

Worcestershire YMCA Limited

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

WORCESTERSHIRE YMCA LIMITED

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**WORCESTERSHIRE YMCA LIMITED
REPORT OF THE BOARD**

Reference and Administration Information

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

Key Management Personnel

Chief Executive & Company Secretary	Dr Annette Daly
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Board of Trustees

The Board is composed of the following individuals:

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

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

Registered Office

Gordon Anstis House
Loxley Close
Redditch
Worcestershire
B98 9JS

Auditors

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

Bankers

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

Solicitors

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

WORCESTERSHIRE YMCA LIMITED

REPORT OF THE BOARD

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

Constitution

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

Organisational structure

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

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

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

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

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

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

Recruitment and appointment to the Board

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

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

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

WORCESTERSHIRE YMCA LIMITED REPORT OF THE BOARD (continued)

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

Board member induction and training

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

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

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

Code of Governance

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

Statement of Board responsibilities

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

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

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

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

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

WORCESTERSHIRE YMCA LIMITED
REPORT OF THE BOARD (continued)

Provision of information to auditors

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

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

Corporate Governance – internal financial control

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

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

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

- formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the Association's assets;
- experienced and suitably qualified staff take responsibility for important business functions; annual appraisal procedures have been established to maintain standards of performance;
- forecasts and budgets are prepared which allow the Board and management to monitor the key business risks and financial objectives, and progress towards financial plans set for the year and the medium term; regular management accounts are prepared promptly, providing relevant, reliable and up to date financial and other information and significant variances from budgets are investigated as appropriate; and
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Board members and others.

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

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

Strategic Report

Risk management

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

WORCESTERSHIRE YMCA LIMITED
REPORT OF THE BOARD (continued)

Risk management (continued)

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

Financial Review

Reserves

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

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

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

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

WORCESTERSHIRE YMCA LIMITED
REPORT OF THE BOARD (continued)

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

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

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

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

Employment of disabled persons

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

Objects and activities

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

The Association's objects and principal activities are to:

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

WORCESTERSHIRE YMCA LIMITED
REPORT OF THE BOARD (continued)

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

Strategy

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

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

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

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

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

We measure the success of the strategy:

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

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

Review of activities

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

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

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

WORCESTERSHIRE YMCA LIMITED

REPORT OF THE BOARD (continued)

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

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

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

Nurseries

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

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

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

HMP Hewell Rainbow Project

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

Youth Work

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

Community Centres

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

Housing and Support

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

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

WORCESTERSHIRE YMCA LIMITED
REPORT OF THE BOARD (continued)

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

Value for Money (VFM)

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

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

Regulatory Metrics

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

Commentary

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

In respect of our indicators our comments are as follows:

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

WORCESTERSHIRE YMCA LIMITED
REPORT OF THE BOARD (continued)

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

Public Benefit

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

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

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

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

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

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

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

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

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

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

Plans for future periods

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

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

WORCESTERSHIRE YMCA LIMITED
REPORT OF THE BOARD (continued)

Our main objectives for next year:

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

By order of the Board

Gordon Anstis House
Loxley Close
Redditch
Worcestershire
B98 9JS



LINDSAY SARTORI
Chair
17 July 2024

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

Opinion

We have audited the financial statements of Worcestershire YMCA Limited (the "parent Association") and its subsidiaries ("the group") for the year ended 31 March 2023 which comprise the Consolidated Statement of Total Comprehensive Income, the Company Statement of Total Comprehensive Income, the Consolidated Statement of Changes in Reserves, the Company Statement of Changes in Reserves, the Consolidated Statement of Financial Activities, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent Association and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Board (incorporating the strategic report).

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

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

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

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

Responsibilities of the Trustees

As explained more fully in the Statement of Board responsibilities set out on page 4 the trustees (who are also the directors of the Association for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with these Acts.

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

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

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

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

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

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

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

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

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

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

Use of our report

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

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

Simon Atkins FCA (Senior Statutory Auditor)

for and on behalf of

Cooper Parry Group Limited
Statutory Auditors

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

Date: 23 July 2024

WORCESTERSHIRE YMCA LIMITED

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

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

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



Lindsay Sartori
Chair

The consolidated results relate wholly to continuing operations.

The accompanying notes form part of these financial statements.

WORCESTERSHIRE YMCA LIMITED

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

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

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



Lindsay Sartori
Chair

The consolidated results relate wholly to continuing operations.

The accompanying notes form part of these financial statements.

WORCESTERSHIRE YMCA LIMITED

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

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

WORCESTERSHIRE YMCA LIMITED

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

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

WORCESTERSHIRE YMCA LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 MARCH 2023

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

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

WORCESTERSHIRE YMCA LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
YEAR ENDED 31 MARCH 2023

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

Approved by the Board on 17 July 2024



Lindsay Sartori
Chair

The accompanying notes form part of these financial statements.

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

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

The accompanying notes form part of these financial statements.

