

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

CONTENTS

	Page
Report of the Board	2 – 15
Report of the Auditors	16 – 19
Consolidated Statement of Comprehensive Income	20
Company Statement of Comprehensive Income	21
Consolidated Statement of Changes in Reserves	22
Company Statement of Changes in Reserves	23
Consolidated Statement of Financial Activities	24
Consolidated Statement of Financial Position	25
Consolidated Statement of Cash Flows	26
Notes to the Financial Statements	27 – 50

**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
REPORT OF THE BOARD**

<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.

**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
REPORT OF THE BOARD**

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
REPORT OF THE BOARD**

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.

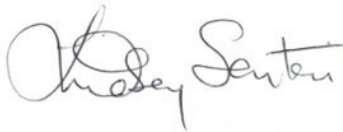
Our main objectives for next year:

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

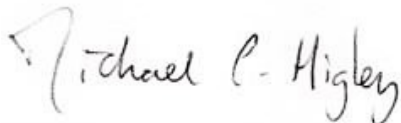


LINDSAY SARTORI
Chair
19 June 2023

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

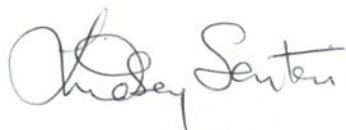
Date: 23 June 2023

Worcestershire YMCA Limited

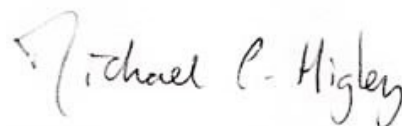
CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME FOR THE
YEAR ENDED 31 MARCH 2022

	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.

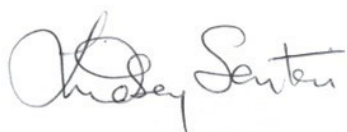
The accompanying notes form part of these financial statements.

Worcestershire YMCA Limited

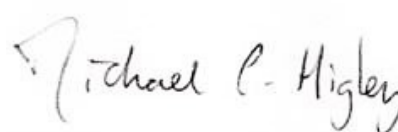
COMPANY STATEMENT OF TOTAL COMPREHENSIVE INCOME FOR THE
YEAR ENDED 31 MARCH 2022

	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			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
Surplus from statement of comprehensive income	(36,802)	-	-	(36,802)
Transfer between funds	(2,522)	2,522	-	-
	_____	_____	_____	_____
Balance at 31 March 2022	1,904,876	2,393,761	-	4,298,637
	=====	=====	=====	=====

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	<hr/>	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
		_____	_____
Net cash (outflow)/inflow from returns on investments and servicing of finance		(61,494)	(57,074)
		_____	_____
Capital expenditure			
Payments to acquire tangible fixed assets		(12,742)	(9,105)
Proceeds from sale of fixed assets		-	126,116
Acquisition of subsidiary		-	-
		_____	_____
Net cash (outflow) / inflow from capital expenditure		(12,742)	117,011
		_____	_____
Financing			
Net movement in short term borrowings		(8,311)	547
Net movement in long term borrowings		(63,608)	(74,499)
		_____	_____
Net cash (outflow)/inflow from financing		(71,919)	(73,952)
		_____	_____
Net change in cash and cash equivalents	19	(1,453)	268,929
		=====	=====

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	2,238,108	702,440	2,940,548	2,620,490
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

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
	248,726	247,531
	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
	71,869	44,270
	71,869	44,270

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)
Net assets		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
	144,702	282,944
	144,702	282,944

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)
	182,976	70,466	-	253,442
	182,976	70,466	-	253,442

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.