YMCA Worcestershire has been part of the regional response to the Black Lives Matter movement (BLM). The group represents the region on its commitment to have a clear position on BLM by carrying out a diversity audit and making appropriate recommendations, assessing and reporting on equality data across the region annually, supporting YMCAs to engage with Black, Asian and Minority Ethnic (BAME) encouraging young people and staff to share their stories and experiences.

Christian Spiritual Development

The Christian Spiritual Development Coordinator left the organisation in September 2020, and plans are in place to recruit for this position next year. It is our aim to develop an internal chaplaincy group that will support the organisation in developing its Christian mission. In addition, we have hosted a daily online prayer meeting for YMCAs globally throughout the year, which has been well-received globally.

WORCESTERSHIRE YMCA LIMITED

REPORT OF THE BOARD

Value for Money

On 1 April 2018, the Regulator of Social Housing (RSH) has revised the regulatory approach to VFM with the objectives of:

- Continuing to drive improvements in VFM within the social housing sector.
- Ensuring a strategic approach to delivering VFM is embedded within the business.
- Encouraging investing in existing homes and new housing supply.
- Enhancing the consistency, comparability and transparency of VFM reporting.

Regulatory Metrics

RSH Metric	2021	2020
1. Reinvestment %	-	-
2. New supply delivered %	-	-
3. Gearing%	-10.8%	-4.1%
4. EBITDA MRI interest cover%	314.2%	14.3%
5. Headline social housing cost per unit	£2,431	£3,254
6A. Operating margin (social housing lettings only)	46.0%	36.9%
6B. Operating Margin (overall)	3.1%	-2.1%
7. Return on Capital Employed	3.1%	-1.1%

Commentary

As a YMCA, we are a small specialist housing association with a diverse range of activities and the consolidated results include both regulated and non-regulated housing activities. As such, comparisons with other housing associations and benchmarking are difficult. We will aim in the third year of this regulation to develop benchmarking with similar providers.

In respect of our indicators our comments are as follows:

1. **Reinvestment %** - During the year there have been no additions to social housing fixed assets. We have continued with a programme of ongoing repair and upkeep which has been expensed during the year.
2. **New supply delivered %** - During the year there have been no additions to social housing delivery.
3. **Gearing %** - This represents our net debt to lenders as percentage of the total value of our housing properties. The current level of gearing is low and we have capacity within that to borrow more and plan to utilise some of that capacity in future development plans.
4. **EBITDA MRI Interest Cover %** - This represents the level of surplus/ deficit compared to the interest payable. This ratio is higher this year specifically arising from the lower voids experienced in the year due, in part, to covid enforced higher occupancy levels.
5. **Headline social cost per unit** - This represents social housing costs divided by total units owned and managed. The costs reflect the more intensive nature of some of our housing services. Our result would be above the average for general housing providers reflecting the more intensive nature of support services offered. The costs are lower in the year under review as there were no major movements in housing stock.
6. **6A Operating margin (social housing lettings only) %** - This represents operating surplus from social housing lettings divided by turnover from social housing lettings.

WORCESTERSHIRE YMCA LIMITED

REPORT OF THE BOARD

6B Operating margin (overall) % - The increase this year reflects the above commentary regarding the broad changes in income and expenditure. This is as a result of the net overall surplus in the year

- 7. Return on capital employed %** - This compares the overall operating surplus/ deficit to total assets less current liabilities. The level of return is higher this year reflecting the increase in operating surplus commented on above.

Public Benefit

The board has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charitable company's aims and objectives and in planning future activities. In particular, the trustees have considered how planned activities will contribute to the aims and objectives set.

Communities, particularly young people within the County of Worcestershire benefit from our work.

We work with parents of children and young people, and the children and young people themselves. Our activities include affordable flexible childcare; work with school age children at school and outside school throughout the year; work with young people and adults in formal and informal education, leisure activities including health and well-being and in support towards independent living. We engage in preventative work and work within the prison system to help offenders and their families. We are a registered provider of social housing offering affordable residential accommodation and we manage a number of community buildings across the County.

We recognise the importance of responding to the needs of the community and allowing them to influence the charitable company's developments.

We consult with participants in our activities, potential participants and partner organisations. Consultation takes place through a variety of routes including formal surveys, one to one sessions and informal meetings. We aim to continuously improve our services, responding to comments and complaints made by people who participate in our activities. Informal comments are dealt with by the management of the particular delivery arm of the Association. Formal issues may be raised in accordance with our service delivery policies and procedures and will be reported to the Board. Services are regularly reviewed against current developments in recommended practice and guidelines issued by regulatory and similar bodies.

Plans for future periods

The overall performance last year affects our medium to long term strategy:

Our assessment of performance in the year is used to inform our strategy. We have reviewed our strategies and focus delivery on children and their families and young adults. Our objects remain relevant and appropriate. We have engaged with staff more widely to assist in the short to medium term plans for the organisation in the face of reduced public spending. The organisation will further strengthen its offer to ensure it is comprehensive and cohesive and can be made to more potential beneficiaries throughout the County. The disposal of the property in Worcester lends itself to a new development in Worcester and the diversification of activities.

WORCESTERSHIRE YMCA LIMITED

REPORT OF THE BOARD

Our main objectives for next year:

Early Years and Children: Set up an Early Years Centre of Excellence passing the learning to other sites including extended hours wrap around care, so more children benefit from better outcomes at the Early Years Foundation Stage.

Early Years and Children: Develop plans for the expansion of early years provision.

Young Adults: Identify additional development opportunities.

Young Adults: Increase engagement with a wider spectrum of young people and develop enterprise initiatives so more young people are benefiting from broader opportunities towards raising aspirations and employment

By order of the Board


Phillip Simpson
Chair
27 September 2021

Gordon Anstis House
Loxley Close
Redditch
Worcestershire
B98 9JS

Tel: 01527 61643

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WORCESTERSHIRE YMCA LIMITED**

Opinion

We have audited the financial statements of Worcestershire YMCA Limited (the "parent Association") and its subsidiaries ("the group") for the year ended 31 March 2021 which comprise the Consolidated Statement of Total Comprehensive Income, the company Statement of Total Comprehensive Income, the Consolidated Statement of Changes in Reserves, the Company Statement of Changes in Reserves, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent Association's affairs as at 31 March 2021, and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group or parent 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 Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Report of the Board, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Report of the Board. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WORCESTERSHIRE YMCA LIMITED**

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Board (incorporating the strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Board (incorporating the 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 our knowledge and understanding of the group and parent Association and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Board (incorporating the 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 Association or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Association's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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

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

Responsibilities of the Trustees

As explained more fully in the Statement of Board responsibilities set out on page 3, the trustees (who are also the directors of the Association for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 Association'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 Association 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 as auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with these 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WORCESTERSHIRE YMCA LIMITED**

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:

Our assessment focussed on key laws and regulations the group and parent Association has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Housing and Regeneration Act 2008, Companies Act 2006, Charities Act 2011, the Childcare Act 2006, taxation legislation, data protection and employment legislation.