WORCESTERSHIRE YMCA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

1 Legal status

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

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

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

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

2 Accounting policies

The principal accounting policies of the company are as follows:

Basis of accounting

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

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

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

Consolidated financial statements

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

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

Business Combinations

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

Going concern

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

WORCESTERSHIRE YMCA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

Incoming resources

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

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

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

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

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

Supporting People Grant

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

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

Resources expended

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

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

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

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

WORCESTERSHIRE YMCA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

Tangible fixed assets – housing properties

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

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

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

Other tangible fixed assets

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

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

Restricted reserves

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

Designated reserves

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

Housing Properties

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

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

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

Investments

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

WORCESTERSHIRE YMCA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

Pensions

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

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

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

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

Taxation

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

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

Value Added Tax (VAT)

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

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

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

Operating leases

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

Loan Interest Costs

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

Borrowings

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

WORCESTERSHIRE YMCA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

Provisions

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

Critical areas of judgements and key sources of estimation uncertainty

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

Leases

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

Useful lives of depreciable assets

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

Revaluation of land and buildings

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

Multi period income agreements

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

YMCA pension (estimation uncertainty)

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

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

3 Incoming resources from Housing Activities

Income was generated entirely within the UK and comprised:

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

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

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

3 Incoming resources from housing activities (continued)

Social housing income and expenditure

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

Void losses are detailed above.

Units under management

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

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

WORCESTERSHIRE YMCA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

4 Operating surplus

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

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

5 Interest receivable and similar income is wholly unrestricted in nature

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

Interest receivable and similar income is wholly unrestricted in nature.

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

6 Resources expended

a) Property management, maintenance and service costs

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

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

Indirect resources expended are allocated on a staff time basis.

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

7 Employee costs

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

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

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

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

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

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

8 Employee costs – senior leadership team

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

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

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

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

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

9 Interest payable and similar charges

Interest payable and similar charges comprised mortgage interest.

10 Taxation

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

WORCESTERSHIRE YMCA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

11 Housing properties – Group

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

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

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

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

Capital commitments are disclosed in note 22.

WORCESTERSHIRE YMCA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

11 Housing properties – Group (continued)

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

Housing properties – Association

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

WORCESTERSHIRE YMCA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

12 Other tangible fixed assets - Group

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

Other tangible fixed assets – Association

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

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

13a Investments

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

13b Goodwill

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

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

13c Investments: wholly controlled subsidiary undertakings

The parent charitable company wholly controls the following charitable company:

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

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

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

Statement of total comprehensive income

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

WORCESTERSHIRE YMCA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

13c Investments: wholly controlled subsidiary undertakings (continued)

Consolidated Statements of financial position

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

14 Debtors

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

WORCESTERSHIRE YMCA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

15a Creditors: amounts falling due within one year

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

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

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

15b Creditors: amounts falling due within one year

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

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

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

WORCESTERSHIRE YMCA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

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

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

Interest is payable on the loans at normal commercial rates.

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

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

16 Movement in funds – Group

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

WORCESTERSHIRE YMCA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

Designated

Financed fixed assets

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

Restricted

Prison Contract – HMP Hewell

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

Supporting People

Provision of support for vulnerable homeless young people.

Redditch Youth

Provision of positive activities for young people in Redditch.

National Citizen Service

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

BBO Job Coach

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

Bromsgrove Youth

Provision of positive activities for young people in Bromsgrove.

Redditch Borough Council Community Grants

Provision of counselling services.

16 Movement in funds – Group – prior year

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

WORCESTERSHIRE YMCA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

17 Analysis of net assets between funds

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

Analysis of net assets between funds – Prior year

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

WORCESTERSHIRE YMCA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

18 Cash outflow from operating activities

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

19 Analysis of cash and cash equivalents

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

20 Pension commitment

Worcestershire YMCA participated in a contributory pension plan providing defined benefits based on final pensionable pay for employees of YMCAs in England, Scotland and Wales. The assets of the YMCA Pension Plan are held separately from those of Worcestershire YMCA and the year-end these were invested in the Mercer Dynamic De-risking Solution, 62% matching portfolio and 38% in the growth portfolio and Schroder (property units only). The Pension Plan was closed to new members and future service accrual with effect from 30 April 2007. With the removal of the salary linkage for benefits all employed deferred members became deferred members as from 1 May 2011.

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

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

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

WORCESTERSHIRE YMCA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

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

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

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

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

YMCA contributory pension scheme

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

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

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

WORCESTERSHIRE YMCA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

21 Contingent liabilities

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

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

22 Capital commitments

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

23 Financial commitments

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

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

24 Related Party Transactions

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

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

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

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

WORCESTERSHIRE YMCA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

24 Related Party Transactions (continued)

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

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

25 Legal status of the charitable company

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

26 Ultimate controlling party

Worcestershire YMCA Limited is controlled by its Board of Trustees.