We are not responsible for preventing irregularities. Our approach to detecting irregularities included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the group and parent Association and how the group and parent Association are complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the group and parent Association control environment and how the group and parent Association have applied relevant control procedures, through discussions with the Board and other management and by performing walkthrough testing over key areas;
- obtaining an understanding of the group and parent Association risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WORCESTERSHIRE YMCA LIMITED**

Use of our report

This report is made solely to the Association's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Atkins FCA
Senior Statutory Auditor

for and on behalf of

Cooper Parry Group Limited
Statutory Auditors

One Central Boulevard
Blythe Valley Business Park
Solihull
West Midlands
B90 8BG

Date: 27 September 2021

WORCESTERSHIRE YMCA LIMITED

CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME FOR THE
YEAR ENDED 31 MARCH 2021

	Total 2021 £	Total 2020 £
Turnover	4,339,207	4,182,094
Operating expenditure	(4,217,930)	(4,260,109)
Gains on disposal of housing properties	97,084	-
	<hr/>	<hr/>
Operating surplus / (deficit)	218,361	(78,015)
Interest receivable and other income	31	8
Interest and financing costs	(64,699)	(84,198)
	<hr/>	<hr/>
Total comprehensive income for the year	<u>153,693</u>	<u>(162,205)</u>

The consolidated financial statements were approved by the Board on 27 September 2021.


P Simpson
Trustee


J Horne
Trustee

The consolidated results relate wholly to continuing operations.

The accompanying notes form part of these financial statements

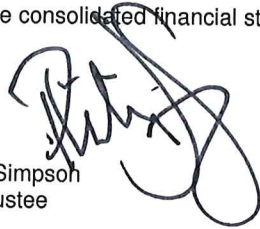
WORCESTERSHIRE YMCA LIMITED

COMPANY STATEMENT OF TOTAL COMPREHENSIVE INCOME FOR THE
YEAR ENDED 31 MARCH 2021

	Total 2021 £	Total 2020 £
Turnover	3,126,113	2,902,254
Operating expenditure	(3,048,840)	(2,954,808)
Gains on disposal of housing properties	97,084	-
	<hr/>	<hr/>
Operating surplus / (deficit)	174,357	(52,554)
Interest receivable and other income	-	-
Interest and financing costs	(46,002)	(61,192)
	<hr/>	<hr/>
Total comprehensive income for the year	128,355	(113,746)
	<hr/> <hr/>	<hr/> <hr/>

The consolidated financial statements were approved by the Board on 27 September 2021.

P Simpson
Trustee



J Horne
Trustee



The company's results relate wholly to continuing operations.

The accompanying notes form part of these financial statements

WORCESTERSHIRE YMCA LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN RESERVES FOR THE
YEAR ENDED 31 MARCH 2021

	Unrestricted			Total
	General Funds £	Designated Funds £	Restricted Funds £	£
Balance at 31 March 2017	1,413,404	1,969,911	244,299	3,627,614
Surplus from statement of comprehensive income	86,841	-	69,018	155,859
Transfer between funds	210,481	(25,032)	(185,449)	-
	_____	_____	_____	_____
Balance at 31 March 2018	1,710,726	1,944,879	127,868	3,783,473
	=====	=====	=====	=====
Surplus from statement of comprehensive income	688,346	-	(127,868)	560,478
Transfer between funds	32,571	(32,571)	-	-
	_____	_____	_____	_____
Balance at 31 March 2019	2,431,643	1,912,308	-	4,343,951
	=====	=====	=====	=====
Deficit from statement of comprehensive income	(162,205)	-	-	(162,205)
Transfer between funds	(499,339)	499,339	-	-
	_____	_____	_____	_____
Balance at 31 March 2020	1,770,099	2,411,647	-	4,181,746
	=====	=====	=====	=====

WORCESTERSHIRE YMCA LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN RESERVES FOR THE
YEAR ENDED 31 MARCH 2021**

	Unrestricted			Total
	General Funds	Designated Funds	Restricted Funds	
	£	£	£	£
Balance at 31 March 2020	1,770,099	2,411,647	-	4,181,746
Surplus from statement of comprehensive income	153,693	-	-	153,693
Transfer between funds	20,408	(20,408)	-	-
	_____	_____	_____	_____
Balance at 31 March 2021	1,944,200	2,391,239	-	4,335,439
	=====	=====	=====	=====

WORCESTERSHIRE YMCA LIMITED

COMPANY STATEMENT OF CHANGES IN RESERVES FOR THE
YEAR ENDED 31 MARCH 2021

	Unrestricted			Total £
	General Funds £	Designated Funds £	Restricted Funds £	
Balance at 31 March 2017	46,405	1,969,911	58,850	2,075,166
Surplus from statement of comprehensive income	(97,538)	-	69,018	(28,520)
Transfer between funds	25,032	(25,032)	-	-
	_____	_____	_____	_____
Balance at 31 March 2018	(26,101)	1,944,879	127,868	2,046,646
	=====	=====	=====	=====
Surplus from statement of comprehensive income	33,631	-	(127,868)	(94,237)
Transfer between funds	32,571	(32,571)	-	-
	_____	_____	_____	_____
Balance at 31 March 2019	40,101	1,912,308	-	1,952,409
	=====	=====	=====	=====
Deficit from statement of comprehensive income	(113,746)	-	-	(113,746)
Transfer between funds	(6,411)	6,411	-	-
	_____	_____	_____	_____
Balance at 31 March 2020	(80,056)	1,918,719	-	1,838,663
	=====	=====	=====	=====

WORCESTERSHIRE YMCA LIMITED

**COMPANY STATEMENT OF CHANGES IN RESERVES FOR THE
YEAR ENDED 31 MARCH 2021**

	Unrestricted			Total
	General Funds £	Designated Funds £	Restricted Funds £	£
Balance as at 31 March 2020	(80,056)	1,918,719	-	1,838,663
Surplus from statement of comprehensive income	128,355	-	-	128,355
Transfer between funds	18,078	(18,078)	-	-
	-----	-----	-----	-----
Balance at 31 March 2021	66,377	1,900,641	-	1,967,018
	=====	=====	=====	=====

WORCESTERSHIRE YMCA LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 MARCH 2021

	Note	Unrestricted			Total 2021	Total 2020
		General Fund 2021	Designated Funds 2021	Restricted Funds 2021		
		£	£	£	£	£
Income from:						
Donations and grants		576,800	-	430,439	1,007,239	304,723
Other trading activities		808,562	-	-	808,562	966,640
Investment income	5	31	-	-	31	8
Charitable activities	3	2,047,640	-	475,766	2,523,406	2,910,731
Other income	3	97,084	-	-	97,084	-
Total income		3,530,117	-	906,205	4,436,322	4,182,102
Expenditure on:						
Raising funds – trading activities		833,243	-	-	833,243	633,948
Charitable activities		2,543,181	-	906,205	3,449,386	3,710,359
Total expenditure	6	3,376,424	-	906,205	4,282,629	4,344,307
Net income for the year before other recognised gains and losses		153,693	-	-	153,693	(162,205)
Transfer between funds	17	20,408	(20,408)	-	-	-
Net movement in funds		174,101	(20,408)	-	153,693	(162,205)
Reconciliation of funds						
Fund balance at 1 April 2020		1,770,099	2,411,647	-	4,181,746	4,343,951
Fund balance at 31 March 2021	18	1,944,200	2,391,239	-	4,335,439	4,181,746

The accompanying notes form part of these financial statements.

All activities derive from continuing operations.

WORCESTERSHIRE YMCA LIMITED

STATEMENT OF FINANCIAL POSITION
31 March 2021
Registered company number: 01944516

	Notes	Group 2021 £	2020 £	Association 2021 £	2020 £
Fixed assets					
Land and buildings	11	4,331,293	4,453,882	3,017,505	3,108,816
Other tangible fixed assets	12	41,496	58,736	17,578	22,205
Investments	13a	690	690	-	-
Goodwill	13b	428,741	493,373	-	-
		<u>470,927</u>	<u>552,799</u>	<u>17,578</u>	<u>22,205</u>
Current assets					
Debtors	14	225,223	265,837	226,209	250,748
Cash at bank and in hand		2,064,890	1,795,961	1,116,062	683,975
		<u>2,290,113</u>	<u>2,061,798</u>	<u>1,342,271</u>	<u>934,723</u>
Creditors: amounts falling due within one year	15	(549,881)	(662,294)	(1,082,392)	(897,893)
Net current assets		<u>1,740,232</u>	<u>1,399,504</u>	<u>259,879</u>	<u>36,830</u>
Total assets less current liabilities		<u>6,542,452</u>	<u>6,406,185</u>	<u>3,294,962</u>	<u>3,167,851</u>
Creditors: amounts falling due after more than one year	16	(1,814,489)	(1,888,988)	(1,024,520)	(1,071,425)
Provision for liabilities and charges	21	(392,524)	(335,451)	(303,424)	(257,763)
Net assets		<u>4,335,439</u>	<u>4,181,746</u>	<u>1,967,018</u>	<u>1,838,663</u>
Represented by Unrestricted funds					
General funds	17	2,336,724	2,103,553	369,801	177,707
Designated funds	17	2,391,239	2,411,647	1,900,641	1,918,719
Pension reserve	17	(392,524)	(333,454)	(303,424)	(257,763)
Revaluation reserve	17	-	-	-	-
		<u>4,335,439</u>	<u>4,181,746</u>	<u>1,967,018</u>	<u>1,838,663</u>
Restricted funds	17	-	-	-	-
Total		<u>4,335,439</u>	<u>4,181,746</u>	<u>1,967,018</u>	<u>1,838,663</u>

Approved by the Board on 27 September 2021

P Simpson

J Horne

The accompanying notes form part of these financial statements

WORCESTERSHIRE YMCA LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 March 2021

	Note	2021 £	2020 £
Net cash generated from operating activities	19	282,944	25,349
Returns on investment and servicing of finance			
Interest paid		(57,105)	(84,198)
Interest received		31	8
		<hr/>	<hr/>
Net cash outflow from returns on investments and servicing of finance		(57,074)	(84,190)
		<hr/>	<hr/>
Capital expenditure			
Payments to acquire tangible fixed assets		(9,105)	(38,300)
Proceeds from sale of fixed assets		126,116	-
Acquisition of subsidiary		-	(91,094)
		<hr/>	<hr/>
Net cash inflow / (outflow) from capital expenditure		117,011	(129,394)
		<hr/>	<hr/>
Financing			
Net movement in short term borrowings		547	1,757
Net movement in long term borrowings		(74,499)	(77,058)
		<hr/>	<hr/>
Net cash (outflow)/inflow from financing		(73,952)	(75,301)
		<hr/>	<hr/>
Net change in cash and cash equivalents	20	268,929	(263,536)
		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form part of these financial statements.

WORCESTERSHIRE YMCA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

1 Legal status

Worcestershire YMCA is a company limited by guarantee, registered under the Companies Act 2006, an English registered social housing provider and a charity.

The address of the registered office is given on page 1 of these financial statements.

The principal activities of Worcestershire YMCA are outlined on page 8 to the financial statements.

Worcestershire YMCA is a public benefit entity as defined by FRS 102.

2 Accounting policies

The principal accounting policies of the company are as follows:

Basis of accounting

The financial statements have been prepared in accordance with UK applicable accounting standards (UK GAAP) including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2018, and with the Accounting Direction for private registered providers of social housing in England 2019. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008 and the Companies Act 2006.

The financial statements are prepared in sterling which is the functional currency of Worcestershire YMCA and rounded to the nearest £1.

The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

Going Concern

At the time of signing the accounts, the Trustees have considered the effect of the Coronavirus on the going concern position, and consider that this does indicate that the group will continue to operate for a period of at least 12 months from the date of signing these accounts due to the level of funding already secured with its key partners

At the balance sheet date the group held significant cash balances. The group has significant reserves, the majority of which are unrestricted and is sufficient to absorb short-term in-period deficits if required. Government support is utilised, where it is appropriate to do so, and since the year end the Furlough scheme and other government grants have been accessed.

The financial forecasts prepared by the executive team show that the group will be able to operate within the facilities available to it.

On that basis the Trustees have prepared these financial statements on a going concern basis.

Consolidated accounts

The group is required by the Companies Act to prepare consolidated accounts. These consolidated accounts therefore comprise the financial statements of Worcestershire YMCA Limited, and of its subsidiary Worcester YMCA (including Worcester YMCA subsidiaries: Little Treasures Limited and First Class Nursery (Kidderminster) Limited).

All intra-group transactions and balances between Group companies are eliminated on consolidation.

WORCESTERSHIRE YMCA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

Business Combinations

The cost of a business combination is the fair value at the acquisition date, of the consideration paid and liabilities incurred or assumed, plus costs directly attributable to the business combination.

The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. Goodwill arising on business combinations is capitalised, classified as an asset on the balance sheet and amortised on a straight-line basis over its useful life. The period chosen for writing off goodwill is nine years representing the remaining life of the lease acquired on the business premises of the subsidiary acquired.

Incoming resources

Incoming resources represent the amounts receivable in respect of operational activities, grants receivable and fundraising activities, excluding value added tax.

Grants received for housing properties are recognised at the fair value of the asset received or receivable. Where the assets are accounted for using the cost model then the government grant is accounted for using the accruals model. The difference between the fair value of the asset and the consideration is recognised as a liability and amortised over the useful economic life of the asset. This amortisation is recognised within turnover. Where the assets are accounted for using the valuation model then the government grant is accounted for using the performance model so that turnover is taken once the performance conditions have been met.

Where disposal of government donated assets are required to be recycled, a liability is included to recognise this obligation.

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

Rents and service charges are accounted for when receivable in the year net of service charge losses and voids.

Supporting People Grant

Supporting People Grants (SPGs) are made by Worcestershire County Council and are utilised to provide affordable support to young people at risk in the community, whilst with the aim to develop skills that will make them independent of the Association. The grants are made directly to the Association and are recognised as income when the payment has been received.

SPG would become repayable if the availability of the support was not maintained during the period of the individual claim.

WORCESTERSHIRE YMCA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. The charitable company is partially exempt from VAT and irrecoverable VAT is included within the relevant category of expenditure.

Charitable expenditure comprises those costs incurred by the charitable company in the delivery of its activities and services for its beneficiaries.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charitable company and include audit fees and costs linked to the strategic management of the charitable company.

All costs are allocated between the expenditure categories on a basis designed to reflect the use of the resource. Costs relating to a particular activity comprise both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. Rentals on operating leases are charged in the revenue account as incurred.

Tangible fixed assets – housing properties

Housing properties, which are social housing grant assisted, are stated at valuation less depreciation.

Depreciation is provided at rates calculated to write off the cost of housing properties net of social housing grant, over their estimated useful lives using the straight-line method at the following rates:

Land	Not depreciated
Main fabric	100 years
Roof structure and covering	35 years
Windows and external doors	20 years
Mechanical	30 years
Electrical	30 years

Other tangible fixed assets

Fixed assets other than housing properties are stated at cost less accumulated depreciation. With the exception of computing equipment, the costs of minor additions or those costing below £500 are not capitalised. Depreciation is provided to write off the cost of such fixed assets over their estimated economic lives at the following rates:

Freehold buildings	over 10 or 32 years on a straight line basis
Fixtures	15% straight line
Motor van	25% straight line
Computer equipment	20% straight line
Other equipment	10% straight line

Restricted reserves

These reserves are subject to restrictions on their expenditure imposed by their donor or through the terms of appeal, the policy for the Supporting People Grant is set out above.

Designated reserves

Worcestershire YMCA Limited set aside designated reserves for funds for reinvestment in properties.

WORCESTERSHIRE YMCA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

Housing Properties

Housing properties are principally properties available for rent and are stated at valuation less any provision for impairment (representing a diminution in the recoverable service potential of the asset below its carrying value in the balance sheet) less depreciation.

Works to existing properties which result in an increase in the net rental income, including a reduction in maintenance costs or result in a significant extension of the useful economic life of the property are capitalised.

Major components of housing properties, such as roofs, windows and external doors, mechanical and electrical equipment, have been accounted for and depreciated separately from the connected housing property, over their expected useful economic lives.

Investments

Investments are included at closing mid-market value at the balance sheet date. Any gain or loss of revaluation is taken to the statement of comprehensive income.

Pensions

Worcestershire YMCA Limited and Worcester YMCA participated in a multi-employer defined benefit pension plan for employees of YMCAs in England, Scotland and Wales, which was closed to new members and accruals on 30 April 2007. The plan's actuary has advised that it is not possible to separately identify the assets and liabilities relating to Worcestershire YMCA Limited and Worcester YMCA; therefore the scheme is accounted for as a defined contribution scheme.

As described in note 21 Worcestershire YMCA Limited and Worcester YMCA have contractual obligations to make pension deficit payments of £49,065 pa over the period to April 2029, accordingly this is shown as a liability in these accounts. In addition, Worcestershire YMCA Limited and Worcester YMCA are required to contribute £11,611 pa to the operating expenses of the Pension Plan and these costs are charged to the Statement of Comprehensive Income as made.

The employer contributions in relation to the pension plan are determined by the Trustee based on advice from a qualified actuary and charged as they are incurred.

In addition, all staff are eligible for employer's pension contributions to be paid to a stakeholder or equivalent contributory personal pension scheme, with the level of contribution depending on their own level of contribution. The Association has no liability beyond the payment of its agreed monthly contributions. The contributions are charged to the Statement of Financial Activities as incurred.

Taxation

Worcestershire YMCA and Worcester are registered Charities and are therefore exempt from paying corporation tax on charitable activities.

Little Treasures Limited and First Class Nursery (Kidderminster) Limited are not registered as charities and therefore corporation tax would be payable on tax surpluses should they arise.

WORCESTERSHIRE YMCA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

Value Added Tax (VAT)

The majority of the Group expenditure is subject to VAT which cannot be reclaimed. Expenditure is therefore shown inclusive of VAT.

Although a large proportion of the Group's income is exempt from VAT, the Group charges VAT on some of its income and is able to recover VAT on directly attributable costs. The Group is also able to recover part of the VAT it incurs on overhead expenditure in line with a partial exemption method agreed with HM Revenue and Customs.

The Financial Statements include VAT to the extent that it is suffered by the Group and not recoverable from HMRC. The balance of VAT payable or recoverable at the year end is included as a current liability or asset.

Operating leases

Rentals under operating leases are charged to the statement of financial activities on a straight line basis over the term of the lease.

Loan Interest Costs

The full costs of deferred interest rate and indexation loans are shown in the Income and Expenditure Account.

Borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment.

Provisions

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

Critical areas of judgement

Leases

In determining whether leases are finance or operating leases, management judges as to whether (or not) the significant risks and rewards of ownership have transferred to Worcestershire YMCA.

Useful lives of depreciable assets

Management reviews the useful lives of assets at each reporting date.

Multi period income agreements

In determining the revenue to be recognised on grants, or contract income whose project spans more than one period of account; Management recognise income where the Association has entitlement to the income, it is probable the economic benefit will flow to the Association and the revenue can be reliably measured under the terms of the agreement.

WORCESTERSHIRE YMCA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

3 Incoming resources

Income was generated entirely within the UK and comprised:

	Unrestricted/ Designated 2021 £	Restricted 2021 £	Total 2021 £	Total 2020 £
Residential accommodation				
Gross income before voids	1,695,238	-	1,695,238	1,508,868
less: voids	(72,629)	-	(72,629)	(231,835)
Other accommodation related non-regulated housing activity	62,603	-	62,603	428,677
Gains on disposal of housing properties	97,084	-	97,084	-
	-----	-----	-----	-----
Income from residential accommodation	1,782,296	-	1,782,296	1,705,710
	-----	-----	-----	-----
Community activities				
Children and youth services	219,358	445,516	664,874	849,936
Family services	143,070	30,250	173,320	355,085
	-----	-----	-----	-----
Income from community activities	362,428	475,766	838,194	1,205,021
	-----	-----	-----	-----
Total income from activities	2,144,724	475,766	2,620,490	2,910,731
	=====	=====	=====	=====

Of the income received in 2020 in respect of charitable activities, £2,173,803 was attributable to unrestricted funds and £736,928 was attributable to restricted funds.

WORCESTERSHIRE YMCA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

3 Incoming resources from housing activities (continued)

Social housing income and expenditure

	2021	2020
	£	£
Rent receivable excluding service charges	788,729	619,165
Service charges receivable	822,344	645,554
	<hr/>	<hr/>
Gross rent receivable net of void losses	1,611,073	1,264,719
Social housing operating costs	(842,005)	(639,839)
	<hr/>	<hr/>
Operating surplus from housing activities	769,068	624,880
	<hr/> <hr/>	<hr/> <hr/>

Void losses are detailed above.

Units under management

	2021	2020
	No.	No.
The units in management at the year-end were as follows:		
Accommodation – units owned	164	166
	<hr/>	<hr/>
The nature of the owned units was as follows:		
General needs – Knowle Close, Bengrove Close and Frederick Eary House	112	114
Supported accommodation - Gordon Anstis House	52	52
	<hr/>	<hr/>
	164	166
	<hr/> <hr/>	<hr/> <hr/>

The above figures exclude 14 units respect of Worcester YMCA that are not regulated by the Homes and Communities Agency. The above figures also exclude an additional 33 units of rented accommodation managed by Worcestershire YMCA during the year under review which were not regulated by the Homes and Communities Agency.

WORCESTERSHIRE YMCA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

4 Operating surplus

The operating surplus is arrived at after charging / (crediting)

	Group		Association	
	2021	2020	2021	2020
	£	£	£	£
Depreciation of housing properties	93,557	71,442	62,279	39,962
Depreciation of other tangible fixed assets	26,345	39,473	11,082	27,949
Auditor's remuneration – audit of financial statements	26,460	26,460	10,800	10,800
Auditor's remuneration – other services	-	1,800	-	1,800

5 Interest receivable and similar income

	Group		Association	
	2021	2020	2021	2020
	£	£	£	£
Interest receivable and similar income	31	8	-	-

WORCESTERSHIRE YMCA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

6 Resources expended

a) Property management, maintenance and service costs

	Residential regulated	Accommodation non-regulated	Children and Youth services	Adult and Community Services	Corporate Services	Trading Costs	2021 Total	2020 Total
	£	£	£	£	£	£	£	£
Directly incurred								
People related	206,447	188,548	860,636	120,334	427,867	665,533	2,469,365	2,653,183
Premises related	651,765	41,479	127,962	-	-	64,297	885,503	728,513
Vehicle related	-	448	5,951	-	-	-	6,399	11,533
Office costs	24,413	3,725	32,085	511	54,922	8,751	124,407	137,541
Other direct expenses	272	-	93,500	8,284	-	42,206	144,262	218,336
Overheads	49,237	207	255,385	4,200	83,126	12,371	404,526	280,438
Other costs	37,332	9,351	(1,541)	-	14,571	(1,795)	57,918	204,201
Depreciation	73,361	19,376	-	-	55,632	36,167	184,536	119,243
Taxation	-	-	-	-	-	5,713	5,713	(8,681)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Direct charitable expenditure	1,042,827	263,134	1,373,978	133,329	636,118	833,243	4,282,629	4,344,307
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Of the expenditure incurred £3,376,424 relates to unrestricted funds (2020: £3,298,747) and £906,205 relates to restricted funds (2020: £1,045,560).

Indirect resources expended are allocated on a staff time basis.

WORCESTERSHIRE YMCA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

7 Employee costs

	2021	2020
	£	£
Salaries and wages	1,966,012	2,040,646
Social security costs	119,539	119,472
Pension and other costs	152,331	163,284
	2,267,882	2,323,402
	2021	2020
	No.	No.
The average monthly number of persons employed during the year were as follows:		
Housing activities	8	8
Non-housing activities	135	157
	143	165
	143	165

No fees or remuneration in respect of housing management services have been paid to any member or board member of the Association during the year. Trustee expenses of £210 were repaid during the year.

In calculating any surplus no account is taken of any amount which would recognise the extensive skilled management services provided free of charge by the Association members.

Accordingly, the board wishes to express its gratitude for both the time and energy of its volunteer members during the year.

WORCESTERSHIRE YMCA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

8 Employee costs – senior leadership team & key management personnel

	2021	2020
	£	£
The aggregate remuneration of the senior leadership team (who are also key management personnel) during the year was as follows:		
Salaries	202,175	224,451
Social security costs	21,414	23,671
Pension	23,942	31,186
	247,531	279,308
	2021	2020
	£	£

The remuneration of the highest paid member of the senior leadership team during the year was as follows:

- Salary	41,345	66,199
- Pension	2,925	9,297
	44,270	75,496

No employee is paid in excess of £60,000 during the year (2020: one employee).

9 Interest payable and similar charges

Interest payable and similar charges comprised mortgage interest.

10 Taxation

Worcestershire YMCA is considered to pass the tests set out in Sch. 6 para. 1 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Association is potentially exempt from taxation in respect of income or capital gains received within categories covered by Pt. 11. Ch.3 of the Corporation Tax Act 2010 or s. 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

WORCESTERSHIRE YMCA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

11 Land and buildings – Group

With the exception of Bengrove Close, Stanley Road, Little Treasures (non-housing) and First Class (non-housing) all properties owned by the Group were social housing grant assisted schemes. The movement on these accounts during the year is as follows:

	Knowle Close £	Gordon Anstis House £	Bengrove Close £	Frederick Eary House £	Stanley Road £	Little Treasures £	First Class £	Total £
Cost								
At 1 April 2020	1,301,169	1,570,000	97,000	534,384	585,000	815,000	1,557	4,904,110
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	(31,524)	-	-	-	-	(31,524)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2021	1,301,169	1,570,000	65,476	534,384	585,000	815,000	1,557	4,872,586
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Accumulated depreciation								
At 1 April 2020	118,835	168,427	11,831	94,644	32,906	23,228	357	450,228
Charge for year	31,269	24,026	(958)	7,942	16,453	14,670	155	93,557
Disposals	-	-	(2,492)	-	-	-	-	(2,492)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2021	150,104	192,453	8,381	102,586	49,359	37,898	512	541,293
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value								
At 31 March 2021	1,151,065	1,377,547	57,095	431,798	535,641	777,102	1,045	4,331,293
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 1 April 2020	1,182,334	1,401,573	85,169	439,740	552,094	791,772	1,200	4,453,882
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The land and buildings of the Group at Knowle Close have a value for insurance purposes of £5,745,000 (2020: £5,745,000), at Gordon Anstis House of £2,600,000 (2020: £2,600,000), at Bengrove Close of £735,000 (2020: £735,000), Fredrick Eary House of £2,300,000 (2020: £2,300,000) Little Treasures £931,915 (2020: £931,915) and at Stanley Road £585,000 (2020: £585,000) In the view of the Board, this is a fair statement of the current value of the Group's land and buildings.

All of the land and buildings are held on a freehold basis including land that is not depreciated.

WORCESTERSHIRE YMCA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

Land and buildings – Association

	Knowle Close £	Gordan Anstis House £	Bengrove Close £	Fredrick Eary House £	Total £
Cost					
At 1 April 2020	1,301,169	1,570,000	97,000	534,384	3,502,553
Additions	-	-	-	-	-
Disposals	-	-	(31,524)	-	(31,524)
At 31 March 2021	<u>1,301,169</u>	<u>1,570,000</u>	<u>65,476</u>	<u>534,384</u>	<u>3,471,029</u>
Accumulated depreciation					
At 1 April 2020	118,835	168,427	11,831	94,644	393,737
Charge for year	31,269	24,026	(958)	7,942	62,279
Disposals	-	-	(2,492)	-	(2,492)
At 31 March 2021	<u>150,104</u>	<u>192,453</u>	<u>8,381</u>	<u>102,586</u>	<u>453,524</u>
Net book value					
At 31 March 2021	<u>1,151,065</u>	<u>1,377,547</u>	<u>57,095</u>	<u>431,798</u>	<u>3,017,505</u>
At 1 April 2020	<u>1,182,334</u>	<u>1,401,573</u>	<u>85,169</u>	<u>439,740</u>	<u>3,108,816</u>

12 Other tangible fixed assets - Group

	Motor van £	Computer equipment £	Other equipment £	Fixtures £	Total £
Cost					
At 1 April 2020	48,590	160,761	90,831	127,372	427,554
Additions	-	8,059	1,046	-	9,105
Disposal	-	-	-	-	-
At 31 March 2021	<u>48,590</u>	<u>168,820</u>	<u>91,877</u>	<u>127,372</u>	<u>436,659</u>
Accumulated depreciation					
At 1 April 2020	40,499	131,070	82,899	114,350	368,818
Charge for year	2,697	16,726	2,548	4,374	26,345
Eliminated on disposal	-	-	-	-	-
At 31 March 2021	<u>43,196</u>	<u>147,796</u>	<u>85,447</u>	<u>118,724</u>	<u>395,163</u>
At 31 March 2021	<u>5,394</u>	<u>21,024</u>	<u>6,430</u>	<u>8,648</u>	<u>41,496</u>
At 1 April 2020	<u>8,091</u>	<u>29,691</u>	<u>7,932</u>	<u>13,022</u>	<u>58,736</u>

WORCESTERSHIRE YMCA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

Other tangible fixed assets – Association

	Motor van	Computer	Other	Fixtures	Total
	£	£	£	£	£
Cost					
At 1 April 2020	37,802	128,713	88,718	117,793	373,026
Additions	-	5,409	1,046	-	6,455
At 31 March 2021	<u>37,802</u>	<u>134,122</u>	<u>89,764</u>	<u>117,793</u>	<u>379,481</u>
Accumulated depreciation					
At 1 April 2020	37,802	117,197	82,899	112,923	350,821
Charge for year	-	4,160	2,548	4,374	11,082
At 31 March 2021	<u>37,802</u>	<u>121,357</u>	<u>85,447</u>	<u>117,297</u>	<u>361,903</u>
Net book value					
At 31 March 2021	-	12,765	4,317	496	17,578
At 1 April 2020	<u>-</u>	<u>11,516</u>	<u>5,819</u>	<u>4,870</u>	<u>22,205</u>

13a Investments

	Group		Association	
	2021	2020	2021	2020
	£	£	£	£
COIF Charities Investment				
Market value at 1 April 2020	690	690	-	-
Market value at 31 March 2021	<u>690</u>	<u>690</u>	<u>-</u>	<u>-</u>

WORCESTERSHIRE YMCA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

13b Goodwill

	Group		Association	
	2021 £	2020 £	2021 £	2020 £
Cost				
Brought forward at 1 April 2020	595,320	440,652	-	-
Additions	-	154,668	-	-
	<u>595,320</u>	<u>595,320</u>	<u>-</u>	<u>-</u>
At 31 March 2021	<u>595,320</u>	<u>595,320</u>	<u>-</u>	<u>-</u>
Amortisation				
Brought forward at 1 April 2020	101,947	44,065	-	-
Amortisation in year	64,632	57,882	-	-
	<u>166,579</u>	<u>101,947</u>	<u>-</u>	<u>-</u>
At 31 March 2021	<u>166,579</u>	<u>101,947</u>	<u>-</u>	<u>-</u>
Net book value				
At 31 March 2021	<u>428,741</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2020	<u>-</u>	<u>493,373</u>	<u>-</u>	<u>-</u>

WORCESTERSHIRE YMCA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

13c Investments: wholly controlled subsidiary undertakings

The parent charitable company wholly controls the following charitable company:

Charitable company	Country of registration or incorporation	
Worcester YMCA	England and Wales	Limited by guarantee

Worcester YMCA wholly controls Little Treasures Limited and First Class Nursery (Kidderminster) Limited which are both incorporated in England and Wales and Limited by guarantee.

Statement of total comprehensive income Worcester YMCA (group)

	2021	2020
	£	£
Turnover	1,213,095	1,279,840
Operating expenditure	(1,169,091)	(1,305,302)
	<hr/>	<hr/>
Operating surplus	44,004	25,462
Interest receivable and other income	31	8
Interest and financing costs	(18,696)	(23,006)
	<hr/>	<hr/>
Surplus / (deficit) for the year	25,339	(48,460)
	<hr/> <hr/>	<hr/> <hr/>

WORCESTERSHIRE YMCA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

13c Investments: wholly controlled subsidiary undertakings (continued)

Statement of financial position

		2021		2020
	£	£	£	£
Fixed assets				
Intangible assets		428,741		493,372
Tangible fixed asset		1,337,710		1,381,604
Investments		690		690
		1,767,141		1,875,666
Current assets				
Debtors	656,805		384,898	
Cash at bank and in hand	948,822		1,111,980	
	1,605,627		1,496,878	
Creditors: amounts falling due within one year	(125,280)		(134,211)	
Net current assets		1,480,347		1,362,667
Total assets less current liabilities		3,247,488		3,238,333
Amounts falling due in more than one year				
Creditors: amounts falling due after more than one year		(789,967)		(817,563)
Provisions for liabilities and charges		(89,100)		(77,688)
Net assets		<u>2,368,421</u>		<u>2,343,082</u>

WORCESTERSHIRE YMCA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

14 Debtors

	Group		Association	
	2021	2020	2021	2020
	£	£	£	£
Rent arrears	527,896	563,886	454,808	453,009
Provision against rent arrears	(432,238)	(473,515)	(359,131)	(362,820)
	<u>95,658</u>	<u>90,371</u>	<u>95,677</u>	<u>90,189</u>
Other debtors	43,278	70,100	44,246	66,156
Prepayments and accrued income	86,287	105,366	86,286	94,403
	<u>225,223</u>	<u>265,837</u>	<u>226,209</u>	<u>250,748</u>

15 Creditors: amounts falling due within one year

	Group		Association	
	2021	2020	2021	2020
	£	£	£	£
Bank loans and overdrafts	67,425	66,878	35,249	33,503
Deposits held for residents	8,666	8,666	8,666	8,666
Social security and other taxes	35,284	37,245	24,164	26,394
Trade creditors	194,040	236,680	177,262	182,161
Other creditors	11,446	13,234	6,242	8,923
Accruals and deferred income	225,309	297,226	188,451	272,319
Owed to group undertakings	-	-	642,358	365,927
Corporation tax	7,711	2,365	-	-
	<u>549,881</u>	<u>662,294</u>	<u>1,082,392</u>	<u>897,893</u>

WORCESTERSHIRE YMCA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

15 Creditors: amounts falling due within one year (continued)

The average number of days between receipt and payment of purchase invoices was 30 (2020: 30).

Deferred income primarily relates to funding billed in advance of the undertaking of the projects to which it relates where the funding is based on performance deliverables.

Included in accruals and deferred income above is deferred income of £182,185 (2020: £235,537) and this is analysed below:

	£
Deferred income brought forward	253,537
Movement during the year	(71,352)
	182,185
	182,185

16 Creditors: amounts falling due after more than one year

	Group		Association	
	2021	2020	2021	2020
	£	£	£	£
Bank loans	1,814,489	1,888,988	1,024,520	1,071,425
	1,814,489	1,888,988	1,024,520	1,071,425
Loan maturity analysis				
Within one year	67,425	66,878	35,249	33,503
Within one to two years	68,837	68,214	36,661	34,839
Within two to five years	215,664	213,296	119,135	113,171
In more than 5 years	1,529,988	1,607,478	868,726	923,415
	1,881,914	1,955,866	1,059,771	1,104,928
	1,881,914	1,955,866	1,059,771	1,104,928

Interest is payable on the loans at normal commercial rates.

Loans are secured by a legal charge over the properties concerned.

WORCESTERSHIRE YMCA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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17 Movement in funds - Group

	Balance at 1 April 2020 £	Incoming £	Outgoing £	Transfers £	Balance at 31 March 2021 £
Designated funds					
Financed fixed assets	2,411,647	-	-	(20,408)	2,391,239
General fund	2,103,553	3,530,117	(3,317,354)	20,408	2,336,724
Pension reserve	(333,454)	-	(59,070)	-	(392,524)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total unrestricted funds	4,181,746	3,530,117	(3,376,424)	-	4,435,439
Restricted funds					
Supporting People	-	128,363	(128,363)	-	-
U Can Educational Project	-	4,639	(4,639)	-	-
Redditch Youth	-	130,294	(130,294)	-	-
Prison contract – HMP Hewell	-	173,320	(173,320)	-	-
National Citizen Service	-	265,810	(265,810)	-	-
BBO Job Coach	-	140,720	(140,720)	-	-
CCG	-	6,563	(6,563)	-	-
Positive Activities	-	56,496	(56,496)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total restricted funds	-	906,205	(906,205)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total funds	4,181,746	4,436,322	(4,282,629)	-	4,435,439
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Designated

Financed fixed assets These are funds set aside by the Board to represent loan finance commitments together with the associated net book value of fixed assets that are mortgaged.

Restricted

Supporting People Provision of support for vulnerable homeless young people

U Can Educational project Pathway to employment for unemployed people furthest away from the job market

Community Capacity Provision of information and guidance on community provision

Redditch Youth Provision of positive activities for young people

Prison Contract – HMP Hewell Providing childcare and family support to prisoners and their families encouraging sustained involvement whilst fathers are in prison.

National Citizen Service Provision of social action training for young people aged 16 and 17 years old

BBO Job Coach Provision of support for economically inactive and unemployed person aged 16+

CCG Provision of mental health counselling for children aged 11 to 18 years

Positive Activities Provision of positive activities in Bromsgrove

WORCESTERSHIRE YMCA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

17 Movement in funds – Group – prior year

	Balance at 1 April 2019 £	Incoming £	Outgoing £	Transfers £	Balance at 31 March 2020 £
Designated funds					
Financed fixed assets	1,912,308	-	-	499,339	2,411,647
General fund	2,790,857	3,136,542	(3,324,507)	(499,339)	2,103,553
Pension reserve	(359,214)	-	25,760	-	(333,454)
	-----	-----	-----	-----	-----
Total unrestricted funds	4,343,951	3,136,542	(3,298,747)	-	4,181,746
Restricted funds					
Supporting People	-	140,038	(140,038)	-	-
Community Capacity	-	58,139	(58,139)	-	-
Redditch Youth	-	72,363	(72,363)	-	-
Big Lottery Fund	-	190,052	(190,052)	-	-
National Citizen Service	-	395,016	(395,016)	-	-
BBO Job Coach	-	104,903	(104,903)	-	-
CCG	-	11,088	(11,088)	-	-
Positive Activities	-	42,682	(42,682)	-	-
Bromsgrove Hub	-	26,304	(26,304)	-	-
U Can Educational Project	-	4,975	(4,975)	-	-
	-----	-----	-----	-----	-----
Total restricted funds	-	1,045,560	(1,045,560)	-	-
	-----	-----	-----	-----	-----
Total funds	4,343,951	4,182,102	(4,344,307)	-	4,181,746
	=====	=====	=====	=====	=====

18 Analysis of net assets between funds

	Fixed assets £	Goowill & Invest- ments £	Current assets £	Creditors falling due within one year £	Creditors falling due after more than one year £	Provisions for liabilities and charges £	Total £
Unrestricted funds							
General	99,636	429,431	2,290,113	(482,456)	-	-	2,336,724
Designated Pension Reserve	4,273,153	-	-	(67,425)	(1,814,489)	-	2,391,239
Revaluation Reserve	-	-	-	-	-	(392,524)	(392,524)
Restricted funds	-	-	-	-	-	-	-
	-----	-----	-----	-----	-----	-----	-----
Net assets at 31 March 2021	4,372,789	429,431	2,290,113	(549,881)	(1,814,489)	(392,524)	4,335,439
	=====	=====	=====	=====	=====	=====	=====

WORCESTERSHIRE YMCA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

Analysis of net assets between funds – Prior year

	Fixed assets £	Goowill & Invest- ments £	Current assets £	Creditors falling due within one year £	Creditors falling due after more than one year £	Provisions for liabilities and charges £	Total £
Unrestricted funds							
General	145,105	494,063	2,061,798	(595,416)	-	(1,997)	2,103,553
Designated Pension Reserve	4,367,513	-	-	(66,878)	(1,888,988)	-	2,411,647
Revaluation Reserve	-	-	-	-	-	(333,454)	(333,454)
Restricted funds	-	-	-	-	-	-	-
Net assets at 31 March 2020	<u>4,512,618</u>	<u>494,063</u>	<u>2,061,798</u>	<u>(662,294)</u>	<u>(1,888,988)</u>	<u>(335,451)</u>	<u>4,181,746</u>

19 Cash outflow from operating activities

	2021 £	2020 £
Net movement in funds	153,693	(162,205)
Interest paid	57,105	84,198
Interest received	(31)	(8)
Profit / (loss) on disposal	(97,084)	259
Depreciation of tangible fixed assets	119,902	110,915
Amortisation	64,632	57,882
Decrease / (increase) in debtors	40,614	(58,715)
Decrease in stock	-	704
(Decrease) / increase in creditors	(112,960)	16,082
Increase / (decrease) in provisions	57,073	(23,763)
	<u>282,944</u>	<u>25,349</u>

20 Analysis of cash and cash equivalents

	At 1 April 2020 £	Cash Flow £	Non-cash Changes £	At 31 March 2021 £
Cash at bank and in hand	1,795,961	268,929	-	2,064,890
Loans falling due within one year	(66,878)	(547)	-	(67,425)
Loans falling due after one year	<u>(1,888,988)</u>	<u>74,499</u>	-	<u>(1,814,489)</u>
Total	<u>(159,905)</u>	<u>342,881</u>	-	<u>182,976</u>

WORCESTERSHIRE YMCA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

21 Pension commitment

Worcestershire YMCA Limited and Worcester YMCA participated in a contributory pension plan providing defined benefits based on final pensionable pay for employees of YMCAs in England, Scotland and Wales. The assets of the YMCA Pension Plan are held separately from those of Worcestershire YMCA Limited and Worcester YMCA and at the year-end these were invested in the Mercer Dynamic De-risking Solution, 40% matching portfolio and 60% in the growth portfolio and Schroder (property units only).

The most recent completed three year valuation was as at 1 May 2020. The assumptions used which have the most significant effect on the results of the valuation are those relating to the assumed rates of return on assets held before and after retirement of 2.59% and 1.09% respectively, the increase in pensions in payment of 2.99% (for RPI capped at 5% p.a.), and the average life expectancy from normal retirement age (of 65) for a current male pensioner of 22.0 years, female 24.4 years, and 23.7 years for a male pensioner, female 26.1 years, retiring in 20 years time. The result of the valuation showed that the actuarial value of the assets was £146.1m. This represented 79% of the benefits that had accrued to members.

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

The valuation prepared as at 1 May 2020 showed that the YMCA Pension Plan had a deficit of £36 million. Worcestershire YMCA has been advised that it will need to make monthly contributions of £3,160.65 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.

	Within 1 year £	One to two years £	Two to five years £	After five years £	After more than one year £	Total 2021 £	Total 2020 £
As at 31 March 2021	<u>49,065</u>	<u>49,065</u>	<u>147,196</u>	<u>147,198</u>	<u>343,459</u>	<u>392,524</u>	-
As at 31 March 2020	<u>47,636</u>	<u>47,636</u>	<u>142,909</u>	<u>95,272</u>	<u>285,818</u>		<u>333,454</u>

In addition, Worcestershire YMCA Limited and Worcester YMCA 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 Worcestershire YMCA Limited and Worcester YMCA may be called upon to pay in the future.

WORCESTERSHIRE YMCA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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YMCA contributory pension scheme

All staff are eligible for employers' pension contributions to be paid to a stakeholder or equivalent contributory personal pension scheme, with the level of contribution depending on their own level of contribution. The Association has no liability beyond the payment of its agreed monthly contributions.

The chief executive participates in the YMCA contributory pension scheme with an agreed level of contribution being paid by the Association. The Association has no liability beyond the payment of its agreed monthly contributions.

The total pension charge for the year is shown in note 7. The amount outstanding at the year-end was £7,534 (2020: £9,749).

22 Contingent liabilities

The Social Housing Grants are repayable under certain circumstances (for example the sale of properties).

As detailed in note 21 above, Worcestershire YMCA Limited and Worcester YMCA may incur liabilities in the event of the non-payment by other participating YMCA's of their share of the YMCA Pension Plan's current deficit. The method of allocation of the deficit has not yet been finalised and the future ability of other participating YMCA employers to meet their obligations cannot presently be determined. No provision for any liability that may arise has been made in these financial statements.

23 Capital commitments

There were no capital commitments at the balance sheet date (2020: £nil).

24 Financial commitments

Financial commitments under non-cancellable operating leases will result in the following payments falling due:

	2021 £	2020 £
Contracts expiring		
Within one year	133,724	28,837
Within two to five years	79,644	63,337
Over five years	225,600	239,700
	438,968	331,874
	438,968	331,874

WORCESTERSHIRE YMCA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

25 Related Party Transactions

During the year Worcester YMCA made loans and recharged expenses to Worcestershire YMCA Limited amounting to £277,021 (2020: £148,727). Worcestershire YMCA owed Worcester YMCA £613,376 (2020: £336,355) at the year end.

Little Treasurers Limited, subsidiary of Worcester YMCA repaid loans amounting to £590 (2020: made loans and recharged expenses of £217,200) to Worcestershire YMCA Limited. Worcestershire YMCA owed Little Treasures Limited £28,982 at the year end (2020: £29,572).

Little Treasurers Limited, subsidiary of Worcester YMCA repaid loans and covenanted income amounting to £125,000 to Worcester YMCA. (2020: £245,104) during the year. £366,455 (2020: £491,455) was owed by Little Treasures Limited at the year end.

Worcester YMCA made loans, recharged expenses and received covenanted income to/from First Class Nursery (Kidderminster) Limited, subsidiary of Worcester YMCA, amounting to £156,895 during the year (2020: £106,143). £263,038 was owed to Worcester YMCA at the year end (2020: £106,143).

During the year First Class Nursery (Kidderminster) Limited loaned £100,000 to Little Treasures Limited – this amount was outstanding at the year end (2020: £nil).

During the year Worcestershire YMCA Limited made loans of £11,552 (2020: £3,883) to First Class Nursery (Kidderminster) Limited. At the year end Worcestershire YMCA Limited was owed £15,435 (2020: £3,883) by First Class Nursery (Kidderminster) Limited.

The movements relate to net cash movements during the year and the recharges etc. noted above.

26 Legal status of the charitable company

The company is registered under section 2 of the Housing Act 1996 (number LH3687) and continues to be a registered charity. The company is established as a registered social landlord with no share capital. The Association is limited by guarantee with members required to contribute up to a maximum of £1 each, should there be a deficiency on winding up. The charitable company is governed by its articles of association.

27 Ultimate controlling party

Worcestershire YMCA Limited is controlled by its Board of Trustees.